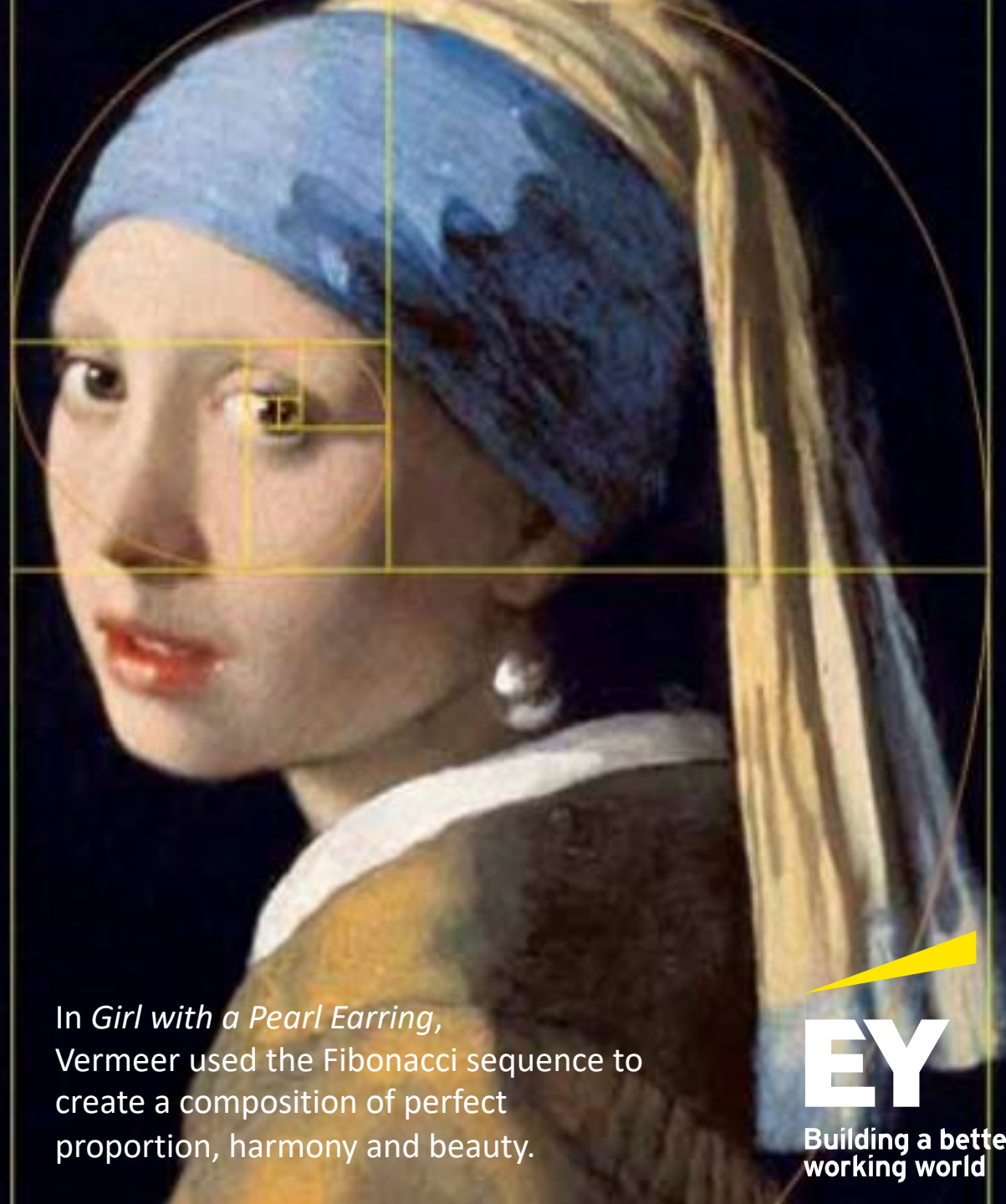


Can you understand the full picture without seeing what lies beneath?

How to engender willful compliance



The better the question. The better the answer.
The better the world works.



