The Value of Values: Why We Should Care About Business Ethics & Compliance

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Supreme Court Fellows Program


The Ethics of Downsizing, Ethikos 6 (January/February 2014).


AGENDA

THE VALUE OF VALUES
CORPORATE CULTURE
LEGAL vs. ETHICAL
ENFORCEMENT TRENDS

THE VALUE OF VALUES

HOW MANY OF YOUR COMPANIES HAVE A MISSION STATEMENT?

HIRE FOR MISSION?
PROMOTE FOR MISSION?
DISCIPLINE FOR MISSION VIOLATIONS?

IF THE CEO TAPPED AN EMPLOYEE ON THE SHOULDER, COULD THEY EXPLAIN THE MISSION?
... organization shall “promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.”  USSG § 8B2.1(a)(2) (November 1, 2004)
Leadership

And it’s about the four "types" that represent the way we evaluate and deal with our existing leaders. Type I: shares our values; makes the numbers—sky’s the limit! Type II: doesn’t share the values; doesn’t make the numbers—gone. Type III: shares the values; misses the numbers—typically, another chance, or two.

None of these three are tough calls, but Type IV is the toughest call of all: the manager who doesn’t share the values, but delivers the numbers; the "go-to" manager, the hammer, who delivers the bacon but does it on the backs of people, often "kissing up and kicking down" during the process. This type is the toughest to part with because organizations always want to deliver—it’s in the blood—and to let someone go who gets the job done is yet another unnatural act. But we have to remove these Type IVs because they have the power, by themselves, to destroy the open, informal, trust-based culture we need to win today and tomorrow.

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<th>Shares Values</th>
<th>Type III</th>
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<th>Does Not Share Values</th>
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Reputation
Warren Buffett: It takes 20 years to build a reputation and five minutes to ruin it.

We can afford to lose money, but not our reputation. How would you feel about your actions, if your family read about them on the front page of the newspaper?

If you lose money for the firm I will be understanding. If you lose a shred of reputation for the firm, I will be ruthless.

ETHICAL ISLANDS
RAISE YOUR HAND IF YOU CONSIDER YOURSELF ETHICAL DO YOU THINK YOU ARE “MORE ETHICAL” THAN YOUR CO-WORKERS?

DISCUSSING ETHICS IS DIFFICULT, BUT TALKING ABOUT IT ALLOWS YOU TO SEE YOUR COLLEAGUES ARE ALSO CONCERNED ABOUT ETHICS THIS CAN EMPOWER PEOPLE TO “PUSH” BACK, WHEN ASKED TO DO SOMETHING YOU BELIEVE IS IMPROPER

Lynn Brewer - Confessions of An Enron Executive: A Whistleblower’s Story

http://www.theintegrityinstitute.org/
PARABLE OF THE SADHU

LAW v. ETHICS

HOW COULD BUZZ MCCOY EVEN CONSIDER LEAVING THE SADHU? IS HE INHERENTLY EVIL?

WHAT ARE SOME OF THE FACTORS GOING THROUGH BUZZ’S MIND WHEN HE’S MAKING A DECISION WHETHER TO SAVE THE SADHU?

HOW WAS THE SADHU DRESSED? DID HE ACCEPT RESPONSIBILITY FOR HIS OWN ACTS?

HOW OFTEN WILL YOU GET A 6 MONTH SABBATICAL?
PARABLE OF THE SADHU

IS THERE A LEGAL DUTY TO RESCUE?
WHAT ABOUT AN ETHICAL DUTY?
WHAT'S THE DIFFERENCE

STRICT CONSTRUCTIONIST
BLACK
WRONG
ILLEGAL
EVIL
WHITE
RIGHT
LEGAL
GOOD
PARABLE OF THE SADHU

WHO WAS THE "LEADER" OF THE GROUP?

WHAT ARE THE CHARACTERISTICS OF A "LEADER"?

Listening to the Quietest Voice in the Room

“If everyone has a sense of long-term stewardship over our assets every day, then people will also start to speak up more if they have concerns. I want us to sharpen our everyday attitude to operational and technical risk, to ensure it is the norm for people on the frontline to speak about risk, and for managers to listen.”

Bob Dudley, CEO of BP
Replaced former CEO, Tony Haywood
July 27, 2010

“I don’t assume that I always know the answer to something. I can draw on years of experience and intuition, but we need to be constantly enquiring and learning and listening to everyone – including the quietest voice in the room. We have to keep thinking the unthinkable – be it operational, financial or compliance risk. Nobody has all the answers. Only by working together and making the most of everyone’s capabilities will we begin to move the company forward.”
WHAT WILL BE YOUR LEGACY?

MILITARY
GOD, COUNTRY, CORPS
DUTY & HONOR
LONG TERM
HOW DO I SERVE OTHERS

MERCENARIES
SELL SERVICES TO THE
HIGHEST BIDDER
SHORT TERM VIEW
WHAT’S IN IT FOR ME?

ANY QUESTIONS?
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Rakesh Khurana, Professor Harvard Business School, NPR Weekend Edition, 2/14/09