# WHAT WOULD YOU DO?

A Comparative Cultural Analysis of
Common Compliance Scenarios

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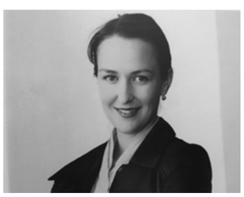
## Introductions



Andrijana Bergant

- Independent Compliance and Integrity Professional, director at INETICO;
- Over 10 years of experiences in corporate compliance and ethics leadership; insurance and banking industry;
- Specialized for regulatory compliance management, education and training, compliance risk management, compliance and ethics culture, general internal governance;
- Leader of local compliance community.





## Introductions

Samantha Kelen

- Lead Ethics Analyst, Duke Energy
- Master's in Business Ethics and Compliance
- Certified Ethics and Compliance Professional
- 10+ years in the E&C in healthcare and energy

## Values in Conflict

- Businesses have goals and objectives, typically such as generating income
- Objectives can interfere with a commitment to the company's culture and values
- E&C professionals are an organization's conscience





## Ethical Dilemma Theories

- The Utilitarian Approach
- The Rights Approach
- The Fairness or Justice Approach
- The Common-Good Approach
- The Virtue Approach





## Methods for Resolution

- Code of conduct
- Policies
- Decision-making resources
- Ethics and compliance committee
- Ethics and compliance office
- Ethics hotline
- Internal or external legal advice

## Decisions, Decisions

- Personal conscience can be conflicted as well
  - Is this the right battle to fight?
  - Risk vs. what's right
  - Be the change from within
  - When have you done enough?



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## Resources for E&C Professionals

- Industry organizations
  - SCCE
  - ECI
- Online communities
  - Navex
  - LinkedIn
- Local peer networks
- Mentors
- Internal allies



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## Scenario 1 – Sorry, I don't have time

A commercial director is in delay of complying with compliance recommendations for several months, always giving you explanations why they couldn't get on to these recommendations (adjusting to new IT tool in sales, meeting quarterly sales targets etc.…).

***What do you do? What do you need to specially consider?***

## Scenario 2 – I need you to…

You have been assigned with new task and responsibilities (which nobody in an organization wants), which you think do not really fit in a compliance department. Although you have already argued this, you have to assume the job.

***What do you do? What do you need to specially consider?***





## Scenario 3 – You want what?

Your compliance workload is already overflowing and requirements in your field are increasing (legislation, expectations of the board, supervisory board, regulator, needs of business areas ...). You need additional resources, but the company wants to reduce costs in all departments.

***What do you do? What do you need to specially consider?***





## Scenario 4 – Shades of grey

In a particular business arrangement, the Legal department doesn't see any legal reservations, after the arrangement was written in a way that is not in direct conflict with the law. You do not agree with this, because you see compliance and ethics issues and think that the arrangement by content is not in the spirit of the law.

***What do you do? What do you need to specially consider?***

## Scenario 5 – Crisis at the top

You have identified a serious compliance breach in which director of the area concerned and a management board member are directly involved.

***What do you do? What do you need to specially consider?***





## Scenario 6 – But don't do anything…

In a canteen at lunch, a colleague from another department confidentially tells you about a particular non-compliant practice, which is well rooted in organization's processes and would cause huge costs for fixing... He doesn't want to file a formal report of the issue.

***What do you do? What do you need to specially consider?***





## Difficult Conversations

**Why are some conversations difficult?**

- Contradiction in values, expectations, objectives
- Personality clash, difficult personalities…
- Crisis situation
- High loss possibility
- Other kinds of pressure

## Basic Principles for Resolving Difficult Conversation

- Clarify the situation
- Focuse at the ultimate objective (put your ego aside)
- Look for one common interest
- Start conversation by stressing the ultimate objective and by listening to the other side
- Show understanding of the other side and their reasons
- Reflect, mirror, ask questions
- Use some helpful *phrases… but take caution**
- PREPARATION – you are going to be negotiating!

*Can every difficult conversation be resoled ?*





## Practical Framework for Resolving Difficult Conversations

**Start by** Defining THE ISSUE: all Aspects, Details, Information, Data, Persons involved or interested…

**YOUR PERSPECTIVE**

1. Why is this subject matter important to me?
2. What interests do I represent or wish to protect?
3. What are my objectives for this conversation?
4. What am I not willing to compromise and which arguments will I use?
5. What is my concerns about the conversation, what do I have to loose?

**OTHER PARTY'S PERSPECTIVE**

1. What are other party's interests, why is this important to them?
2. What could they be worried about, what do they have to loose?
3. What objections and arguments should I expect?

***WHAT COULD BE OUR COMMON GROUNDS?***





## Work in Pairs….

1. Each define your own difficult situation on a spread sheet.
2. Agree on who goes first.
3. Explain to your partner the situation and what role are they supposed to play.
4. Lead a conversation using the spread sheet.
5. Exchange the roles, using another one's case.

# Benchmarking

We have asked our colleagues from US and Europe about these same scenarios.

Here is what they shared…