



WHY INTEGRITY AND ACCOUNTABILITY SOUND LOUDER THROUGH THE VOICE OF BUSINESS

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When we look at our global integrity, anti-corruption and accountability programs, be they an anti-bribery and/or ethics initiative, a compliance manual, or even a code-of-conduct, many of those plans were initially developed through a criminal law lens. And there's nothing wrong or peculiar about those efforts. For example, many of our anti-bribery laws, including Canada's Corruption of Foreign Public Official Act, and France's Sapin II, were recent developments, so it's natural that compliance leaders would look to develop a framework that intertwines with such regulatory requirements. That's certainly a legal, compliance and internal-control challenge for today's multinationals, operating in multiple jurisdictions, where extra-territorial and local laws are not necessarily homogenized.

When I first started consulting and writing about ethics, compliance and integrity challenges (in 2014), most of the discourse was around and about "what do the regulators want," where corporations were very focused on the foundational components of a "defensible program." And that's when I started to ponder, "Does a program that might satisfy the regulators automatically translate into one where ethics, integrity and accountability are embraced by a commercial workforce as a partner to success?" In other words, is a compliance program, which is pointed towards fulfilling regulatory requirements if there's ever a problem (either self-reported or discovered), mean that it's equally understood by the workforce?

The more I started working with organizations and interacting with compliance and commercial leaders, the more I started to see that ethics, integrity and accountability as only articulated through compliance leaders, with a focus on policies, rules and procedures, sounded very much like a support function. Where that occurs, the lack of a rule might lead one to believe that a particular action or interaction is permissible. As Max Bazerman and Ann Tenbrunsel share in *Blind Spots*, "the primary danger of compliance systems lies in their contortion of the decision-making process. Suddenly, instead of doing the right thing, employees focus on calculating the costs and benefits of compliance and non-compliance," unaware of "what ethical implications might arise from this decision."

But just like our external environment and risk profiles evolve, so does our compliance world. A few years ago I started to notice a certain amount of compliance fatigue, and that wasn't fatigue among the commercial workforce, as expressing exhaustion with compliance training and initiatives. Rather, it was among compliance leaders conveying frustration with commercial leadership as not taking ethics, integrity and accountability as seriously as they were, but still thinking of it as a "a support function." And then, as those 'defensible programs' started to evolve, I started to see first-hand where compliance leaders started to become a major part of the discourse at business leadership meetings. Where among the usual topics of forecasting, planning, and strategy, was a robust discussion around the importance of "how we are going to achieve those objectives and execute on strategy, in a way that aligns with our goals" with engaging and thought provoking exchanges between compliance and business leadership.

But is such a shift really a necessary and significant one? I would argue yes, if our goal is to reduce the gap between integrity, accountability, and business practices.

In any organization that is committed to top line growth, values are going to get challenged. Especially where some of that growth is expected in emerging markets, where we know that lucrative business opportunities and corruption risk is intertwined. Those are the places where ethics and integrity can look complex and gray- where tension can develop between the pressure to comply and the pressure to succeed. And that's a normal, healthy and inherent part of any organization committed to growth. In other words, there's nothing wrong with such tension. But it's who people are turning to, and who they shouldn't be turning to, when they encounter an ethical struggle, that matters.

In dealing with such complexities, I now see business leaders, including those with P & L responsibility, as well as those in middle-level management, embracing how we can be both competent and confused in our pursuit of commercial objectives. They do this by keeping the volume up as to the importance of "how business gets done," even when facing the challenges of "getting the business done." While we often speak of tone at the top, for those who work remotely in disbursed parts of a global organization, that business leader, is the tone at the top, as representing the voice of management. And I didn't invent this rule, but we tend to listen a bit closer to those who have a voice in our objectives and performance evaluations.

So when those commercial leaders, especially in mid-level management, through dialog and action, as opposed to intranet messages and fancy wall-posters, are making it clear that ethics, integrity and accountability are not a support function, but a vital part of how business is conducted through ethical and sustainable business practices, then those stated values become operationalized. Not only through the voice of compliance, but through the corporate and commercial narrative. That's turning principles into practice. When that happens, ethics, integrity and accountability sound a lot louder, as anchored and intertwined to daily operations, through the impact of business leadership.

So, what can your organization do to turn the volume up on Integrity and Accountability? A few suggestions:

- At the next meeting where a compliance leader(s) is presenting to the commercial workforce, try an introduction by someone in business leadership, even the CEO, or as I have recently observed, by someone on the Board. Imagine the spoken and unspoken messages to attendees when a compliance leader is introduced by someone with significant managerial and commercial responsibility.
- Most organizations have very outward facing messages of ethics, integrity, compliance and sustainability on their website. Many multinationals are very focused on sharing their values with external stakeholders, yet when I put those messages up on my presentations and ask attendees if they know where they came from, many don't. Accordingly, spend some time with your marketing department and focus on an initiative on how important those values are internally. That's the why of compliance, as going beyond policies, rules and procedures, as to avoid the peril described by Bazerman and Tenbrunsel. And have those values shared in a campaign that's not launched only by compliance leaders, but in combination with compliance and business leaders.
- Take your ethical and integrity success, as well as failures, and turn them into workshops across the enterprise. Think of them as "growth-shops." In addressing failures or lapses, compliance and commercial leaders can talk about what happened, how it could have been avoided before it started, and how it could have been corrected and addressed earlier. What were the root causes, and what are the lessons learned? Turn those successes and failures into actionable items across functions.

- Bring in your support functions when you are addressing ethics and integrity. It takes a village to do something right, and to do something wrong. Do the teams in those support functions, including sales order processing, finance, manufacturing, logistics, etc., think of themselves as ethics and integrity ambassadors, or just small gears in a large organizational operation? When functions are not collaborating, cooperating and communicating, integrity and ethics can slip between the organizational gaps. Always make sure that everyone in the organization is empowered as an important voice and member of the ethics, compliance and integrity team!

These are all initiatives that don't require an outside consultant or third party to lead. It's about using the internal resources you have, and to make everyone aware that compliance isn't a support function or team, but that everyone in the organization, no matter where on the organizational chart, is a compliance ambassador. It's about everyone leaning in together to make sure that what you want to happen on the front-lines of operations actually happens, and that no one is alone when struggling with an ethical decision!

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