In *Girl with a Pearl Earring*, Vermeer used the Fibonacci sequence to create a composition of perfect proportion, harmony and beauty.

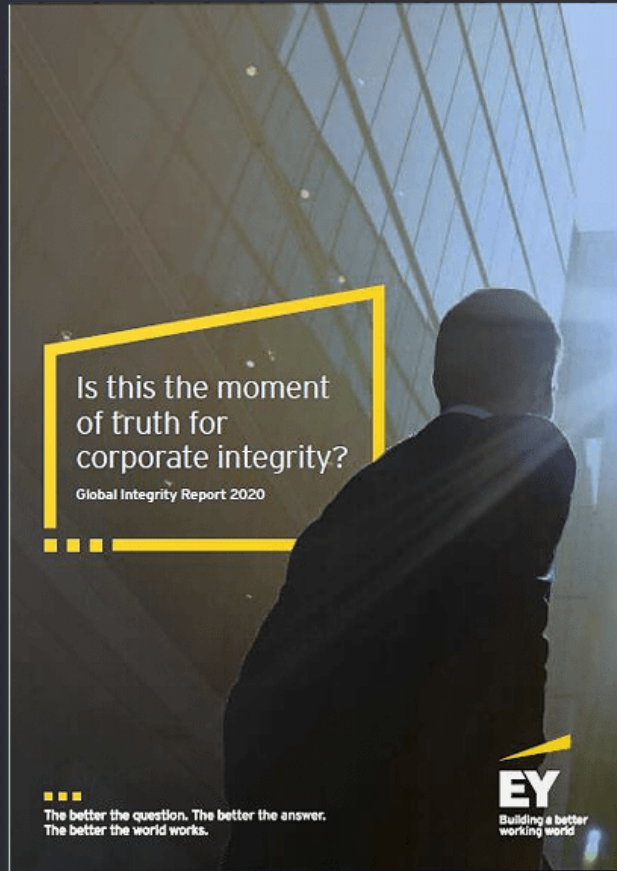
The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

Building a better
working world

What we'll cover today

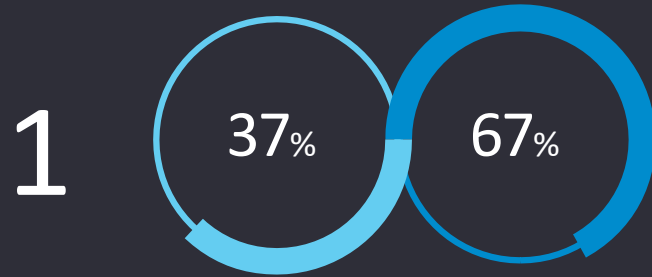
- 1** A view on the state of “corporate integrity” from 3,548 employees of global organisations
- 2** How the regulatory guidance reflects the strategic role of compliance teams
- 3** The scientific framework for a human-centered compliance approach...
- 4** ... and how that is being applied at GSK

A snap-shot of corporate integrity around the world



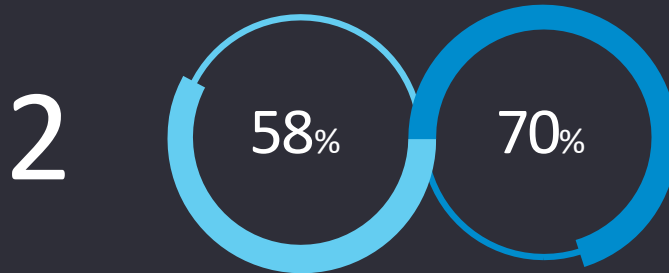
- ▶ **When: January – April 2020**
- ▶ **Who: 3,548 surveys** in the local language with board members, senior managers, managers and employees in a sample of the largest organisations and public bodies
- ▶ **Where: 33 countries** and territories worldwide.

