

Identify Misconduct Before It Happens

RiskClarity: A Corporate Integrity Service™

Pressure on corporate culture is building



Consumers

Want businesses to **create ethical and sustainable** products



Want businesses to **take a stand on social issues** and pursue a strong set of values



Employees



Businesses



Want businesses to **be transparent** in their corporate practices, and to **push for sustainable change**

Want businesses to **establish a positive corporate culture** and will likely increase pressure in other areas soon



Governments and Regulators



Investors

The DOJ emphasizes culture

In 2019, the U.S. Department of Justice released new guidance that places an increasing emphasis on corporate culture and cultural assessment in its evaluation of compliance program effectiveness.¹

Under the guidance, compliance teams are expected to ask themselves these questions regarding culture:

- 1** How often does the company measure its culture of compliance?
- 2** Does the company seek input from all levels of employees to determine whether they perceive senior and middle management's commitment to compliance?
- 3** What steps has the company taken in response to its measurement of the compliance culture?

¹Source: [Department of Justice Evaluation of Corporate Compliance Programs](#)

Compliance leaders struggle to improve culture

42% of compliance and ethics leaders ranked the inability to accurately measure compliance and ethics program effectiveness as among their **top 5 risks in 2019**



And **less than a third of compliance executives** feel confident in their ability to **improve their organization's culture**



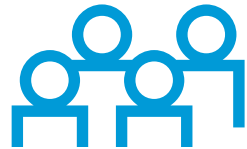
Why most cultural failures occur

Most often, cultural failures fall into **three** main categories:



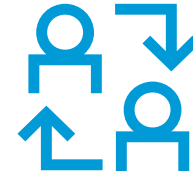
Fear of Reporting:

Employees don't feel comfortable speaking up either because they feel they may experience retaliation, their allegations won't be taken seriously, or the organization won't take action.



Lack of Ethical Leadership:

Employees don't feel senior leaders and managers are ethical nor that they will hold others accountable for their behavior.



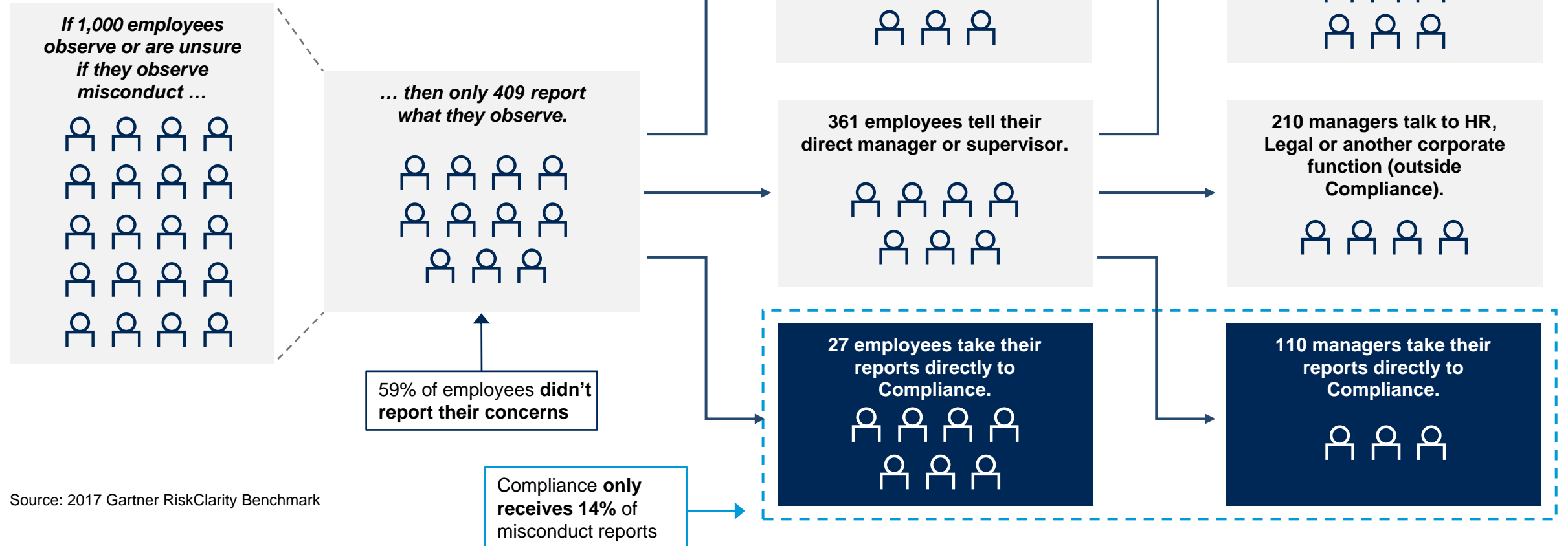
Poor Trust in Colleagues:

Employees don't feel that the people who work around them on a day-to-day basis are or will hold others accountable for compliance and ethics behavior.

