

CORPORATE LEGAL TIMES

## THE ROUNDTABLE

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## COMPLIANCE MATTERS

*What Should You Be Doing To Build Better Compliance Policies?*

## THE ROUNDTABLE



Pictured from left: Edwin E. Hightower Jr.; Earl M. (Chip) Jones III; Garry G. Mathiason; Steven C. Meisgeier; Marcia Narine; Steven D. O'Brien; Carole Stern Switzer

SOX mandated in 2002 that companies incorporate a set of strict reporting and accounting regulations into the corporate environment. For many companies, the task wasn't easy. While the regulations provided welcome guidance regarding the rules public companies had to follow, implementing those rules was cumbersome and costly.

Three years later, many legal departments are still struggling to integrate the appropriate compliance programs. And many fear they aren't doing it right.

"Compliance continues to rank as the No. 1 initiative and the most important task a general counsel will take on," says Garry Mathiason, a partner at Littler Mendelson in San Francisco and the moderator of this month's roundtable. "Every time there is a news story about a CEO going to jail, the stimulus is provided for corporate executives and board members to look for assurance that their organizations are meeting requirements."

Part of the problem, however, is that many executives don't understand who should be responsible for compliance or how they should integrate it into the corporate culture. Some companies simply tack on the duty to the general counsel's position, while others disperse responsibilities to several individuals throughout the organization.

More recently, some companies have begun to centralize compliance by creat-

ing the chief compliance officer position. The CCO often serves as a C-suite executive and the central authority for maintaining corporate compliance throughout the organization. Mathiason believes this is the best strategy.

"Centralizing compliance is an unstoppable movement," he says. "Many companies are taking these various areas of expertise that have been siloed, such as human resources, and making it the responsibility of the CCO to ensure they are in compliance. That is critical to keeping a company compliant."

Additionally, Mathiason maintains a key component to successful compliance is through the HR department. "Compliance in the labor and employment arena has been under-recognized," he says. "But in the average corporation, a third of compliance falls in labor and employment law."

For this month's roundtable, Mathiason gathered a group of corporate compliance and HR experts to discuss the ways companies can effectively handle compliance challenges and what they can do to improve their programs.

### Moderated by Garry Mathiason, Littler Mendelson

**Garry G. Mathiason, Littler Mendelson:** It has been widely reported that corporate compliance was the No. 1 priority for pub-

lic companies in 2003 and 2004. How critical is corporate compliance in your organization in 2005, and do you see that changing in the near future?

**Steven D. O'Brien, The Gallup Organization:** We are a private company and so, by definition, we are not governed by Sarbanes-Oxley. The problem is that Sarbanes-Oxley is being forced down on private companies, whether through your D&O coverage, bank covenants or government contracts. So it is on the front burner for me and my company because, although we're not under the timeline restrictions the public companies are, private companies are under pressure to comply with the same principles.

**Marcia Narine, Ryder System Inc.:** We've recently done presentations to our rating agencies and our lenders. They are particularly interested in our corporate compliance programs, whereas in the past they hadn't been interested. Last year the hot topic was governance, and this year we are really focusing on compliance.

The more you educate the people within your company about how compliance applies to them, the more information they will want. People would prefer to be prepared. No CEO wants any surprises. They want to know what are the risks. What are we doing to mitigate the risks? Is it really a risk? What can happen if we don't do this?

**Edwin E. Hightower Jr., Gevity HR Inc.:**

When our client companies are evaluating whether to use us as a partner in managing their human capital needs, they're asking those questions of us. These companies are by no means under the requirements, but they expect us to certify that we are fully compliant.

**Steven C. Meisgeier, El Paso Corp.:** Our company's commitment to ethics and compliance has increased over the past several years and continues to increase. It's on an upward trend that is permeating the entire company. This is how we're going to do business in all ways. We are going to do it with integrity, and there is no letup at all.

And clearly the resources are being made available. The commitment is strong enough that the ethics and compliance officers, the audit committee, the audit department, the legal department, training, etc., are all pushing for it.

**Carole Stern Switzer, Open Compliance and Ethics Group:** That's the biggest shift that we're beginning to see. In the past, people cared if they couldn't comply, but they didn't apply the resources they needed to achieve compliance in a uniform and suitable fashion. They are realizing now that it's important to do that, and it's not just a necessary evil. It's something that will actually help them run their businesses more smoothly and avoid pitfalls.