The view from the board room is very different from that on the factory floor... except in one area



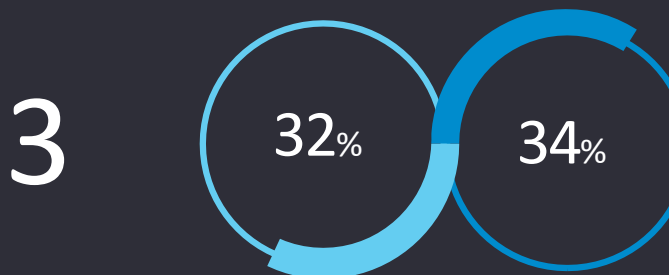
Management doesn't talk enough about integrity

Two-thirds (67%) of the board think management frequently talks about the importance of behaving with integrity, but only 37% of junior employees think the same.



Junior employees fear personal consequences for reporting wrongdoing

Only 58% of junior employees agree that employees in their organization can report wrongdoing at work without fear of negative consequences for themselves. In contrast, 70% of board members agree.

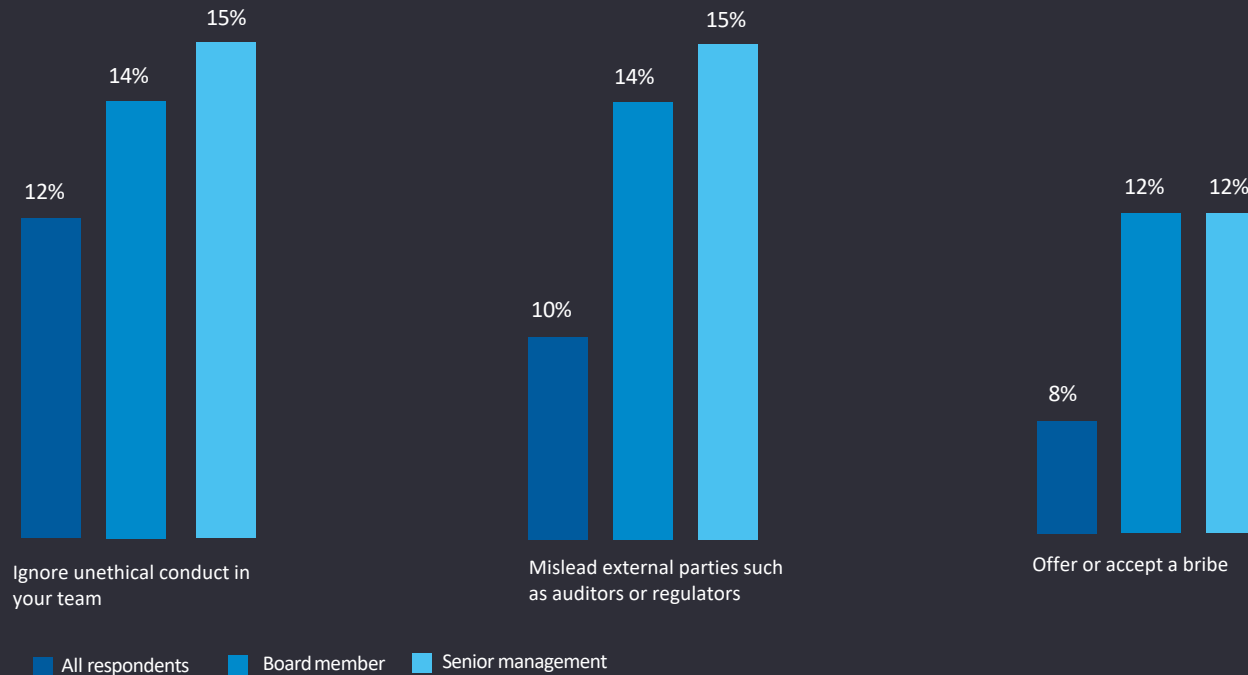


Managers are believed to let high performers get away with unethical behavior

A third (32%) of junior employees believe unethical behavior is tolerated if the culprits are senior or high performers. In fact, a similar proportion (34%) of the board agrees.

The “selfish minority” with a significant presence in management positions

Question: Which, if any, of the following would you be prepared to do to improve your own career progression or remuneration package (your pay or any bonuses you might receive)?



