

## **(FCPA) Compliance and Ethics: Tone from the Middle**

A panel at the Global Ethics Summit, discussed the topic of “Tone from the Middle”. The panelists were Chad Fentress, AGC for Accenture; Matthew Pachman, CCO for Altegrity and Maarten Westermann, Senior Director for Corporate Executive Board. The panel was moderated by Dr. Chris MacDonald Visiting Scholar at the University of Toronto. The discussion was around the issue of how does a company “push down” the tone from the top to the middle of an organization.

One question presented was “What should the tone in the middle be?” Pachman emphasized that his key question was “what understanding do want as a company?” That is, what should middle management’s role be in the company’s compliance program? He believes that this role is critical because the majority of company employees work most directly with middle, rather than top management. He feels that most employees will take their cues from how middle management will respond to a situation.

Westermann followed up on this point in the context of a compliance violation or other incident which requires some form of employee discipline. He believes that most employees think it important that there be “organizational justice” so that people believe they will be treated fairly. He further explained that without organization justice, employees typically do not understand outcomes but if there is perceived procedural fairness that an employee is more likely accept a decision that they may not like or disagree with.

Westermann also said that middle management must listen to the concerns of employees. Even if middle management cannot affect a direct change, he believes it is important that employees need to have an outlet to express their concerns. Fentress agreed with this and felt that middle management should receive training to enhance listening skills in the overall context of providing training for what he termed the “Manager’s Toolkit”.

Chad Fentress began the discussion by noting that because of the 200,000+ employee base of Accenture, the company could not provide live training by members of the compliance department to each employee. To assist in the overall training effort the company created compliance champions within regions. These champions received specialized training and they went out through the organization to supplement the training put on by the compliance department. He concluded by noting that an organization should use its core values as teaching points and if your company’s core values do not lend themselves as teaching points, perhaps they should be revised.

In the area of communication of company values, all panelists agreed that a company must speak with one voice. This core concept needs to be communicated throughout the organization. This concept is not meant as challenge to employee’s personal views or their lifestyle but as a company, it is important to speak as one.

We have previously written extensively regarding “Tone at the Top”. The focus of this panel was that the message must permeate down into the ranks. Any robust compliance program must have all levels of your company engaged. The information presented by these panelists should help you in your company’s middle management level.

*This publication contains general information only and is based on the experiences and research of the author. The author is not, by means of this publication, rendering business, legal advice, or other professional advice or services. This publication is not a substitute for such legal advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified legal advisor. The author, his affiliates, and related entities shall not be responsible for any loss sustained by any person or entity that relies on this publication. The Author gives his permission to link, post, distribute, or reference this article for any lawful purpose, provided attribution is made to the author. The author can be reached at [tfox@tfoxlaw.com](mailto:tfox@tfoxlaw.com).*

© Thomas R. Fox, 2011