**Team Leaders**

**Mathiason, Littler Mendelson:** We are seeing a centralization of compliance responsibilities. Historically, several different disciplines have had compliance responsibility for various statutes and regulatory schemes. Are you experiencing that phenomenon?

**Earl M. (Chip) Jones III, Dean Foods Co.:** Yes, absolutely. Our company has grown through consolidation by acquiring small family-run businesses and making them part of a Fortune 200 business. But the former owners are expected to be the general managers of their businesses—they are still in charge. We don't want the compliance program to usurp their responsibilities and actual duties.

We have tried to build a program that capitalizes on our general manager's philosophy. We give them the resources to be compliance experts when they need to be. The corporate function controls that overall



**We're seeing such an emphasis on the financial and legal side while we're putting structures in place that HR is just left behind.**

—Steven D. O'Brien  
General Counsel  
The Gallup Organization

activity, but it doesn't take away the ultimate responsibility from the plant manager and general manager. Our compliance program is trying to both satisfy the federal sentencing guidelines and at the same time, put the responsibility where it needs to be placed, on those who are actually running the business.

**Hightower, Gevity:** We have centralized the function of the compliance officer. Many of our client companies are not even ready to have that discussion necessarily. We're finding that they want to know more about compliance. They have a thirst and a desire to know what that is, and they're expecting us to do it for them.

For any small employer who has not

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**Don't spend 95 percent of your time putting out fires. You need to spend a substantial amount of time planning and putting the little fires out, so the big explosions will pass you by.**

—Carole Stern Switzer  
General Counsel  
Open Compliance and Ethics Group

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experienced an HR-related crisis, it's a tougher sell to get them to understand the importance of having compliance programs in place before you face those issues. Our smaller clients with five and 10 employees have not even seen the value in an employee handbook, if you can imagine that. They say, "Well, it's really a family-run business. We all trust each other. We'll never face an issue." And just about as soon as those words are out of their mouths, the first EEOC complaint comes through the door.

**Mathiason, Littler Mendelson:** The chief compliance officer role is supposedly somebody at the C-level of the company. Is this really a position of authority, and is the compensation commensurate with the duties and responsibilities?

**Narine, Ryder:** So few companies have really determined what compliance means. Outside of the defense, pharmaceutical and some manufacturing industries, this is pretty new to most of corporate America.

Within our organization, compliance reports to the general counsel and the law department. I have a dotted line to everyone in the executive suite. Of the companies I've seen, about half of the compliance officers report to the general counsel and half report to the CEO, and a few report to the audit committee. In terms of the respect and the level of importance within the company, that's clearly there.

Somebody was just asking me why anybody would want this job because I have to worry about all kinds of fiduciary responsibilities and liabilities and those kinds of things. That's all true. You do worry that what you say is not privileged or people forget that you're a lawyer but you're not privileged. Will you have liability if you give the wrong advice to the company or to the board? What kind of D&O insurance do you have?

There are a lot of things that you have to think about. Besides the self-interest of people who are worried about going to jail, you think about whether you are going to do something that will destroy millions of people's pensions. Compliance officers also have to worry about making a radical culture change for which the company is not ready.

**Hightower, Gevity:** When we were first discussing the role of the chief compliance officer—which in our company is the general counsel—our board chairman was very much against it. And not for the reason that you might think. He said that we should be self-policing. He believed that we didn't need a compliance officer in our company. We all needed to be compliance officers. He just couldn't see why we would need one person responsible for it.

That's the kind of culture we should all shoot for. I was very refreshed to see that from the top of our company.

**O'Brien, Gallup:** Ultimately, we'll see the compliance officer in the C-suite. Part of the reason for that is the outside pressure from investor relations and insurance carriers. Somebody wants to be able to say,

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THE ROUNDTABLE

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“The person sitting in that chair is in charge of the compliance programs.”

### ROUNDTABLE BIOS



**EDWIN E. HIGHTOWER JR.**, is vice president, human resources, with Gevity HR Inc., which provides in-sourced HR solutions to small- and medium-size businesses nationwide. Hightower joined Gevity in 2002 as corporate counsel. Prior to joining Gevity, he was a litigating attorney with Carnival Cruise Lines.

**MARCIA NARINE** is vice president and deputy general counsel-global compliance, labor and employment of Ryder System Inc. In addition to labor and employment matters, she oversees the company's compliance, ethics and privacy programs. Before joining Ryder, Narine was an associate with Morgan, Lewis & Bockius.