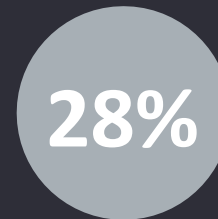
In the context of the pandemic, 1/3 of respondents see remote working as heightening the risk of unethical conduct

90% believe that COVID-19 poses a risk to ethical business conduct at their organization.

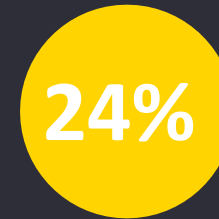
Aside from worsening market conditions, respondents believe the top COVID-19 risks to ethical conduct are:



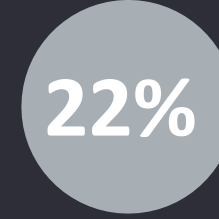
Disruption to traditional working patterns, e.g., increase in remote working.



Disruption to supply chains.



Reduction in employee benefits and compensation.



Reduction in staff levels.

Regulatory expectations reflect the evolution in the role of compliance teams

“Undertaking proactive evaluations

before a problem strikes can lower the applicable penalty range under the U.S. Sentencing Guidelines...”

Source: A resource guide to the US Foreign Corrupt Practices Act (First edition) DOJ and SEC: 2012

*“Prosecutors should consider whether the company undertook **an adequate and honest root cause analysis** to understand both what contributed to the misconduct and the degree of remediation needed to **prevent similar events in the future.**”*

Source: A resource guide to the US Foreign Corrupt Practices Act (Second Edition) DOJ and SEC: July 2020

Prevention of misconduct relies on influencing behaviour, *in the moment...*



Changing behaviour is not easy to do



We can learn from insight from **scientific disciplines**



The starting point is **shifting our thinking** about what it REALLY takes to influence and change behavior

Thinking differently about what it takes to **shift human behaviour** could radically accelerate our progress and achieve **willful compliance**

We can learn from established scientific disciplines enable behaviour change



Complex Adaptive Systems

Prevent don't predict

- ▶ You can't control, design or predict the future in a complex situation



Natural Sciences

Stand in their shoes

- ▶ Human behaviour is best understood by observing them in action or by eliciting experiences (narratives)



Cognitive Neuroscience

Design for humans

- ▶ Our brains have evolved to act more on emotion than logic



Behavioural Economics

Nudge don't yank

- ▶ Behaviours and mind-sets are habitual and learned. People will take the path of least resistance.

