



SCCE's 7th Annual

Compliance & Ethics Institute

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Beyond Compliance: Building a Values-Driven Workplace

Co-presenter:

Stephen M. Paskoff, Esq.
President
ELI

Co-presenter:

Randy Stephens, Esq.
Senior Director, Internal Audit-Compliance
The Home Depot



Society of Corporate Compliance and Ethics
6500 Barrie Road, Suite 250, Minneapolis, MN 55435, United States
www.corporatecompliance.org | +1 952 933 4977 or 888 277 4977



SOCIETY OF CORPORATE
COMPLIANCE AND ETHICS



Traditional Learning Initiatives

- Compliance has been the driver for behavior change.
- Emphasis is on legal risks, with an objective of minimizing litigation and legal violations.
- Behavioral standards have been based on legal requirements.
- Managers have learned reactive skills (e.g., contact HR or Legal), without developing skills to handle certain issues themselves.

Today's Workplace Realities

- More and more organizations are dealing with conduct that isn't illegal but conflicts with corporate values.
- The behaviors, whether they violate the law or not, are creating business harm.
- Values are often seen as “words on paper” or are left open to interpretation.
- HR is stretched to the limits, but managers don't have the skills to integrate values into the culture and address day-to-day behavioral issues themselves.

Going Forward

- Culture driven by internal values is at least as important as compliance driven by external requirements.
- Learning focused on building a values-driven culture – which encompasses legal requirements – will be more effective in addressing the full spectrum of behaviors that can impact the work environment.

Learning Initiatives: Key Components

- Top leadership involvement and commitment to building a values-based culture
- Coordination between and involvement of Compliance/Legal, HR, Diversity/EEO, departmental leadership, etc.
- Translation of values into clear, concise, and few behavioral standards
- Integration into other key business initiatives
- New managerial competencies
- Ongoing, not a quick fix or one-time event

Goals of a Compliance Program

- Values
- Company Benefit
- Legal
- Risk Analysis
- All of the Above

The Importance of Internal Values



Corporate Culture and Company Benefits

- Public Image
- Recruitment

Beyond Compliance – The 100 Best Companies to Work For

List based on responses to questions related to:

- Employee's attitudes about the management's credibility, job satisfaction and camaraderie
- Company's responses to questions about demographic makeup, pay and benefit programs, company's management philosophy, methods of internal communications, opportunities, compensation practices, and diversity efforts, etc.

Rank	Company	Job growth	U.S. employees
1	Google	60%	8,134
2	Quicken Loans	68%	4,920
3	Wegmans Food Markets	4%	35,302
4	Edward Jones	5%	31,451
5	Genentech	9%	10,842
6	Cisco Systems	17%	32,160
7	Starbucks	15%	134,013
8	Qualcomm	15%	10,095
9	Goldman Sachs	10%	13,764
10	Methodist Hospital System	11%	10,481

Beyond Compliance – The Most Admired Companies

To create the lists, executives, directors, and analysts were asked to rate companies on these eight attributes:

- **Quality of management**
- Quality of products and services
- Innovation
- Long-term investment value
- Financial soundness
- **People Management: Ability to attract, develop and keep talented people**
- Social responsibility



AMERICA'S MOST ADMIRABLE COMPANIES

[Top 20](#) [Full list](#) [Compe](#)
[No. 1s](#) [Best & Worst](#) [States](#)

Top 20

For the 20 most admired companies overall, FORTUNE's survey asked businesspe
admired most, from any industry.