**EARL M. (CHIP) JONES III**, is vice president, legal and ethics compliance for Dean Foods Co., where he concentrates his practice in labor and employment law. Recently, he was named chief compliance officer, reporting to the audit committee. Jones joined Dean Foods in 2002, after practicing in the Dallas office of Littler Mendelson.

**STEVEN D. O'BRIEN** is general counsel and corporation secretary for The Gallup Organization and a member of its executive committee. O'Brien is responsible for all legal issues affecting the company, as well as government relations. Prior to joining Gallup in 1990, O'Brien was a partner at Knudsen, Berkheimer, Richardson & Endacott.



**GARRY G. MATHIASON** is a senior shareholder of Littler Mendelson, based in the San Francisco and San Jose offices, and chair of the firm's technology group. Mathiason has supervised the firm's attorneys on more than 1,000 employment-law litigation matters. He routinely designs defense strategies and evaluates class action and complex employment law litigation.

**CAROLE STERN SWITZER** is senior vice president and general counsel of the Open Compliance and Ethics Group (OCEG), a nonprofit organization established to develop a common framework for effective management of corporate compliance and ethics programs. In addition, Switzer maintains an active national environmental law practice.



**STEVEN C. MEISGEIER** is associate general counsel for commercial litigation and employment law at El Paso Corp. He also provides legal advice to the company's ethics and compliance office and has been involved in developing and implementing El Paso's compliance programs, as well as investigating individual charges of violations of the El Paso code of business conduct.

**For information about participating in or hosting a Roundtable, please contact:**

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It's a tremendous opportunity for people who are interested in compliance. If you want your title in the C-suite, you need to move your aspirations to that level. Be a visionary and don't just run programs to keep things in check. Always think about what's next.

**Meisgeier, El Paso:** It's key for that person to have access to everybody. Our ethics and compliance office director can walk into the general counsel's office, the CEO's office, the chairman's office, the audit committee or the board of directors and let them know that he thinks something is wrong and is not being properly addressed.

Another message that we have pushed is the idea that every single employee is responsible for this. Every employee has not only the right but the responsibility to go to the ethics and compliance office or the CEO or the general counsel. And they have, bypassing a very elaborate and sophisticated way of complaining within the ethics and compliance group. We have, in fact, disciplined employees who did not report compliance breaches.

### Mass Compliance

**Mathiason, Littler Mendelson:** One of the best ethics and code of conduct policies I have ever read in my life is Enron's. It's fabulous. Obviously there was an issue about how far down into the organization it really descended. How do you get that message down through the culture of the organization?

**Narine, Ryder:** We have done it in a variety of ways.

Even though I have the title of compliance officer, people are more likely to take



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—Marcia Narine  
Vice President & Deputy  
General Counsel  
Ryder System Inc.

compliance seriously if the message comes from someone else in the organization. A compliance officer should ghostwrite compliance and ethics messages for a variety of people within the organization. If we have an ethics investigation in a particular area, I'm not the one that writes the message saying, "We have had this violation and terrible things have befallen someone. Don't do it again." We say it nicer than that, obviously. But the message comes from the vice president of the region, because that's whom people will listen to.

When we rolled out a hotline internationally, we had our international VPs talk about it, and we sent out brochures to people's homes and made up wallet cards. We've been surprised to receive complaints from parts of the world where culturally it is not appropriate to go above your boss's head, such as in China, Mexico, Argentina and Canada. It was a big surprise to us.

We put it in bold that employees have an obligation to come forward, and we will not retaliate against them if they come forward in good faith, even if their claim cannot be corroborated. Besides a hotline, we have a number that comes directly to my office if people want to talk to me personally. We have an e-mail address employees can use. We're now getting as many people who use e-mail as use our hotline number. That surprised us, but some people are more comfortable sending an e-mail. When we first set it up, our HR people worried that it was confusing, but I told them some people

would rather sit at their computer at 2 a.m. and type a quick message than pick up a phone and call somebody. We talk about it during orientation. People haven't been afraid to report on a variety of issues. We might think some are trivial and some are important. But if somebody takes the time to make a complaint, it's important to us, and that's the message we get across to our managers. You have to take it seriously if someone has made the time to complain about something.

**Switzer, OCEG:** You have to ensure that management and leaders at every level are walking the walk and not just talking the talk. The employees have to see that just because someone is a big earner for the company, he or she doesn't get away with things that other people cannot. They have to see that not only is there no retaliation, but there is appreciation for making the report. You can call it ethics, you can call it culture, but all these issues have to be woven throughout the business. Compliance and ethics can't be a separate layer above the business.

