

## PRESS RELEASE

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### Is it possible for business behaviour to be changed from within?

#### New report from Institute of Business Ethics examines the role of those working in Ethics & Compliance in improving corporate culture

**25<sup>th</sup> September 2014:** New research, published today by the Institute of Business Ethics, explores the role of Ethics and Compliance (E&C) practitioners in promoting ethical conduct inside organisations. It is based on interviews with 18 senior E&C practitioners, predominantly based in the UK and Europe, but with global responsibilities.

Repeated corporate scandals in recent years have raised questions as to the ability of businesses to improve ethical behaviour from the inside. Rather than being seen as random incidents of individual misconduct, these scandals have been largely attributed to integrity failures in corporate culture. This research analyses how E&C practitioners are able to affect corporate culture and improve ethical behaviour.

The E&C role is still relatively new and there remains some ambiguity and confusion surrounding it. Practitioners have often operated without a clear remit and had to decide for themselves what the purpose of their role should be. While this allowed for some creativity and freedom to shape their role, it also carried the risk that senior management did not know or understand what the role was there to achieve. As a result, this research found that E&C practitioners were not always offered the support and resources required to make the function a success.

The aim of this IBE report is to shape the debate on the role and purpose of the ethics and compliance function.

The research identifies three 'domains of activity' around which all E&C roles constellate. Some, but not all, E&C roles move beyond the delivery of standardised E&C programmes into activities which present a challenge to 'business as usual'.

An E&C role might focus primarily though not exclusively on one of these three 'domains', requiring different skills, resources and focus. The report helps us understand how a particular role may be formulated, identify its strengths and gaps and explain how it adds value.

- **Custodianship:** Safeguarding and embedding of current organisation norms and standards, delivered through traditional E&C programme activities. This domain will have a compliance focus and require high level support with consistent values and standards. The role is akin to that of a police officer, requiring skills such as sensitivity in handling difficult cases and superior knowledge of the organisation, its networks and relationships.
- **Advocacy:** Challenging corporate values and standards in practice: surfacing and debating difficult issues and encouraging more open dialogue around ethical issues at work. This domain will have an ethics focus and require high level access to decision-making. The role will be that of advocate, with influencing and rhetorical skills and legal expertise.
- **Innovation:** Changing business processes that present an unacceptable risk of legal or ethical failure. This domain will have a risk management focus, and needs a mandate for change. The role will be that of business partner, with change management skills and the ability to deliver workable solutions.

This report will give boards and senior executives an understanding of the value that the E&C function brings, how it can be aligned with their business model and the resources required to make the function effective.

Fiona Coffey, author of the report, said: *"The current debate as to whether the E&C function should be recognised as a profession has focused primarily on the technical competence of practitioners and the need for formal qualifications. This research shows that the personal skills and qualities are just as crucial. These, together with*

*the quality of support from senior executives, shape the extent to which E&C practitioners can contribute to an agenda that goes beyond regulatory compliance and is focused on building and maintaining a culture of integrity.”*

Philippa Foster Back CBE, IBE's Director said: *“This report identifies three interpretations of the E&C role, which will help practitioners, executives and NEDs sitting on corporate responsibility committees to push further in establishing a corporate culture of ethical business conduct. This work reinforces the IBE view that ethical business conduct in organisations is based on engagement from those at the top in setting values and shared principles, then empowering and supporting those assigned the role to bring these to life.”*

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To obtain an advanced press copy of the report, or to organise interviews, please contact [k.bradshaw@ibe.org.uk](mailto:k.bradshaw@ibe.org.uk)

## EDITOR'S NOTES

### **The Role and Effectiveness of Ethics & Compliance Practitioners**

By Fiona Coffey

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Available from <http://www.ibe.org.uk/list-of-publications/67/47#pub2160>

### **Launch date and information**

**The report will be launched at the Institute of Business Ethics on Thursday 25<sup>th</sup> September at 3pm.**

Please email [events@ibe.org.uk](mailto:events@ibe.org.uk) if you would like to attend.

**The Institute of Business Ethics** is a registered charity which promotes high standards of business practice based on ethical values.

We help organisations to strengthen their ethics culture through the dissemination of knowledge and good practice. [www.ibe.org.uk](http://www.ibe.org.uk)

### **The author: Fiona Coffey**

Fiona Coffey is change management consultant and researcher with a background in business and organisation psychology. Over the past 20 years, she has advised senior executives on leadership and change issues in a variety of large corporate organisations and in Central Government. In 2009, she worked as an interim business change manager in the compliance function of a statutory body. Two years later she was invited to pilot and deliver a new global ethics programme for a multinational corporation in the aftermath of a crisis. These two experiences caused her to become fascinated by the dynamics of regulating conduct inside organisations and the role of ethics and compliance specialists in supporting organizational change. Her subsequent doctoral research at Nottingham Trent University underpins the contents of this IBE report, although the report is written with a practitioner rather than an academic audience in mind.