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PERSPECTIVES

ORGANISATIONAL INTEGRITY AS A NEW APPROACH TO COMPLIANCE

BY **REID WHITTEN**

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Compliance practitioners carry a wealth of instruments in their medicine kits. They have tools to diagnose – to detect potential violations of certain regulatory frameworks.

They offer prescriptions to treat – recommended corrective actions to remedy specific root causes of past violations. They even provide regular checkups – compliance audits to make sure systems are running as they were designed to do.

However, these solutions are largely reactive. They are methods that respond to symptoms, or attempt to prevent future ailments, all based on the past problems the patient (in this case, an organisation) has suffered before. We would not suggest doing

away with these compliance devices. Rather, we propose a broader, holistic approach that embraces these elements while structuring and strengthening an organisation's integrity.

One way to think of the regimen is the prescription for healthier living that makes an individual stronger, more resistant to, and resilient from, all maladies from cancer to colds. In the same way, organisations can prepare themselves, before a threat materialises, by taking stock of their own organisational integrity and improving robustness by implementing systems that align the incentives of their personnel with the values at the organisation's core.

Key concepts of organisational integrity

Numerous principles form the foundations of organisational integrity. Various groupings of those principles will be valuable to different organisations. For this article, we have chosen seven key concepts we view as fundamental to developing, instituting and maintaining organisational integrity, whether the effort is compelled by an enforcement authority, driven by the results of an internal investigation, or simply an organic initiative to create a better organisation.

Don't just look well, be well. In the same way that people cover their ailments, companies, universities, and agencies cover integrity issues large and small. From the equivalent of rubbing concealer on a spot, to a full 'Weekend at Bernie's' farce, we have seen organisations show greater interest in appearing healthy than they show in making the efforts necessary to achieve actual integrity. It may be reflexive to push back against proposed changes to an organisation's system, but once leaders are willing to understand the purpose of reforms and agree and accept that they are necessary, even critical, to the health of the organisation, the entire organisation can start on a path to a stronger, more robust and resilient future.

Establish a regimen that is hard to change. Eating healthy starts at the grocery store. You make the choice to bring home nutritious foods instead of junk. Later on, when you have a late-night craving, you are stuck with the healthy options that you put

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in the fridge. To go out and get junk food, to undo your healthy choices, would simply be too much work.

Similarly, if current leaders build highly integrated compliance systems, compliance structures that reach across the company, university or agency, then future leaders that make changes to the systems in one place would cause disruptions elsewhere in the organisation. That means that changing the healthy system in place at the start will simply be too much work later on, no matter how tempting the bad choice may be.

Establish a regimen you do not want to change. Healthy lifestyles are often supported by virtuous



cycles of positive feedback. If you play sports with a team, run with a club or take a regular walk with your friends, you enjoy the health benefit as well as the positive reinforcement of the group. Your personal incentives are aligned with your overall goal of good health. Wherever possible, find ways to align the incentives of personnel with the values of the organisation.

Look around you for support. It can be difficult to make positive change for a healthy lifestyle when you wrestle with your issues in isolation. It can be easier to give up if you think you are the only one in that particular tough position. Looking around for inspiration and strategies from support groups, community resources and health providers help people recovering or improving their health.

In the same way, it may be easy for organisations and their personnel to think their problems are unique and, as a result, to miss opportunities for innovative solutions. Simple steps such as

subscribing to professional periodicals and journals, joining industry associations, attending conferences and participating in exchange programmes can combine to expose an organisation's personnel to the obstacles faced by others and the creative solutions others have developed. In those ways, you can open both the organization's and individuals' eyes to new paths through common problems, combat the "it can't be done" mindset, and create a healthy competitive effort to "do it even better than company X did".

Out with the bad and in with the good. Lifestyles are influenced, for good or ill, by the people around. If a person gravitates toward those friends who cultivate healthy habits, it is likely that she will be positively influenced. The negative is also true if she is surrounded by people who tend toward unhealthy living. Similarly, bringing compliance-minded personnel into an organisation lends strength, robustness and the capacity to respond to a crisis

to your organisation. Ensuring you have installed the right kind of people can help your organisation institutionalise cultural and procedural reforms.

While new leaders of an organisation certainly have the ability to make personnel decisions that are inconsistent with prior reform efforts, the more compliance-minded individuals are in positions of leadership, the more difficult positive reforms are to dismantle.

Check your progress. Looking at a person's own measures of health achieves two goals: (i) forcing her to face current and potential problems; and (ii) reinforcing positive change by quantifying the improvements she has made. Measurements and data tracking are critical to recovering from an illness or preventing a future one.

Measuring your own organisational integrity may seem less straightforward. At first glance, the behaviour of people in an organisation may seem random, even chaotic. However, your organisation is a system and the people who make up that organisation represent component parts of that system. The response of that system, and its components, to external stresses can be observed, quantified and measured.

An organisation can use interviews, policy reviews, audits, pre-mortem exercises, focus groups and a multitude of forensic techniques to gather data. Those measurements can arm organisations with a powerful management tool for all sorts of purposes: from promoting its mission, vision and values, to

allocating scarce internal resources, to developing (or modifying) an internal control system that effectively incentivises personnel to act in ways consistent with the organisation's core values.

Commit to wellness. This all sounds like a lot of work. Implementing systems across a company? Hiring based on a candidate's compliance mindset? It is tempting to think that the organisation would be more successful if it prioritised other items on its agenda. But think about the individual that has a choice to prioritise other parts of his or her life. If she does not prioritise health, and suffers illness or injury as a result, the value of the other priorities falls away.

In the same way, organisations have innumerable mission, business and legal considerations they can prioritise. However, if the integrity of the organisation is unsound, if its core principles are weak, then it stands small chance of responding to, recovering from, and surviving the threats and challenges that are inevitable in its existence. It is an organisation's commitment to its integrity, its dedication to its values and mission, that should guide it and can support it even through the most difficult conditions.

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