What this means in practice

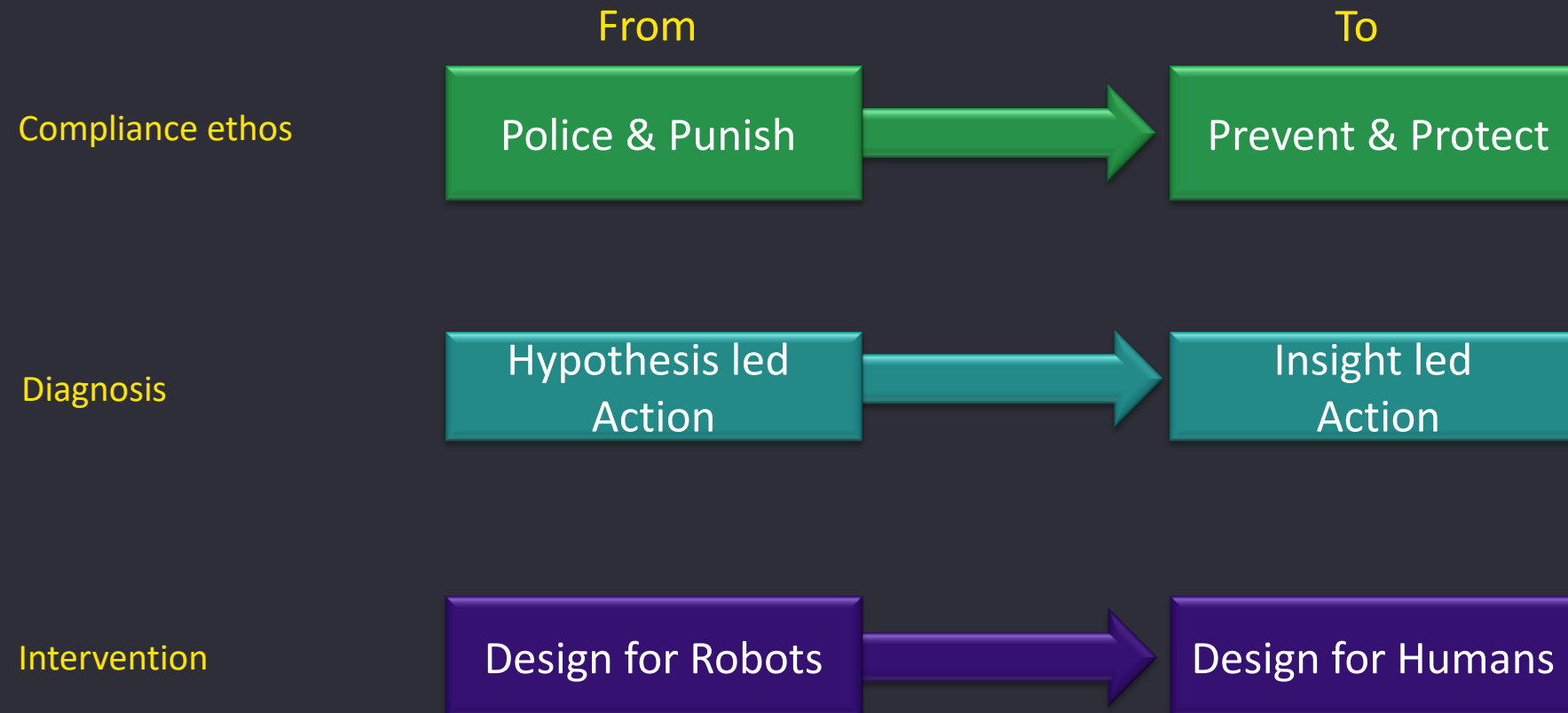
Install real-time monitoring

Gather large volumes of human experiences

Create the conditions where people WANT to comply

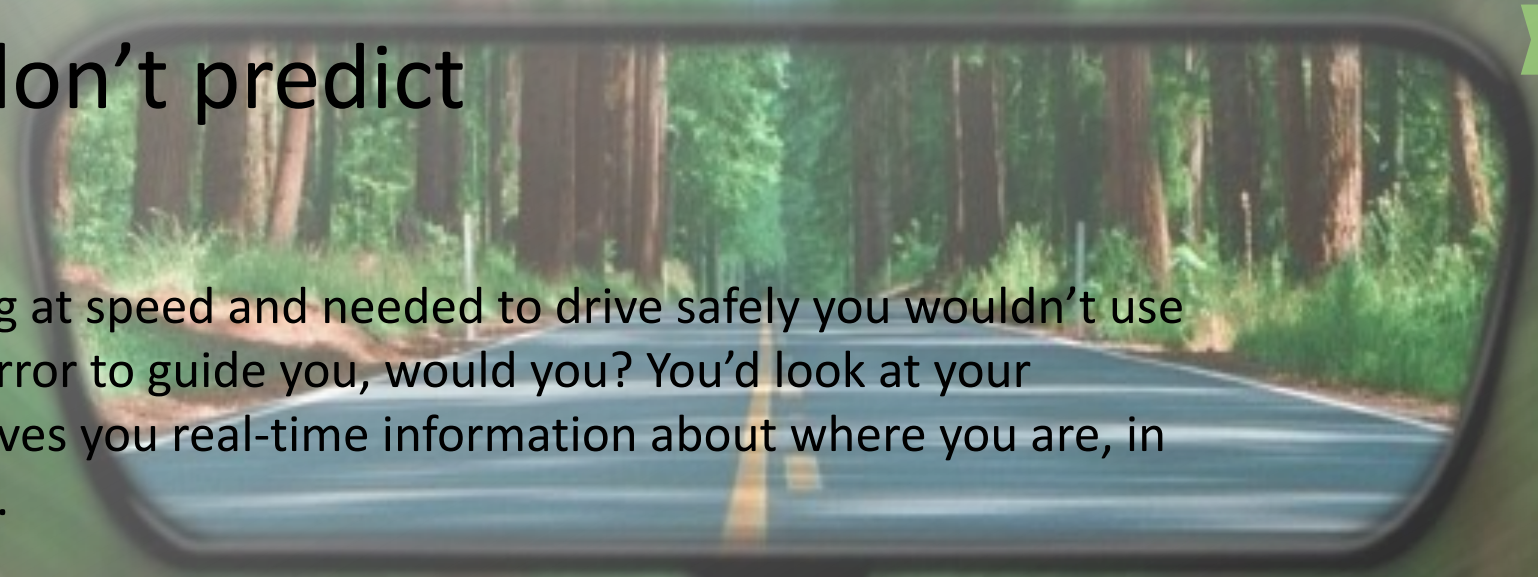
Make desired behaviours easier and more rewarding to do

