Balancing the scales between Compliance and Ethics

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Introductions

Serco
Partner of governments, delivering public services
£3,248m Revenue  50,000+ employees

JL&M
Advises FTSE 250 companies
Leadership guidance, corporate communications, culture assessment
Closing the ‘saying’ ‘doing’ gap
Joining dots
Speaking truth to power
Today’s context

The ‘unprecedented’ global crisis triggered a different world
Risk, practice, regulation priorities are shifting
Interdependence and interconnectedness is the reality
Shift of emphasis to concerns about humanity away from JDI
Do YOU need to shift the balance of your work?
Where can you make the most positive impact now?

Question One
Which of these definitions most relates to what you believe Compliance to be?

1. Legal statutes and laws
2. Prevention of misconduct
3. Increased surveillance
4. Safety net for my company
5. Delivering organisational justice
6. A company’s licence to operate
Question Two
Which of these definitions most relates to what you believe Ethics to be?

1. Values-based behaviours for all
2. Values-based leadership
3. Doing the right thing
4. The spirit of the law, not just the letter of the law
5. Decision-making for the greater good
6. Who we are and what we stand for

Impact on culture
Culture?: ‘set of enduring and underlying assumptions and norms that determine how things are actually done in the organisation’

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<thead>
<tr>
<th>COMPLIANCE</th>
<th>ETHICS:</th>
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<tr>
<td>✓ Respect of the law</td>
<td>✓ Application of values</td>
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<tr>
<td>✓ What you must do</td>
<td>✓ How and why you do business</td>
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<td>✓ Rules to follow for each situation</td>
<td>✓ Individual judgement inspired by values</td>
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<tr>
<td>✓ Black and white</td>
<td>✓ Grey areas</td>
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<tr>
<td>✓ Prevents and punishes misconduct</td>
<td>✓ Promotes ethical conduct</td>
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Defining a culture of integrity

Guiding values and commitments make sense and are clearly communicated

Leaders are personally committed, will scrutinise their decisions and role model

Espoused values are integrated into normal channels of management decision making

Systems and structures support and reinforce the values

Managers are competent to make ethically sound day to day decisions

Employees (all) are held to account for ethical behaviour

The Fraud Triangle

- Opportunity [Compliance]
- Pressure [Leadership]
- Rationalization [Ethics]
We believe that to reinforce a high performance culture...

There must be clear alignment between E&C and leaders
There is joined up thinking across the organisation
There is a consistent understanding of crisis management drivers
Agree the delivery of short term commitments **WHILE** keeping a longer term view
Values-based decision-making enables a focus on the absolutely necessary
Keep a close eye on ethics and behaviours to ensure culture is not dented in tough times

Beyond Ethics and Compliance

In a time of crisis what value can an Ethics and Compliance department deliver?

- Pragmatism
- Risk focus
- Understanding and listening
- Concerns of senior management – Response – how can I support that?
- Connecting with individuals – offering support – (Everyone resource strapped)
- Help to carry the load
- Strong and regular communications
Individually capture in the CHAT box

...one thing you can do to better balance ethics (culture) and compliance in your organisation, particularly in light of our world today.

Questions?

THANK YOU