I want to just come back for one minute to the question that nobody is comfortable answering about compensation. OCEG is in the middle of conducting a far-reaching, broad-based benchmarking study about compliance methods programs.

Based on very initial responses, the compliance officer generally has direct lines of reporting that ultimately end at the CEO,

with dotted lines to the audit committee. Many of those go through the general counsel's office. Either the chief compliance officer still is the general counsel—which I think is a very bad idea—or is an associate general counsel who reports to the general counsel and then to the CEO. But more and more, chief compliance officers are beginning to shift into parallel positions to the general counsel and are reporting to the CEO. We are beginning to see a shift that shows the direct line of reporting to the board or some committee of the board, with more dotted line reporting to the CEO.

As that happens, the budgets are growing, and compensation is growing because it is a higher-level position with more authority. We've seen the total compensation package range as low as \$100,000 for a small company up to \$1 million for a large multinational company. The typical range is between \$250,000 to \$275,000, without making any distinctions about geographical location and so forth. As we finish our benchmarking study, if we have a sufficient number of responses we will cut the data by industry, number of employees, size of revenue and geographic area.

Interestingly, in Canada the range is more like \$125,000 to \$150,000, much lower than a typical U.S. company from what we've seen thus far.

## Risky Business



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Associate General Counsel  
El Paso Corp.

**Mathiason, Littler Mendelson:** From your perspective, what are the top areas of risk?

**Jones, Dean Foods:** Since our board of directors is driving the program, you first identify the issues where they have a stake. For example, after the recent Enron and WorldCom situations where directors are paying financial settlements out of pocket, we obviously want to take care of the risks where the board would have that kind of exposure. The go-to-jail risk has to be at the top of the list. Going through that process is not easy, though, because once you open up that kind of self-evaluation, you need to be prepared for what you find.

And in our business of food manufacturing, food safety recall issues are obviously both a business and regulatory risk that we have to take very seriously.

**Narine, Ryder:** It's important for companies to recognize that you can't just look at the legal risk. You need to look at the safety and employee-relations risk, as well as the risk to the company's reputation. Those are risks that erode the public trust, your ability to get contracts with the government and a variety of other things.

If you look at Boeing, which fired its CEO Harry Stonecipher [over his personal relationship with a company executive], its board made what some people would call a crazy and reckless decision. But Boeing thought it was completely

appropriate in light of its culture and dealings with the government, and because Stonecipher was supposed to be cleaning up the company's ethics. A lot of CEOs will say they are the chief ethics officer because it's got a great ring to it, but what does it really mean?

Any global multinational company has to worry about a lot of risks. You have to worry about the wage and hour risks. You have to worry about keeping track of millions of employment laws. How do you ensure that your partners in international joint ventures are willing to comply with the Foreign Corrupt Practices Act? How do you ensure that your employees aren't going to engage in insider trading because

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Edwin Hightower Jr.  
Vice President, Human Resources  
Gevity HR Inc.

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they don't really understand what that means? How do you maintain compliance ethics when Sarbanes-Oxley isn't knocking at your door?

Companies talk about needing profitable growth and meeting the numbers. How do you make sure that people realize that you can't throw ethics and compliance out the window? Any company of any size has to face that, because you still have to worry about growth and profits whether you are a small or a large company.

**Mathiason, Littler Mendelson:** One of the things that struck me about the Boeing case is the draconian action by the organization. The board felt Boeing had been embarrassed by the incident, even if the incident wasn't potentially the subject of a lawsuit, such as a consensual relationship. Are we going too far under the banner of compliance?

**Jones, Dean Foods:** One thing that is fascinating about Boeing was there was no blip in the stock price after it removed its CEO. In any other situation, if you remove the CEO you'll either see a positive or negative blip because of that decision. There was no

impact at all.

**Switzer, OCEG:** People are more concerned about and more impressed by decisions about judgment. You can look at the Boeing situation and think it was ridiculous—it was a petty personal situation and the guy was running the company really well. But on the other hand, you can look at it and think this was really bad judgment on his part. If you're going to have bad judgment about something like this, then maybe you have an attitude that the rules don't apply to you. So while the relationship itself wasn't a huge problem, it's that message and the damage that message can do to what your employees think about following rules.

**Hightower, Gevity:** It's an issue about unintended consequences as well. There were some very real circumstances that kicked off this huge corporate compliance issue, especially with Sarbanes-Oxley. We're just now seeing what the outcomes of some of those rather draconian efforts have been. We are going to see some of those rolled back partially, and it will become more reasonable.

