



Our Perspective

How do we promote ethical behaviour?

In our October 2014 issue of 'Our Perspective' we discussed why good people do bad things. We now look at how organisations can promote ethical behaviour in the workplace.

Beyond compliance

It is acknowledged that getting cultural buy-in from managers and staff is a step towards reducing the likelihood of corporate crime.

However, the creation of an ideal corporate culture is not as simple as the introduction of a Code of Conduct and an expectation of compliance with that Code.

A Code of Conduct lays down what is expected of employees, but can be static, read once and then ignored. Often it is perceived as something an organisation must have in place to show intent and comply with the law and industry regulations, but in practice it should be more than that.

To create a positive corporate culture, a Code of Conduct needs to be fluid - constantly evolving with the environment the company works in, updated accordingly, lived by management to create respect, and communicated to employees. In this way, there is no doubt about the behaviour expected across the company. Similarly, transgressions can be openly dealt with and evidently not tolerated. Perhaps more importantly, if we show staff what is expected of them through our own behaviour, we give them the freedom to take ownership of their work and conduct, and success and cultural adherence can be rewarded, rather than just ticking the right boxes.

Targets and achievability

Giving employees this freedom to take ownership of their work and conduct ought also to enhance a corporate culture. Where goals or targets are set by managers, the culture tends to become one of achieving those goals at all costs, to the detriment of non-target areas of work and ethical behaviour alike. Lead your employees into setting their own goals and targets, however, and they will strive to achieve these within your corporate culture, minimising the risk of unethical behaviour, narrow focus and reduced motivation.

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Commitment

Gaining commitment is a crucial part of creating a positive corporate culture. To encourage commitment and loyalty from employees, ensure that they feel involved in aspects of decision-making so that they have an investment in the company that is not purely financial. Enabling managers to set their own

goals is one example. Leading by example, so that they in turn involve other staff who report to them in the decision-making process, is another. In this way, the ethical culture will filter down and become the norm.

Transparency

Similarly, where a strong ethical corporate culture is in place, employees will to a degree self-police. All staff, at any level in the organisation, should feel that they can flag up behaviour that is not in keeping with the culture, without fear of recrimination.

Setting up an appropriate system for such transparency is not easy. Human psychology leans towards following the crowd, and the more individuals who are aware of a wrong-doing, the less likely one person in that group will step forward and point the finger.

Creating forums for staff, where they can air any issues they may have and get feedback from colleagues, can be useful in these circumstances. In this way minor issues are often dealt with before they burgeon into major issues. Moderation of such a forum, and strict rules for its use, are strongly advised to avoid it becoming a 'kangaroo court', or worse, something for any office bully to hide behind.

For more serious potential breaches of culture and/or regulations, an anonymous or confidential channel for reporting incidents is advisable.

Enforcement

Finally, a word of caution. While it is essential that any transgression of corporate codes and cultures is flagged up and dealt with, it is also important that any punishment fits the crime. Severe punishments that are perceived to be too harsh for the wrongdoing in question have a detrimental effect. People will be more tolerant of minor mishaps, and less likely to respect and feel part of the culture.

Our first two White Papers, to be published in February and May 2015, will expand on the subjects of 'Why do good people do bad things?' and 'How do we promote ethical behaviour?'. The White Papers will be available online at www.kasalana.com. If you would like to receive an advance copy by email, please contact info@kasalana.com quoting WP15.

Why we do what we do

At Kasalana we have a client-centric approach to intelligence and believe in giving our clients what they need. The information we supply is openly asked for and freely given, and all our work is overseen by senior consultants with many years' experience in their field. With an ethical approach to investigation, we support improvements in global business practices and security.

All our intelligence is individually sourced and produced at the time of commissioning to answer the specific needs of our clients. We work honestly and transparently using a global network of resources to provide timely and accurate information to international clients.

Case studies

To read case studies, please go to www.kasalana.com.

Consultation meetings

If you would like a free consultation with Kasalana, please email info@kasalana.com quoting reference OP6C.

Formed in 2005, Kasalana is a specialist corporate intelligence company that conducts investigations globally on behalf of clients from industries including automotive, aviation, construction, consumer products, defence, energy, engineering, financial services, insurance, legal, manufacturing, media, medical, mining, retail, services, technology and telecommunications. We are experts in enhanced due diligence, background checks and legal support services including asset tracing & litigation support, corporate fraud investigations, merger & acquisition support and strategic & market intelligence. Our clients include FTSE-100, FTSE-250 and Fortune 500 corporations, global financial institutions, major law firms and leading private equity houses.

Prior to forming Kasalana Sam Pope was Head of Business Intelligence, Deputy Director of Corporate Investigations and EMEA Director of Fraud & Forensic Services for a leading global security risk management company, where he led a team of 40+ investigators. A former defence journalist, Sam has extensive experience of investigating fraudulent activity including asset misappropriation, bribery and corruption, intellectual property fraud, false accounting, securities and investment fraud, regulatory and anti-trust violations. He frequently works in close collaboration with clients' other professional advisers. He is a member of the *American Society for Industrial Security* and the *Association of Certified Fraud Examiners*.

Gareth Crooker joined Kasalana in 2010 after working as Director of Corporate Investigations, South-East Asia, for a leading global security risk management company. He has been a business risk consultant for more than 20 years and specialises in pre-investment and compliance-driven due diligence and business intelligence. Gareth has also conducted bespoke research and analysis into the political, commercial and security risk environment in Europe and the Former Soviet Union. As well as his native English, Gareth has near-fluent French and Spanish, together with basic Italian and Dutch.