86% of misconduct reports don't make it to compliance

How Information About Business Misconduct Travels

Analysis of 2017 Reporting Trends From RiskClarity:
A Corporate Integrity Service™ Benchmark



Source: 2017 Gartner RiskClarity Benchmark

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The impact of a positive culture is huge



Build an ethical culture with RiskClarity

Assess and measure your company's ethical culture through an **online survey including approximately 45 culture-related questions**. Gain deep insight into employee behaviors and perceptions and develop action plans that quickly mitigate newly identified risks.

Organizations will receive:

- Quantitative data regarding the strength of your company's culture of integrity
- Indicators of how susceptible your company is to multiple risk areas
- Levels and types of risk areas observed by your employees in the past year
- Rates at which employees report noncompliance and the channels they use
- Prescriptive guidance and tools to address identified gaps and opportunities

Learn from your peers

- 2.4 million participating employees
- 200+ participating companies
- 20% of the Fortune 100
- 115 countries represented across six continents

Three ways RiskClarity delivers value

RiskClarity identifies hidden risks by assessing an organization's culture of integrity at all functions and levels to uncover observed types of employee misconduct.

- 1. Perform an enterprisewide cultural assessment:** Organizations can assess their culture, identify cultural weak spots that present increased risks and manage employee misconduct before it occurs.
- 2. Uncover root causes of employee misconduct and manage them proactively:** Organizations seeking a better understanding of what type of misconduct occurs within their enterprise (and, more importantly, why it occurs) use RiskClarity to determine the root cause of specific cultural and operational issues that lead to the most common areas of misconduct within their organization.
- 3. Target specific areas of employee risk quickly:** Organizations that encounter a significant business change (e.g., acquisition, entering into new markets) can conduct a targeted assessment of cultural and misconduct risk within a smaller segment of the employee population to address specific risks or assess country-specific concerns.

Best time to use:

To obtain an annual baseline of corporate culture and integrity, to benchmark against peers; when creating an action plan to reduce misconduct within your organization

Best time to use:

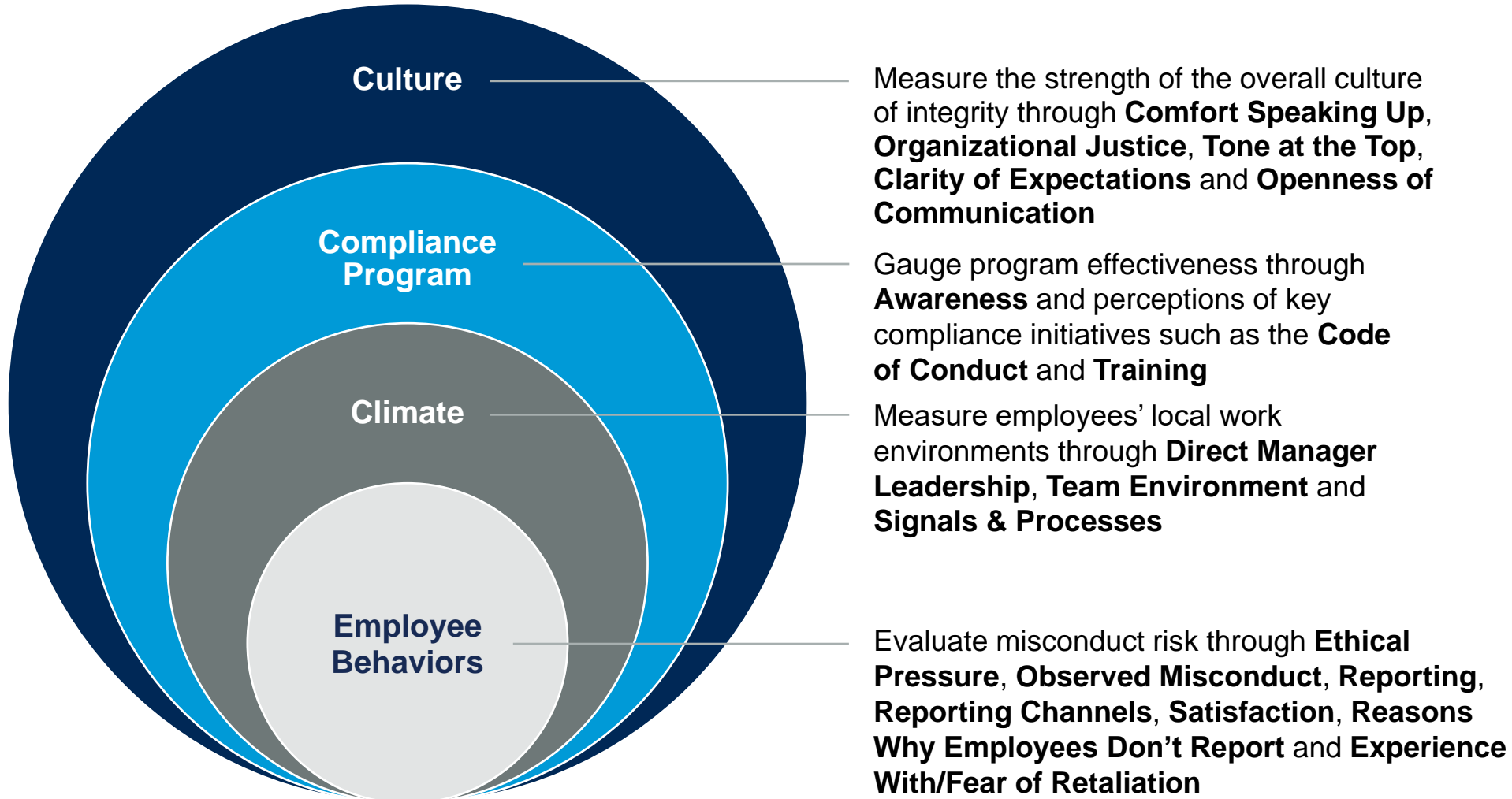
After a corporate crisis, where action is required either by the board or by regulators; when predictive metrics are required to track and mitigate misconduct