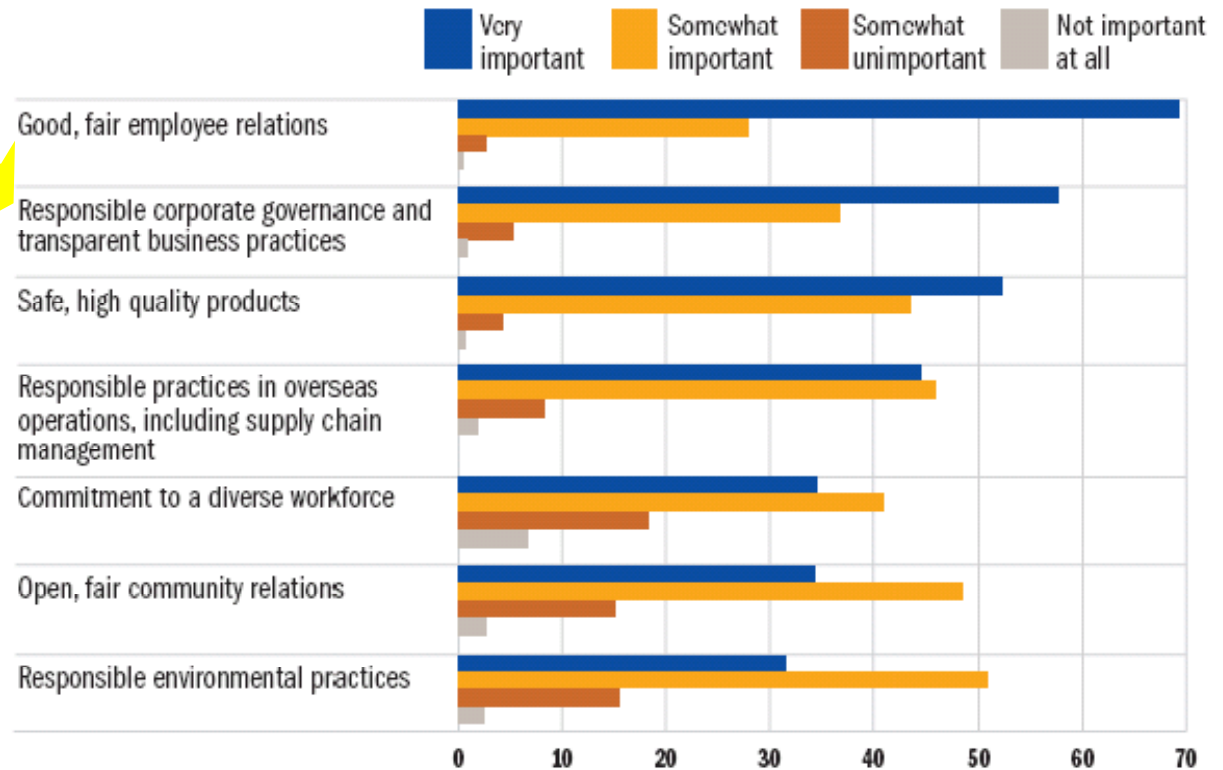
Rank	Company
1	Apple
2	Berkshire Hathaway
3	General Electric
4	Google
5	Toyota Motor
6	Starbucks
7	FedEx
8	Procter & Gamble
9	Johnson & Johnson

Recruitment - Aspen Institute 2007 MBA Study

As you decide whether to accept a job offer, how much importance will you place on whether your potential employer has:

- The most important factor in students' decisions about where to work is how well a company treats its employees.
- 2007 MBA students are also concerned about responsible corporate governance and the transparent business practices of a potential employer.
- A company's environmental practices and its commitment to diversity rank relatively low on their list of criteria when deciding where to work.

Please indicate whether each of the following is "very important," "somewhat important," "somewhat unimportant" or "not important at all."



