

## **Fostering Compliance Across Your Company**

In the July-August issue of the Harvard Business Review, in an article entitled “*Are You a Collaborative Leader*”, authors Herminia Ibarra and Morten Hansen discuss how great Chief Executive Officers (CEOs) keep their teams connected. The authors’ basic thesis is that the hyper-connected business world of today demands a leadership style which harnesses the power of connections. I found that the article had some excellent suggestions for the compliance practitioner regarding communication with employees outside the Compliance Department and indeed throughout the world. The authors had five general points which I believe, if incorporated into your overall compliance program, will strengthen it by increasing communication and cooperation with the compliance department.

### ***I. Play Global Connector***

My colleague, Mary Jones, often talks about her experiences in going out across the globe to perform training. This experience also has the great benefit of allowing her to meet the business development people in the field, to put a name with a face and talk privately with persons away from the dreaded ‘home office’. The authors state this type of person as a “connector” who gets out in the field makes themselves personally known. Connectors want to find out what people think and why they think that way. Sitting in the home office and waiting for the phone to ring is not always the best way to determine this. You have to get out in the field to gain credibility but to also be known as the person in the compliance department that someone in the Far East (or Middle East or Central Asia-name your location) can call anytime with an issue.

### ***II. Engage People at the Periphery***

As much as companies try to make all employees conform to one compliance program across the world, it is simply not possible to do so. This does not mean that bribery and corruption is acceptable in some places but not in the US (or the dreaded ‘it’s just the way business is done here’ syndrome). Customs and relations are different across the globe. There needs to be some cultural sensitivity. As a compliance officer you can be firm about upholding your overall compliance goals but do it in a much more sensitive manner than simply saying that is the policy and you had better follow it. I once heard a Chief Compliance Officer (CCO) answer a question about how he explained to a Vietnamese employee about how corruption in his country hurt everyone and the company’s compliance policy was one way in which the employee could ‘move the ball forward’ regarding bribery and corruption.

### ***III. Leadership at the Top***

The authors define this as “depoliticizing senior management so that executives are rewarded for collaborating rather promoting their individual agenda.” The clear reason this is important is that in the area of compliance, as with all other areas, tone at the top is critical. If compliance is seen as valued at the top, it will cascade down. Every compliance officer knows that without the support of top management, a compliance program is doomed to failure. This also means that the goals of compliance need to be incorporated into overall leadership goals. If goals are simply performance based, employees will understand that is what the company values. In other words if senior management only talks the compliance talk but grades everyone on quarterly perform, guess what employees will understand is important.

### ***IV. Show a Strong Hand***

This translates into allowing employees across the organization to make first-line compliance decisions, after appropriate training. While a company can centralize all compliance functions in the US home office (remember the dreaded ‘home office’ scenario); if the compliance department can get out into the field and train, it will make the organization more agile in compliance. Compliance leadership should assign clear rights and responsibilities to employee sponsors or advocates but allow them to do their jobs without watching over them or second guessing every decision. The point of decentralizing is to do just that but do not require that every decision be committed to death or agonized over. There is plenty of time for that with much bigger compliance decisions.

### ***V. Loosening Control without Loosing Control***

Collaboration does not necessarily mean consensus. The power of this model is to allow a wide range of views across different silos within the company. As with point IV above, you can make a decision when required, but take the company’s pulse. Interconnectivity is certainly a by-word with all international Fortune 500 companies now so take advantage of all of the resources. Even if you cannot get out on the road or head over to China when a question or issue arises in China, you can tap into those resources which you have cultivated through connectivity.

Even after such a decision is made, be sure to follow-up with your connected resources. Now is the time to get out of the home office to visit your foreign in-country connections. This demonstrates a clear commitment to the persons involved and also demonstrates to all the employees around them that compliance views them as resources which the compliance department will tap into.

The clear thesis of this article is to connect with employees outside of your Compliance Department to assist you. If you do so, these connections will be some of your strongest advocates to do business the right way in your company.

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