**Mathiason, Littler Mendelson:** There was recently a survey of members of boards of directors as to whether they think all of this spending has actually resulted in greater compliance than we had before, and

95 percent of the people responding said either they weren't sure or they didn't think so. What evidence is there that all of this effort is actually making an organization more compliant?

**Narine, Ryder:** If you say "Sarbanes-Oxley," people will pick up the phone and respond to your e-mails faster.

Seriously, with the exception of the people in audit and some corporate transactional lawyers, 99 percent of employees at companies don't really know what it means. They think it is scary. They are afraid to go to jail and that might be a good thing. Could it have been done differently and more effectively with more thought? Some people would say yes. Not me.

**Hightower, Gevity:** It certainly makes people think about the consequences of their individual actions. We see it very much now in the HR arena. You have to think about reporting structures. If you move this piece here, what are the effects under Sarbanes-Oxley? Are you removing or messing with a control that was put in place for a very real reason?

### Measuring Success

**Mathiason, Littler Mendelson:** How do we measure whether we have better compliance today than in the past? Washington state initiated a revolutionary program a few years ago. It did intensive training of

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their managers in a whole range of employment-related issues and then tracked the results in terms of settlement dollars and attorneys' fees. It found a dramatic decline—more than enough to pay for the training.

What method do we have inside corporate America for measuring whether compliance is working? Won't that be essential if you're going to need more resources, or is the scare factor enough?

**O'Brien, Gallup:** Right now companies are just operating on the scare factor. These are things that you have to do and the boards are willing to spend the money and get it done. There hasn't been any really good analysis of what kind of return on investment there is. A lot of it is intangible right now—investor confidence is one. How do you measure that? In the wake of Enron and Arthur Andersen, something had to be done.

The other hidden expense of Sarbanes-Oxley is that it's a full-employment act for accountants. I saw a study yesterday that reported year-over-year audit fees are up 58 percent.

**Switzer, OCEG:** Companies should definitely audit their compliance programs. We actually use the term assessment, because I've learned from my friends in the accounting industry that an audit really is about looking at whether the things you've put in place are being run the way you put them in place. I talk about assessments and assessing both the design of what you've done, and continuing to make sure that it's designed appropriately. Maybe the risks have changed and you haven't changed your design. You also need to assess your



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operation. How well did it work for you?

But beyond the periodic actual assessment, we at OCEG see a real need for metric analysis, and that traditionally has not been done very well, certainly not in ethics. People get very confused about how you can judge something they view as very touchy-feely, but you can in certain ways.

I know of one compliance officer with a pharmaceutical company who is working with the University of Chicago to develop a metric approach that will determine that the compliance function should really be viewed as an asset and not as an expense. It should be booked the same way an insurance policy is, because it does help you run your company more effectively and efficiently with fewer risks being realized.

**Narine, Ryder:** Until we develop some measurements, you will really have to prove your worth by identifying situations you have uncovered. Point out that this is a possibility that hasn't come to light yet, and here's what you're doing to take care of it.

In your assessment, you will find a lot of low-hanging fruit that might not have anything to do with typical compliance, but from a business perspective might make sense to change.

Whether the compliance officer is a HR professional or an in-house counsel, he or she has to know the business really well so he can identify problems from a revenue-recognition perspective. If the compliance officer is thought of as a business partner, the corporation will be more willing to listen when he requests a \$27 million IT system. He may not get it, but the rest of the businesspeople are not going to look at him like he's crazy because he's already shown that he understands the business



**[Our chairman] believed that we didn't need a compliance officer in our company. We all needed to be compliance officers.**

—Edwin Hightower Jr.  
Vice President,  
Human Resources  
Gevity HR Inc.

and the risks it faces. Sometimes not everything will have a number or a percentage or a metric attached to it.

### **No Respect**

**Mathiason, Littler Mendelson:** I just did a study of 300 codes of conduct and 300 different organizations with regard to the process of compliance. I was shocked at how little respect HR is getting in this process, and how much of the direction comes from the financial side. Yet I'm also amazed at how many problems fall into the HR arena, and how many chief executive officers have lost their jobs because of HR-related problems. Why doesn't HR get more respect in compliance?

**O'Brien, Gallup:** We're seeing such an emphasis on the financial and legal side while we're putting structures in place that HR is just left behind. Any place you go, everyone says our most valuable asset is people, so that shift is coming. It is inevitable that HR is going to be much more prominent in the compliance arena because it's such a valuable asset.