From "Where Will They Lead?" Aspen Institute Center for Business Education, p.12

Today's Workplace Realities

Concerns are increasing about divisive, disruptive, and subtler problem behaviors involving conduct that is:

- Exclusionary
- Disrespectful
- Retaliatory
- Bullying
- Abusive
- Non-welcoming

Today's Workplace Realities

Concerns are increasing about divisive, disruptive, and subtler problem behaviors involving conduct that is:

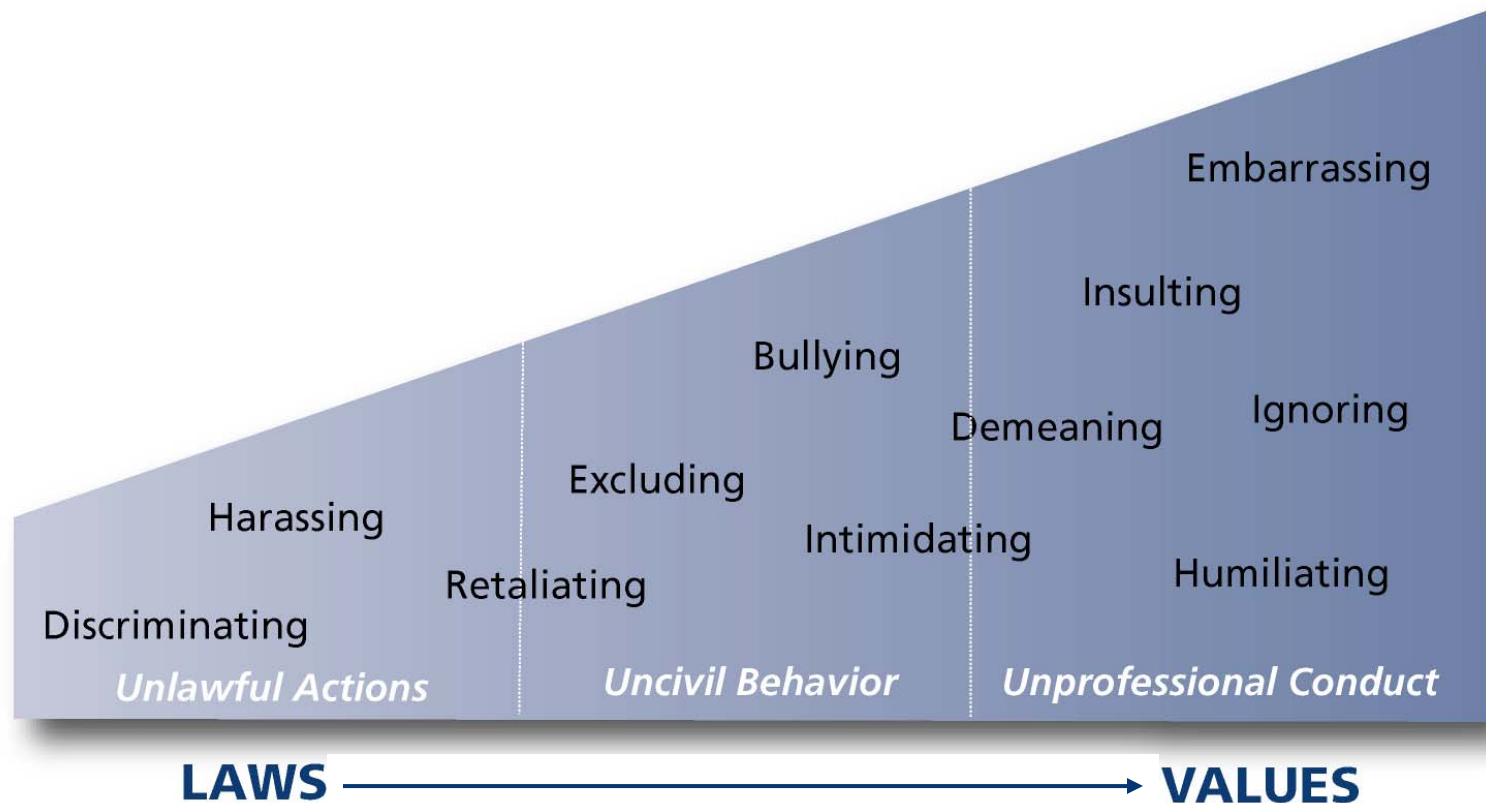
- Exclusionary
- Disrespectful
- Retaliatory
- Bullying
- Abusive
- Non-welcoming



And...

