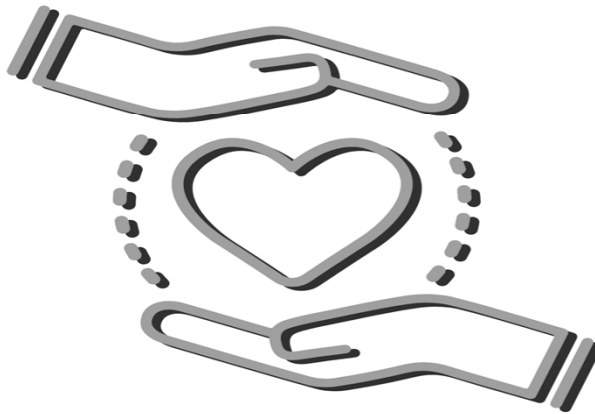


CULTURES OF INTEGRITY

Mary Shirley



Embedding a culture of integrity in a company's DNA.



1. How much budget are you willing to dedicate to culture initiatives in 2019?

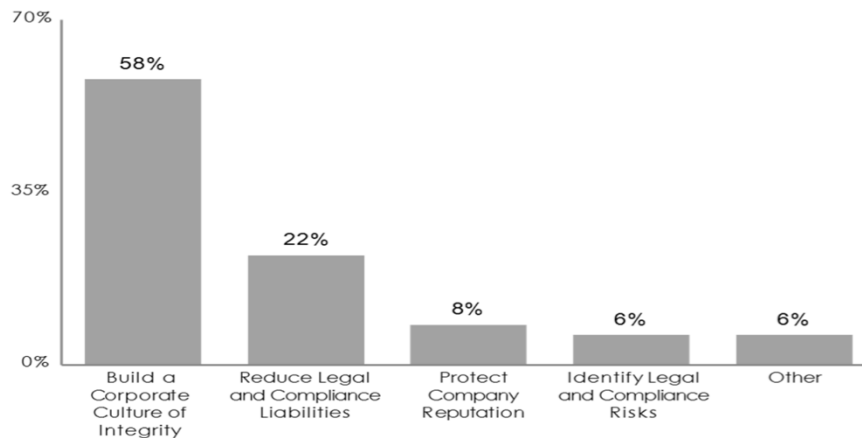
- a) I can get by on zero spend.
- b) Up to \$1,000
- c) \$1,000 - \$10,000
- d) \$10,000+

2. What is your biggest obstacle to promoting a culture of integrity?

- a) Lack of buy in from senior leaders.
- b) Lack of ideas for initiatives that will truly embed integrity into the DNA of the business.
- c) Lack of time given competing priorities.
- d) Other.

WORKING TOWARDS A CULTURE OF INTEGRITY

The Primary Goal of the Compliance and Ethics Program
Percentage of Respondents, 2016



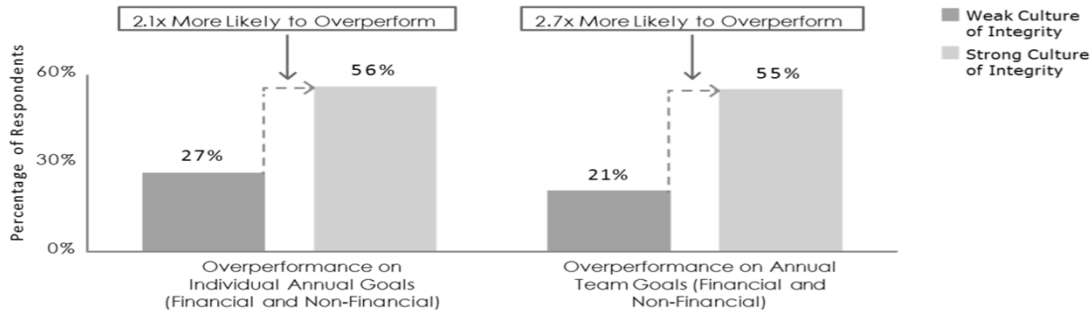
n = 171.

Source: 2016 CEB Compliance and Ethics State of the Function.

A Consistent Priority: Since 2010, building a culture of integrity has been the most frequently cited goal for the program by compliance and ethics officers.

THE VALUE OF STRONG CULTURE

Likelihood of Employee Overperformance in Strong vs Weak Cultures
Percentage of Respondents



n = 5,025.

Source: CEB Compliance and Ethics 2017 Global Culture Assessment.

The Impact of A Strong Culture of Integrity on Risk Management and Employee Outcomes

Employees in strong cultures of integrity are:

- **90%** less likely to observe misconduct.
- **1.5x** more likely to report observed misconduct.
- **2.1x** more likely to be engaged with their job and company.
- **2.4x** more likely to exhibit higher levels of discretionary effort

n = 1,941,735; n = 5,025.

Source: CEB RiskClarity 2008–2016 Benchmarks; CEB Compliance and Ethics 2017 Global Culture Assessment.

A GOOD COMMUNICATIONS PLAN IS NOT ENOUGH

- Embedding culture into a company's DNA requires more than a good communications plan
- A Compliance Week is not the answer to your culture prayers!
 - Don't confuse holding outreach and advocacy events as creating a culture of integrity

CONTINUED EFFORT AND REINFORCEMENT

Continued effort and reinforcement gets colleagues thinking deeply about ethics on a regular basis and makes sure that compliance considerations are inherently part of all business decisions.

1

Enforcing
patterns of
behavior

2

Widespread
reach and
visibility

3

Incentivizing
rather than
threatening



2018 CULTURE SURVEYS - BEHAVIORAL CLOCK INITIATIVE

Core Elements

- Create feedback mechanisms to help managers understand their ethical leadership behaviors and better gauge the consistency of the signals they send their teams.*
- Impose a self-reflection exercise with tips to guide them.

Recipe

- Aim a survey specifically at middle management.
 - Inclusion of compliance topics on the agenda at team meetings
 - Involvement of compliance staff at important meetings
- Meet with them afterwards to discuss self-assessment.
- Follow up with managers in a year, provide them with benchmarking information and best practice examples.
- Help managers plan for how they will send consistent messages about appropriate behaviors during times of increased business pressure or instability.*



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COMPLIANCE COMMENTS - BUILDING ON THE INITIATIVE

During interviews, note comments from influential managers about what they think of compliance

Ask if they would like to be a part of a communication plan to promote compliance

Create a poster using their faces and speech bubbles with the quote about what they think of compliance

Managers will be continuously and visibly accountable for their role-modeling

Use peer norming to nudge managers towards more progressive ethical leadership behaviors and create urgency to send stronger signals.*

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