Best time to use:

After M&A, entering a new market, changes in senior leadership or other disruptive changes

How we measure cultural risks (and strengths)

Four Ways RiskClarity Assesses Cultural and Misconduct Risk

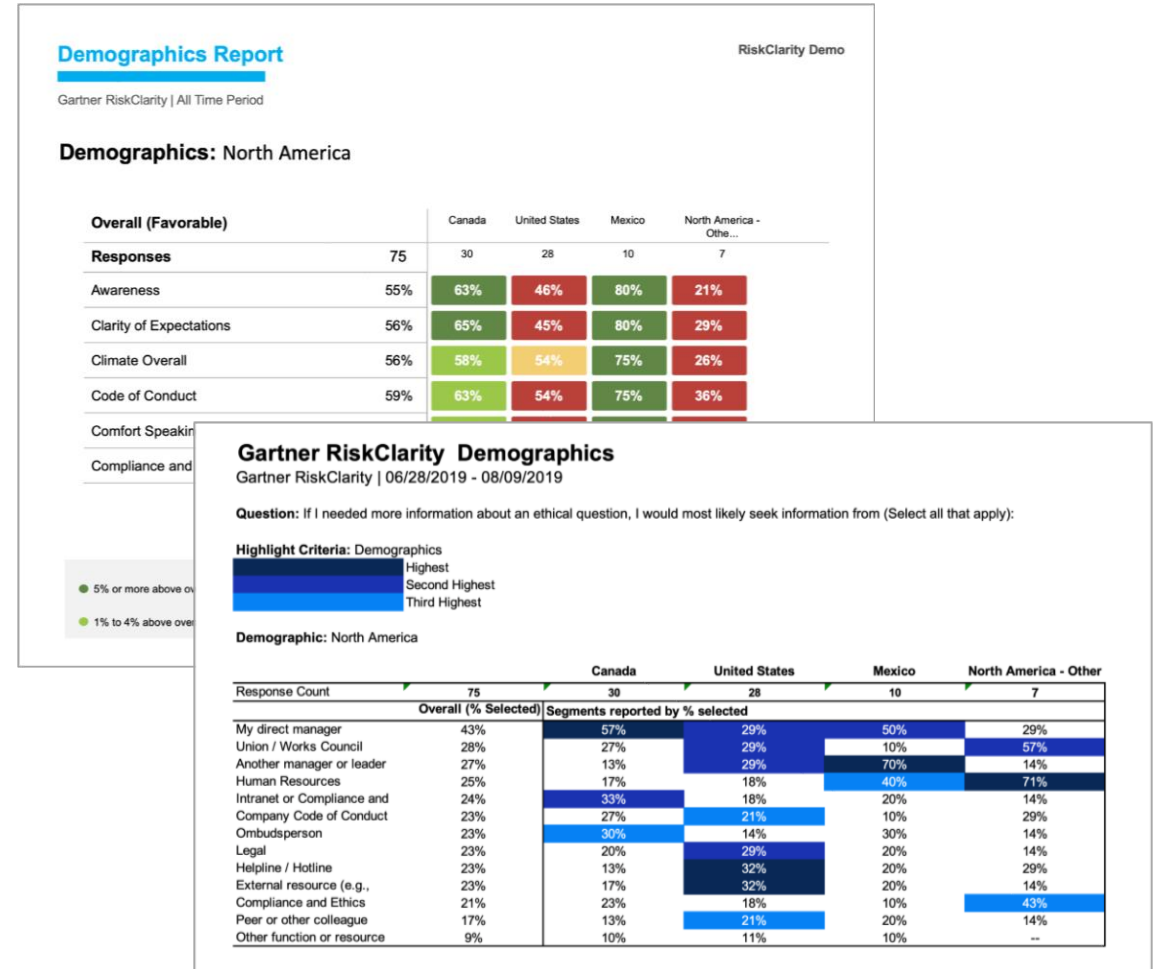


Identify key compliance risks, such as:

- Conflict of interest
- Data privacy violation
- Discrimination
- Fraud
- Harassment or bullying
- Improper payments or sales
- Insider trading
- Preferential treatment
- Retaliation
- Sexual harassment
- And more

Immediately assess results and take action

- Deep dive into results and metrics **in real time, on demand**
- **Export and share survey results** directly from the interactive RiskClarity platform
- Customize your reports and charts by **individual survey demographics**
- Export report views into PowerPoint and Excel to generate charts and tables that can be **easily dropped into Board, leadership or other presentations**



The RiskClarity advantage: More than a survey

The survey is the first step, not the only step, we take with you. **One-on-one support from a Gartner expert** for driving your next actions, backed by research and best practice case examples from peer companies, makes RiskClarity different from other cultural assessments.

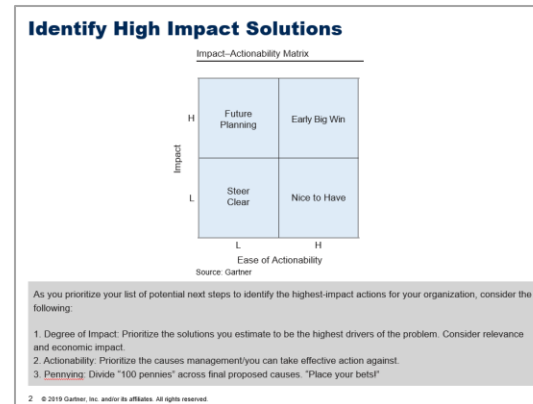
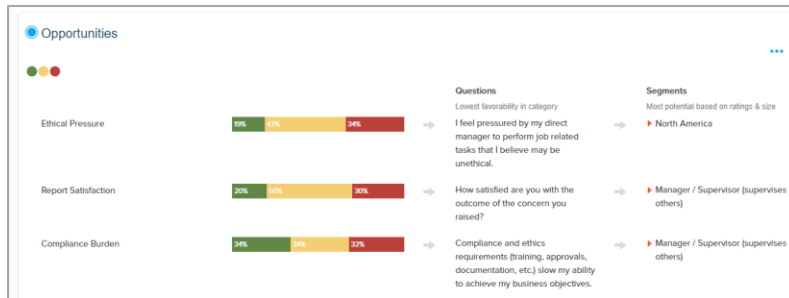
Identify Key Focus Areas to Improve Culture



Discuss Results with a Gartner Expert and Prioritize Next Steps



Get Tactical Guidance to Put Your Plan Into Action



Moving Forward

Focus Area	Action Steps	Timeline
Comfort Speaking Up	<ul style="list-style-type: none"> Train managers in areas of business with low comfort speaking up scores. Increase awareness of reporting options (e.g., anonymous helpline). Reinforce zero-tolerance policy for retaliation. 	<ul style="list-style-type: none"> Begin training Q2 2020 Complete training by Q3 2020 Begin campaign Q1 2020 Integrate into ongoing annual messaging
Manager Response to Reports	<ul style="list-style-type: none"> Provide managers with clear and easily accessible guidance on when and how to escalate reports of misconduct. Provide additional training on addressing reports and questions for managers in areas of business that feel less prepared. 	<ul style="list-style-type: none"> Publish guidance Q2 2020 Reassess progress Q3 2020 Begin training Q3 2020 Complete training Q4 2020 Integrate into annual manager training
Satisfaction with Reporting	<ul style="list-style-type: none"> Establish procedures to provide all employees involved in investigations with updates on a fixed basis. Ask all involved employees for feedback after the investigation. As permitted by privacy policies, provide quarterly case studies that include actions taken in response to reports. 	<ul style="list-style-type: none"> Establish procedures Q1 2020 Reassess progress Q2 2020 Establish procedures Q1 2020 Reassess progress Q3 2020 Integrate into quarterly newsletter (or other publication) by Q2 2018 Publish on ongoing quarterly basis

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“We went with RiskClarity because it was very powerful but also plug-and-play — Gartner’s team made it easy to achieve, and we got a lot of value from it.”

Associate General Counsel, Large Utilities Company

Ready to get started?

Gartner for Legal & Compliance Leaders provides research insights, advice, tools and data to help you achieve your mission-critical priorities and keep up with the accelerating pace of business.

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