Focusing solely on legal risk won't address or change these behaviors

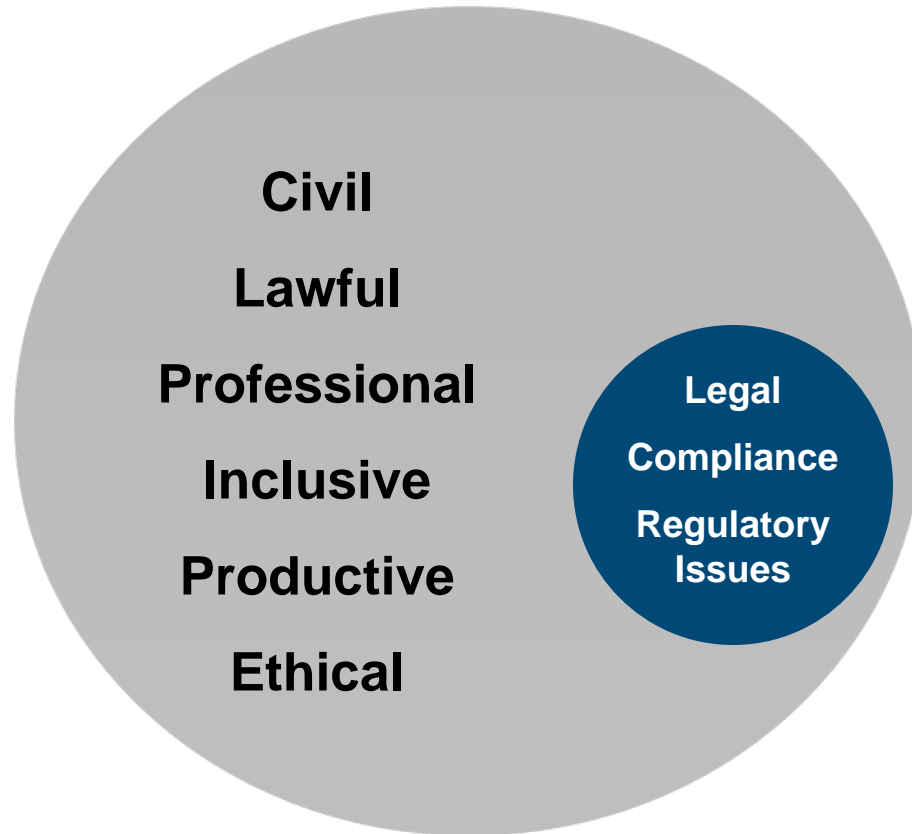
Beyond the Limits of the Law



Today's Workplace Realities

Legal
Compliance
Regulatory
Issues

Today's Workplace Realities Business Impact



Workplace Values

- Communication
- Respect
- Integrity
- Excellence

Workplace Values

- Communication
- Respect
- Integrity
- Excellence



Do these
resemble
your
values?

-
- Those are **Enron's** values. It's not the words, it's the **behaviors** and **conduct** that are important.

Developing Values-Based Leaders

- More and more, organizations are dealing with conduct that isn't illegal but conflicts with their **values** and **impacts business results**.
- Managers need to be able to do more than just react or call HR for help. They need new skills, not just an understanding of basic legal concepts.

