



Trench & Associates DMCC

Legal Consultants

Dubai

From Canary in the Coal Mine to Beacon of Integrity: Elevating the Role of Corporate Compliance Officers

By Helen de Oliveira Carvalho ©

The best corporate compliance officers evolve from the narrow, danger-focused vision of a canary in a coalmine to the expansive, guiding perspective of a lighthouse, enabling them to identify wider angles and navigate the best routes to shore.

As corporate compliance professionals, we are invited by the business to foster the courage necessary to remain outcome-focused in ambiguous situations. Being effective in this role requires us to ask the questions that will help the business appropriately balance its competitive survival instincts with its greater vision. Some examples of these questions include:

- What message are our sales goals sending to the business about the balance between winning and doing things the right way?
- What are the short-term and long-term outcomes we are seeking?
- How is this decision aligned with our strategy?

The corporate compliance function creates a portal through which executives can deepen their self-awareness and integrity, often urging the business to create the necessary space between stimulus and action. This space is where individuals can access personal integrity¹, self-awareness, and make sound business decisions. We can invite the business to do this by:

- Helping them to identify the less obvious stakeholders impacted by a decision, product, or service.
- Asking them to pause and rate the decision, product, or service on an ethics spectrum from zero to ten.

Challenges and Real-World Application

Implementing these strategies is not without challenges. Resistance from within the organization, entrenched behaviors, and short-term profit pressures can all impede progress. However, by adopting a proactive and collaborative approach, these hurdles can be overcome. For instance:

¹ 7 Habits of Highly Effective People, Steven Covey

- Building Alliances: Engage key stakeholders early in the process to build support for compliance initiatives.
- Education and Training: Regularly conduct training sessions to reinforce the importance of ethical decision-making and compliance.
- Clear Metrics: Develop clear, measurable goals for compliance and ESG initiatives to track progress and demonstrate value to the business.

Becoming a Lighthouse

Businesses can no longer ignore ESG, and in response, the corporate compliance function is transforming from a canary bird that warns of imminent danger to a lighthouse with far-reaching vision. The lighthouse expands a corporation's viewpoint, navigating immediate, medium, and long-term risks. Acting as a lighthouse allows compliance to deliver a broader and more relevant panorama, seeing more than what others see and thinking beyond the conventional. Sight leads to insight².

To act as a lighthouse, corporate compliance officers should:

1. Maintain a deep understanding of where the company aims to go.
2. Understand the primary motivators of all middle managers and the sources of power within the organization.
3. Soften their personal views to ask the right questions at the right times with the right intent, without causing disruption to the organization's ecosystem of accountability.

One of the most courageous pursuits a corporate compliance officer can undertake is to help the business create the space to widen its frames of reference, test the contexts in which decisions are made, and bring issues that create dissonance to the table early on.

Engaging Everyone in Compliance

If an organization's corporate compliance efforts are episodic, entropy takes over, and a sense of contraction quickly spreads across the business. By inviting everyone to be "their own compliance officer,"³ the compliance function can deliver authenticity, intensity, intentionality, and fulfilment to the organization and its people. This approach can increase engagement and attract and retain truly self-governed resources. A corporate compliance function with a seat at the table can naturally help deliver system-wide wellness and contribute to creating an environment where employees do not need to compromise their integrity.

Conclusion

² The Artist's Way, Julia Cameron

³ Warren Buffet, 1991, New York Times

The journey from a reactive canary to a proactive lighthouse is challenging yet essential. By embracing a strategic and inclusive approach, corporate compliance officers can help their organizations navigate the complexities of modern business environments, ensuring ethical practices and sustainable success.

Trench & Associates DMCC @ 2024