The Collaborative Approach to Compliance Management

A more effective model that makes compliance everyone’s job
INTRODUCTION

When companies want to get serious about ethics and values, recruiting a Chief Compliance Officer can seem like a logical first step. But simply adding a new title to the executive ranks isn’t the only (or necessarily the best) way to successfully manage today’s complex compliance needs. A new approach—recruiting a group of leaders and resources across an organization—can help build more effective ethics and compliance programs.

Instead of handing over all compliance duties to a separate department, you can make compliance part of everyone’s job by sharing key responsibilities. This collaborative model brings more people into the mix when defining company values, managing policies or training employees—which can better integrate ethics, values and compliance into day-to-day operations. This engagement also leads to better behavior, fewer incidents and more effective compliance overall.

This eBook explains how to successfully share compliance duties across the company. We’ve broken down five key responsibilities and describe a new approach to handling each. We’ve also included links to additional resources to help you develop a team-based approach for a more integrated efficient and successful compliance program.
Responsibility #1
Driving the company’s commitment to ethical behavior
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Driving the company’s commitment to ethical behavior

Traditional CCO duties:
Ensuring that the company upholds all applicable laws, regulations and stated ethics and values; promoting policies, ethics and values to all stakeholders; linking ethics, values and compliance to the company’s mission and goals.

The new approach:
The commitment to ethics and values should start at the top—with the CEO, the owner or founder. These leaders can inspire the entire company to take ethics and values seriously, while delegating to other managers and key personnel the day-to-day tasks involved with overseeing compliance efforts.

How to get started:

- Write a letter or call a company-wide meeting to lay out a vision for how ethics, values and compliance are critical to the company’s success.
- Convene a compliance team of key personnel, such as other executives and legal and HR representatives, to oversee the major functions of the compliance program.
- Ask for regular compliance-related updates (monthly or quarterly) from the compliance team.

56% of CEOs said they are increasing their company’s focus on creating an ethical culture, according to PwC’s 2013 Global CEO Survey.¹
Responsibility #2
Identifying compliance needs and goals
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Identifying compliance needs and goals

Traditional CCO duties:
Targeting core compliance issues by reviewing all laws, regulations and codes that apply to the company; examining past incidents for specific issues to address; identifying ethics and goals to promote based on the company’s mission, vision and values.

The new approach:
Tapping leaders who understand the major regulatory and compliance issues related to a particular area of the business, such as human resources, data privacy or financial reporting; breaking down silos between these teams by appointing subject matter experts to a compliance committee that reviews compliance issues collaboratively. For example:

- CEO or Owner reviews mission, vision, values.
- Head of HR reviews employment/hiring laws, benefits-related regulations, etc.
- CFO reviews financial regulations.
- Plant managers review OSHA safety rules.

Lack of collaboration between finance, operations, IT and legal GRC functions was the second most commonly cited barrier to achieving compliance goals in a 2011 study of GRC practices.

How to get started:
- Ask subject matter experts to list key regulations and compliance issues affecting their areas of the business.
- Seek help from vendors, such as insurance companies that can provide compliance risk audits.
- Compile a checklist of regulations and issues for your compliance program to address.
Responsibility #3
Managing policies, values and code of ethics
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Managing policies, values and code of ethics

Traditional CCO duties:
Analyzing policy needs based on regulatory requirements; taking inventory of existing policies to identify gaps; writing new policies and updating existing policies; distributing policies to employees and receiving attestations; helping draft and distribute company values and code of ethics.

The new approach:
Instead of handing down rules from above, treat the process of creating a values statement, a code of ethics, and company policies as a team activity. The more you involve employees in this process, the more engaged and accountable they will be in living up to them.

Choose one person, such as the head of Human Resources, to oversee the logistics of policy development and management and delegate tasks as needed. For example, subject matter experts can be policy “owners” who assemble teams from across the company to provide input for policy development and review.

How to get started:
- Create a central electronic database of all policies.
- Distribute policies and track attestations electronically.
- Schedule annual policy reviews to determine if any updates are needed.
- Prioritize policy needs based on your company culture. For example, every company needs policies for sexual harassment, discrimination and other issues. But many companies choose “common sense” guidelines for things like expense reporting and dress codes, rather than spending time and energy writing long policies around those topics.

For best practices on managing policies and setting values and ethics, read the Convercent white papers on “Creating Great Company Policies” and “The New Code of Ethics.”
Responsibility #4
Training and engaging employees on policies, ethics and values
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Training and engaging employees on policies, ethics and values

Traditional CCO duties:
Managing employee training on ethics and policies; testing employees’ understanding of rules and expectations; highlighting examples of ethics and values in action to inspire employees; answering questions about policies and ethics.

The new approach:
The person who handles policy distribution can also oversee a compliance training program—for example, by assigning employees a training course at the same time he/she sends a copy of a new policy. Managers and executives can reinforce that training by discussing ethics and values in employee performance reviews, or by highlighting positive examples of employee behavior.

How to get started:
- Track training alongside employee policy attestations to easily see who’s received the right training.
- Cascade training efforts: Start with executives and managers who can help train employees below them and answer their questions about policies, ethics and values.
- Regularly prompt employees to think about policies, ethics and values, such as with monthly ethical quizzes in an employee newsletter.

For more tips on training and engaging employees, read the Convercent white papers, “Aligning Culture and Governance for Better Compliance,” and “The New Code of Ethics.”
Responsibility #5
Handling incidents and investigations
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Handling Incidents and Investigations

Traditional CCO duties:
Receiving and reviewing incident reports to assess potential violations; managing investigations and reporting findings; analyzing incident history to find potential weaknesses in the compliance program.

The new approach:
In every company—even one with a CCO—it’s best to divide these duties. For example, you can use a reporting system that automatically routes complaints or questions to the right person based on the nature of the incident. You can also appoint several people within the company to an investigating team, separate from the team that will review findings and decide on disciplinary action.

How to get started:
- Provide employees several channels to report incidents, such as a hotline, email, a web form or a mobile application.
- Identify the best person to receive and provide initial follow-up based on the nature of the incident—such as a manager or HR representative for minor workplace issues versus the company’s legal counsel for a potential criminal action.
- Establish a formal process for all investigations.

Learn how to manage a team-based approach to investigations in the Convercent white paper, “How to Investigate Workplace Incidents.”
CONCLUSION

Every compliance program can benefit from increased communication, collaboration and sharing of responsibilities. This new approach brings individuals together to discuss effective ways to manage all the company’s compliance needs. And when top executives engage employees in proactive discussions about ethics, values and the importance of compliance, those goals become more closely integrated with the company’s day-to-day operations.

If you’re just getting started, it can take time to build up a robust compliance program—but that’s OK. Once you decide to make ethics and values a business priority, there are some simple, incremental steps you can take to implement this decision throughout your organization. Start by assembling a team to review existing policies or to craft company values and a code of ethics. From there, you gradually add systems or develop more sophisticated processes to manage policies, handle training and review the effectiveness of your program. That process of continual improvement is a lot easier when everyone in the company is contributing to a culture of compliance.

ABOUT CONVERCENT

Convercent is the first SaaS product that modernizes the way companies bring their values, culture, policies and compliance activities together with a positive employment engagement experience. Hundreds of companies rely on Convercent to systematically align corporate values with individual behavior to create thriving, productive and compliant cultures of engaged, high-performing employees. Based in Denver, Convercent funding is led by Azure Capital Partners and Mantucket Capital.