This calls for us to think and act differently as compliance and business leaders



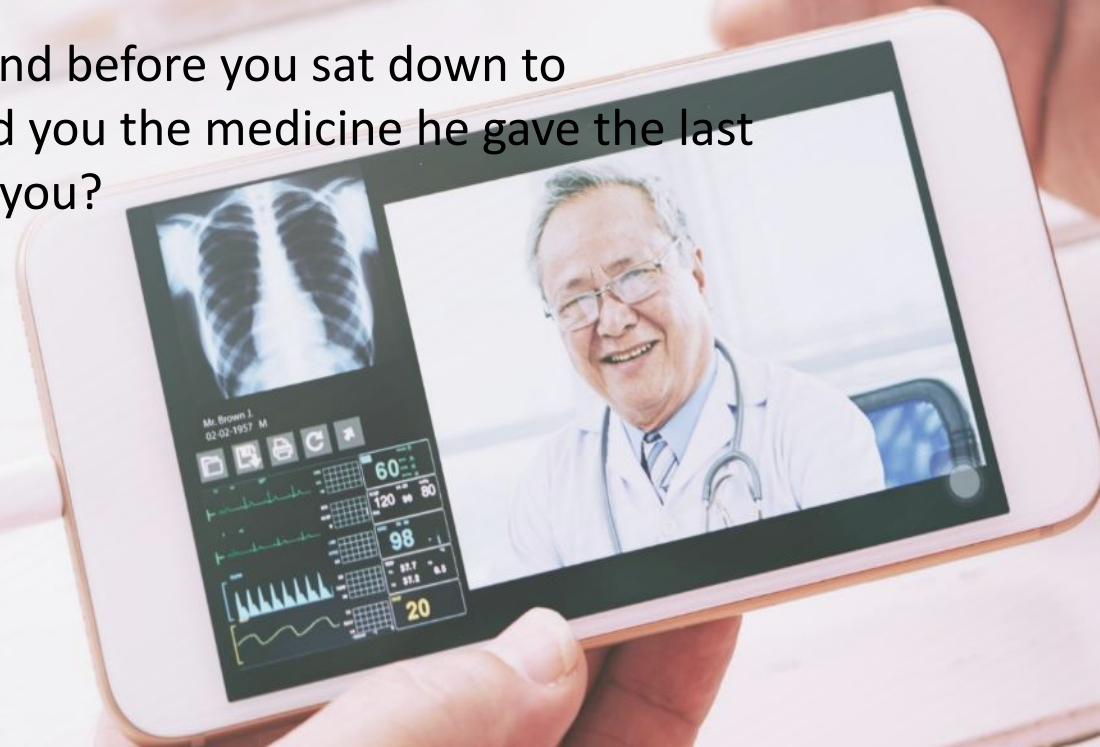
Prevent, don't predict

If you were driving at speed and needed to drive safely you wouldn't use your rear view mirror to guide you, would you? You'd look at your dashboard that gives you real-time information about where you are, in the here and now.