**Narine, Ryder:** When you have to do due diligence on your executives, that's HR's job. When you have to develop a training and communications program, that's HR. Human resources develops deterrents and reward systems for compliance, works on succession plans and ensures background checks are done. There are so many things

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that HR has to do.

But if there wasn't a whistleblower provision in Sarbanes-Oxley, people probably wouldn't have thought of HR at all. And that's unfortunate. That's why the HR people really have to insert themselves into the process and get to know the compliance officer. The HR person should be working with the compliance officer saying, "Let's look at what the trends are in this part of the country. Why are we getting so many complaints about x, y and z? What does this mean?"

I talk to our HR people and our audit people every single day about the various issues. We think strategically about what we should be doing differently because of the kinds of things that we are encountering. We have to look at our HR partners as just that, partners. But they've also got to become more involved and knowledgeable so they are not just called into the meeting but, in fact, are calling the meetings.

It's difficult in many companies for HR people to get the respect they deserve. This is a prime opportunity for them to get

involved and get their fingers in everything, because nobody else really wants to do it.

**Switzer, OCEG:** One of the big issues has been a lack of commonality of vocabulary. Traditionally, compliance may have been mostly a legal function with lots of legal vocabulary around it. With Sarbanes-Oxley, there is a lot of finance language around it. I had a consultant who has been in compliance for 25 years bristle at our use of the term “human capital.” The consultant thought it was a horrible, dehumanizing term. I said, “That may be, but that’s the term we use in the industry today to talk about the people in the organization.” I’ve had HR people say they don’t understand why we talk about “event identification.” And that’s a common term used in enterprise risk management for figuring out what the risks are.

As people start to understand each other’s vocabulary, they will communicate better and work together better.

### Sound Advice

**Mathiason, Littler Mendelson:** If you had one recommendation for your colleagues in compliance, what recommendation would that be? What one thing could they do to make a difference?

**O’Brien, Gallup:** My one recommendation would be to intervene much more quickly from a people standpoint. We’ve developed

systems so that whistleblowers can communicate with us. That communication is their first way to interact with the system, and that’s unfortunate.

Whistleblowers are kind of like civil rights activists or environmental activists, and I mean that in a positive way. The reason they do what they do is that nobody is listening to them. They are not having a meaningful conversation with anybody.

Some of the companies we are working with are instituting surveys to get employee input on workplace issues that affect compliance. You give employees an opportunity to have a conversation about something that is important to them. You have to take it back one more step to the people. If you do that, you can avoid some problems later on with whistleblowing and all the other negative things that come out of that.

**Narine, Ryder:** I would advise HR professionals and in-house counsel that if they are not already involved in looking at the training programs and the communications and the messages that the executives send out, they need to get themselves involved. If you’re not working together and one initiative is going one way and another initiative is going the other way, it will send such a conflicting message within the organization that both are bound to fail.

To the extent that you are working collectively and closely on those, make sure that all the messages are the same and the training is

the same, and it is understandable to every employee. Make the compliance and ethics program have a real human side as opposed to just a checklist of things to ensure that you are meeting the standards.

**Meisgeier, El Paso:** This has got to permeate the company, and there are groups within the company that you need to get involved to make this work. You need audit, HR, security, safety, environmental, management and the employees. You get these silos built up in organizations. The only

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## So few companies have really determined what compliance means.

—Marcia Narine  
Vice President &  
Deputy General Counsel  
Ryder System Inc.

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way to avoid that is to respect and recognize that each of these different parts have a vital role to play and have expertise they bring to it. You need to get their buy-in at the beginning.

If you impose it from the top, it’s fine. You need the top support, but you need to get everybody on the same page before you get very far down this road or people will start saying, “Wait a minute, investigating that is an HR function. Why does ethics care?” Or “That’s security, so why does ethics care?”

**Jones, Dean Foods:** Get ready for business risk enterprise. That model is coming and the HR community will be well served to start learning how that works.

**Hightower, Gevity:** Make sure you examine your reward and recognition program and start focusing on driving through the real monetary value as a concept.

**Switzer, OCEG:** As difficult as it is, don’t spend 95 percent of your time putting out fires. You need to spend a substantial amount of time planning and putting the little fires out, so the big explosions will pass you by. ◀



**The employees have to see that just because someone is a big earner for the company, he or she doesn’t get away with things that other people cannot.**

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