A Model for Values Based Leadership

**Build a Strong
Foundation**

VALUES *(beyond law)*

CULTURE *(beyond compliance)*

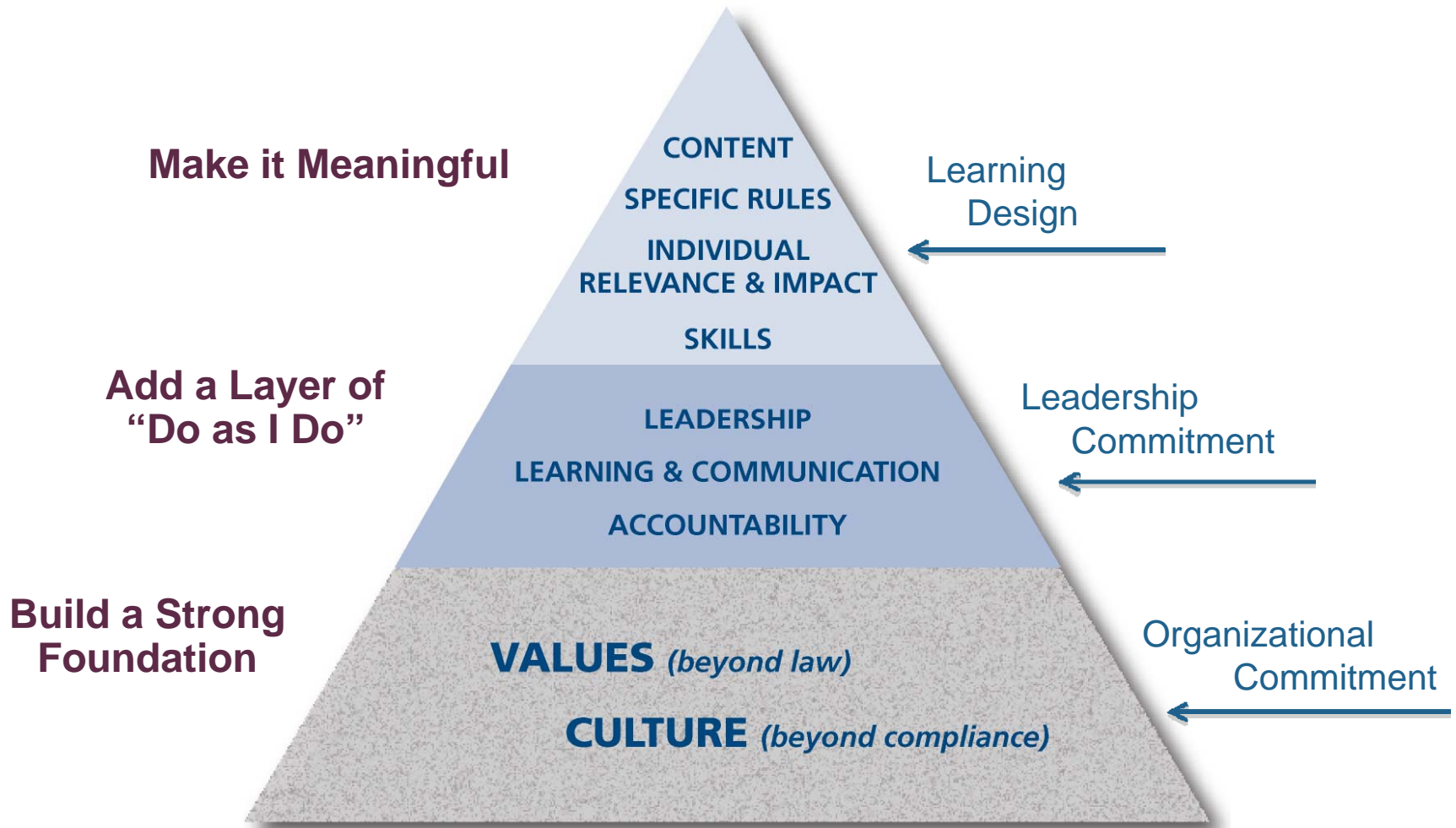
A Model for Values Based Leadership

Add a Layer of
“Do as I Do”

Build a Strong
Foundation



A Model for Values Based Leadership



Leadership Action Stages™

- Model the Values
- Communicate and Integrate
- Hold Accountable
- Welcome Concerns - Leaders
- Follow Up and Reinforce

“The Best Compliance Tools are Free”

- Start small
- Get buy in from the existing organization and leaders
- Don't be afraid to hear the truth
- Don't ignore the obvious
- Be a partner, not just a policeman
- Do your best to hire your values and value who you hire

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