
How to engage your workforce to foster a self-governing corporate culture

Individual ethics and compliance initiatives are not enough to create the degree of change in a workforce that cultivates a self-governing corporate culture. Change requires a systemic approach that powerfully engages employees in ethical principles and permeates shared values throughout the entire organizational culture. Each and every employee must come to view ethical conduct as the foundation of how the company performs business, not as the newest “program” of the month that the company asks them to master.

With so many business priorities competing for employees’ attention, the challenge for companies is how to engage the workforce in matters of ethics and compliance in ways that motivate them to take the company’s commitment seriously and change their behavior. To accomplish this, the methods of engagement must be inspiring, realistic and comprehensive.

Ultimately, leading companies have found five keys to developing effective engagement techniques and programs that can make a difference.

Create an inspiring, comprehensive experience for employees.

To engage a workforce, companies must design and pursue the ethics and compliance effort in a holistic, integrated and systematic way. Company leadership and the compliance office need to work together to launch a wide range of initiatives that coordinate together and reinforce each other to form an inspiring, effective and high-impact experience for employees.

Leading companies begin with clear communication that sets the organizational tone and conveys the message to everyone. Educational programs – which might include courses, workshops, departmental meetings, company forums and other formats – solidify the central messages by helping employees understand the impact of their business conduct in light of the company’s goals and mission. Employees need to learn about the laws, codes and regulations to which they must adhere, but they must also be inspired to adopt the values the company seeks to instill in its people and to reflect on the choices they make in their jobs.

Through these communication and educational efforts, employees learn what constitutes unethical conduct so they can recognize and report it, as well as affirm that they are not engaged in it. To assist in this, a company helpline can empower employees to seek advice and report potential issues. Certification and registry programs make ethics and compliance real and employees accountable by having them acknowledge and attest to policies and disclose key activities or variances. The whole process should flow together as a system to strengthen employee focus, reinforce what's important, and give them the tools needed to take responsibility for safeguarding the company's ethical culture.

Finally, the holistic process must include a continuous feedback loop to guide constant improvement. For example, managers should review how education impacts the quality of certifications, how the helpline reflects the educational efforts, and other cross-linkages that point to ways to improve the programs.

By planning and implementing all programs to function holistically in this way, the entire ethics and compliance effort produces a high impact, concentrated experience for employees that respects their time and makes the most of what they invest in these programs. When implemented authentically, realistically and meaningfully, employees begin to see that ethical business conduct is not intended to threaten or blame anyone for mistakes or errors, but rather to inspire everyone to a new level of principled performance.

Develop powerful communications that deliver clear messages.

As indicated above, engagement begins with communication. An effective communications effort demands consideration of (1) the audience; (2) the communicator (e.g., leadership, ethics and compliance office, management); (3) the channel used to communicate; (4) the timing and frequency of communications; and (5) the tone and substance of the message. Fully understanding each of these will help the company produce sincere and persuasive messages that impact employees.

In terms of audience, leading companies design both corporatewide communications and targeted messages that go out only to certain workers based on function, location or other characteristics so that issues can be addressed to the right people. Communications that do not apply directly to an employee can create confusion and even distrust because it appears that the company is treating the individual simply as part of the masses and does not understand that employee's individual responsibilities.

The communication effort needs to convey that the company's values are endorsed from the top and cascade down through each and every management level. A thoughtful and persuasive kick-off message should come directly from the CEO, followed with appropriate communications from the ethics and compliance officer or office, division leaders and immediate supervisors. The manner and tone in which leadership talks about ethical corporate conduct speaks volumes about the commitment the company places on ethical conduct. This is equally true about what is said and what is *not* said.

Company leaders demonstrate that ethical conduct is a business priority by embodying desirable behaviors, talking frequently and publicly about values and accountability, and engaging colleagues in regular discussions about the right course of action. Also, because employee behavior is often most shaped by their immediate supervisor, managers at every level – from headquarters to the factory floor – must model ethical behavior and inspire employees to act with integrity, while making it clear there is zero tolerance for those who do not.

Communications are most effective when they occur through multiple channels. Leading companies use e-mail, posters, lunch workshops, town-hall forums or debates, even paycheck inserts to continually reinforce the message that everyone's conduct makes a difference in fostering a culture of high standards and self-governance. Keep in mind that communications do not need to always be formalized notifications to employees. Communication is also found in the day-to-day meetings that managers and supervisors have with their staff, that provide an effective forum for discussing ethical performance.

The frequency of communications depends on many factors, including the size of the company, the channels selected for the communications, and the targeting of messages. The guiding principle is that ethical business performance should become as natural a part of the workplace as safety, quality, and customer service. Employees need to keep ethics on top of their mind just as they would any other performance measure. To achieve this result, leading companies adjust

the frequency of their communication according to the progress seen in fostering an ethical culture. Conversely, a lack of communication about ethical issues or a perfunctory message – a once-a-year memo accompanying the ethics code, for example – sends a much different message. As the U.S. Department of Justice has noted, “Management is responsible for a corporate culture in which criminal conduct is either discouraged or tacitly encouraged.”

Finally, the substance and tone of communications must convey a high degree of realism, pragmatism, and sincerity on behalf of the company. Employees must be able to tell from any messages they hear and see that the company is painting a true picture of a future that can be achieved, not a false or hypothetical vision that is unrealistic given the company’s business, industry, resources, and goals. In other words, the communication should reflect an honest view of the culture the company wants to build in order to inspire each employee to adopt that same vision as a personal goal for their life. Although management’s ability to set the right tone is a cornerstone of ethical cultures, the loop is not complete unless employees also embrace ethical behavior.

Endorse education and invite employees to raise their ethical IQ.

Effective education programs help employees understand the big picture about ethical business performance as well as teach them the specific legal and compliance issues they need to know. A sound educational effort raises employees’ overall awareness of ethical issues – their ethical IQ, in a sense – so they are able to internalize the values of the company and automatically recognize problematic situations, even if the rules are not clear.

Effective ethics and compliance educational programs teach employees about topics and issues that are relevant and applicable to their jobs. Although some initiatives may be directed at the workforce as a whole, other programs should target specific employee groups for specialized education and training based on job-related risk areas. After all, a field sales force encounters a set of potential ethical conflicts and issues much different from those faced by finance employees or workers on the factory floor. Each group therefore needs different educational content tailored to the risks embedded in the nature of its work.

Education can be implemented using a combination of methodologies: courses, workshops, debates, lunch discussions, and so on. Leading companies increasingly use interactive online courses as the core of their education because such courses have the advantage of providing an effective, scalable experience. They help companies reach many employees in an affordable and cost-effective way. And employees’ usage and completion of online courses can be easily monitored and tracked.

Good online courses are instructionally effective while providing the type of in-depth engaging experience that is necessary to capture the attention of a busy workforce. Employees not only get an awareness of the basics, but can explore different scenarios to reason through choices and experience the impact different ethical decisions have. Such practice is especially valuable for situations in which decisions are not black-and-white and workers must truly apply their understanding of the spirit of the values the company upholds, not just the letter of the law.

Offer a helpline to empower employees to safeguard ethical standards.

In many companies, employees view reporting mechanisms such as helplines with suspicion and concern. One reason for this is that the communication about the purpose and role of these reporting mechanisms focuses on punishments and consequences rather than on how all employees are partners in the process of safeguarding the company’s ethical standards.

For this reason, it is critical to ensure that reporting mechanisms are publicized as a positive, constructive solution that empowers everyone to share responsibility. Leading organizations thus find it useful to position a reporting mechanism as a “helpline” to more accurately convey its dual purpose rather than calling it a “whistleblower hotline” that tends to have a pejorative connotation. A helpline functions first as a method for employees to seek guidance on issues they do not understand. It next acts as the way employees can report suspected violations, alerting employers of the need to investigate an issue before negative publicity, costly litigation or regulatory sanctions result. By fulfilling their responsibility to report potential wrong conduct, employees become partners in the process.

If helplines are to work as intended, employees must feel comfortable using them. Earning employee trust through active communication and education are key. Companies can bolster employee confidence in their helpline by being completely transparent about how it works, who receives the information, how it’s acted on and what safeguards are in place for protecting privacy and anonymity throughout the entire process.

Have employees actively acknowledge their agreement and compliance through certification and registry tools.

As an integral part of an effective workforce program, it is also crucial to ask employees to actively demonstrate their agreement and compliance with the company's values, policies and rules. Leading companies address this process with automated certification and registry systems. These applications allow companies to monitor the compliance environment, detect potential problems and respond more effectively than simply sending employees a paper copy of the company's conflict-of-interest policy and having them check a box confirming receipt.

Online certifications and registries offer many advantages. First, companies can enable any employee with an e-mail account to acknowledge receipt of policies, procedures and the code of conduct. Next, employees can acknowledge compliance with each element of a policy in their attestation and provide textual explanation for any exceptions. Online answers to certification questions also allow employees a few days to change their responses upon reflection or recall of exceptions not considered when they first filled out their attestation.

Online certification programs can also require employees to fill out all questions and to include explanations where necessary, so the risk of getting incomplete responses is greatly reduced. Finally, an online application makes it easy to request employees to attest to their compliance at the specific time that is important or required for your program – for instance, when new employees are hired or as part of an annual or quarterly certification campaign.

Closely related to certification is an employee-initiated registry process that allows workers to disclose certain events that could have ethical or compliance implications. For example, an employee who receives a gift from a client or sells stock in a competitor company would be required to register these events within a certain period of time, even if both actions are allowable.

Automated certifications and registries create electronic trails of accountability that affirm compliance and explain instances of potential nonconformity. They help employees take responsibility for their own ethical conduct – a necessary ingredient in fostering a principled self-governing culture.



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