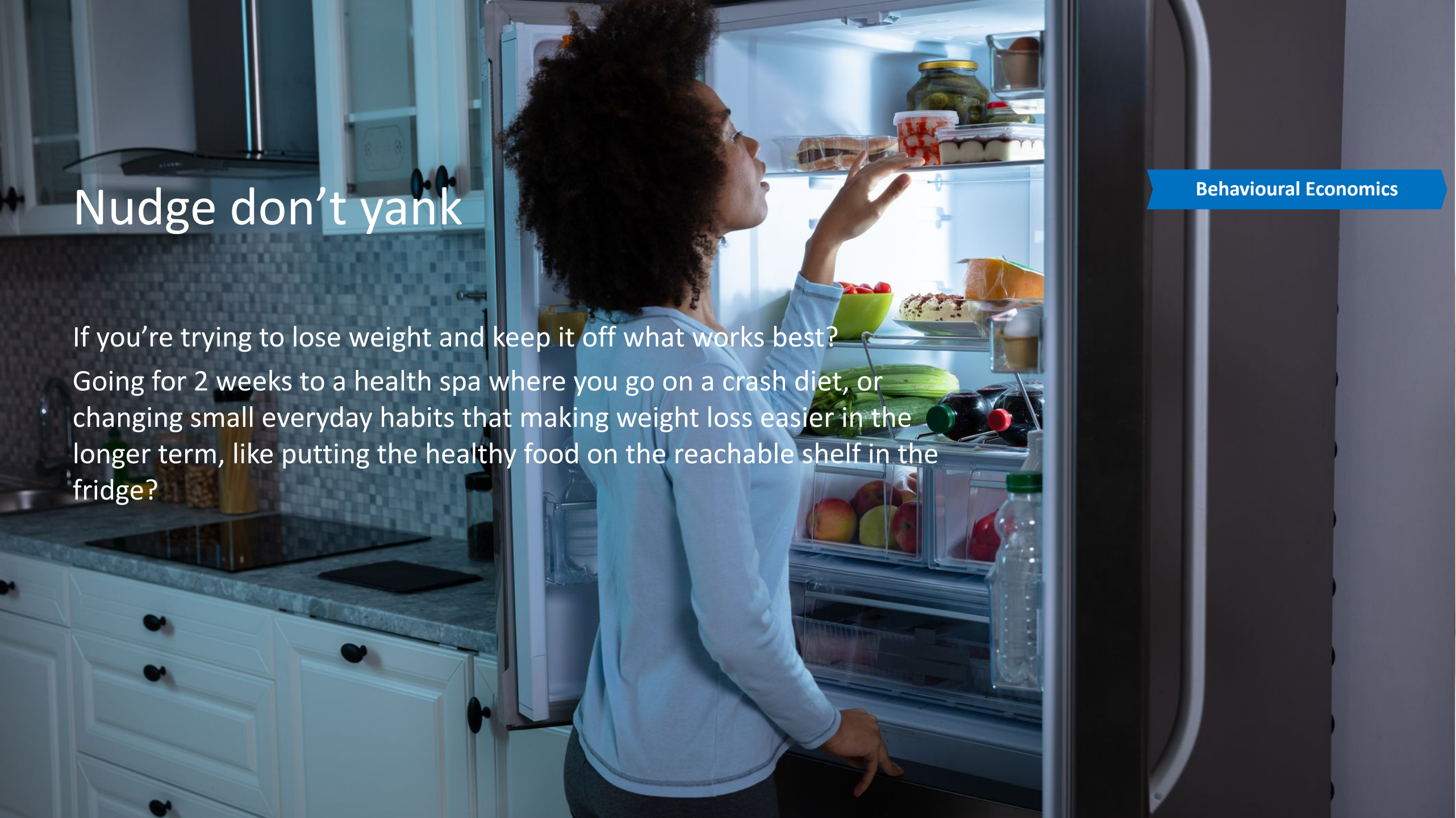
Stand in their shoes

If you walked into a doctor's surgery and before you sat down to describe your symptoms he prescribed you the medicine he gave the last patient, you wouldn't accept it would you?



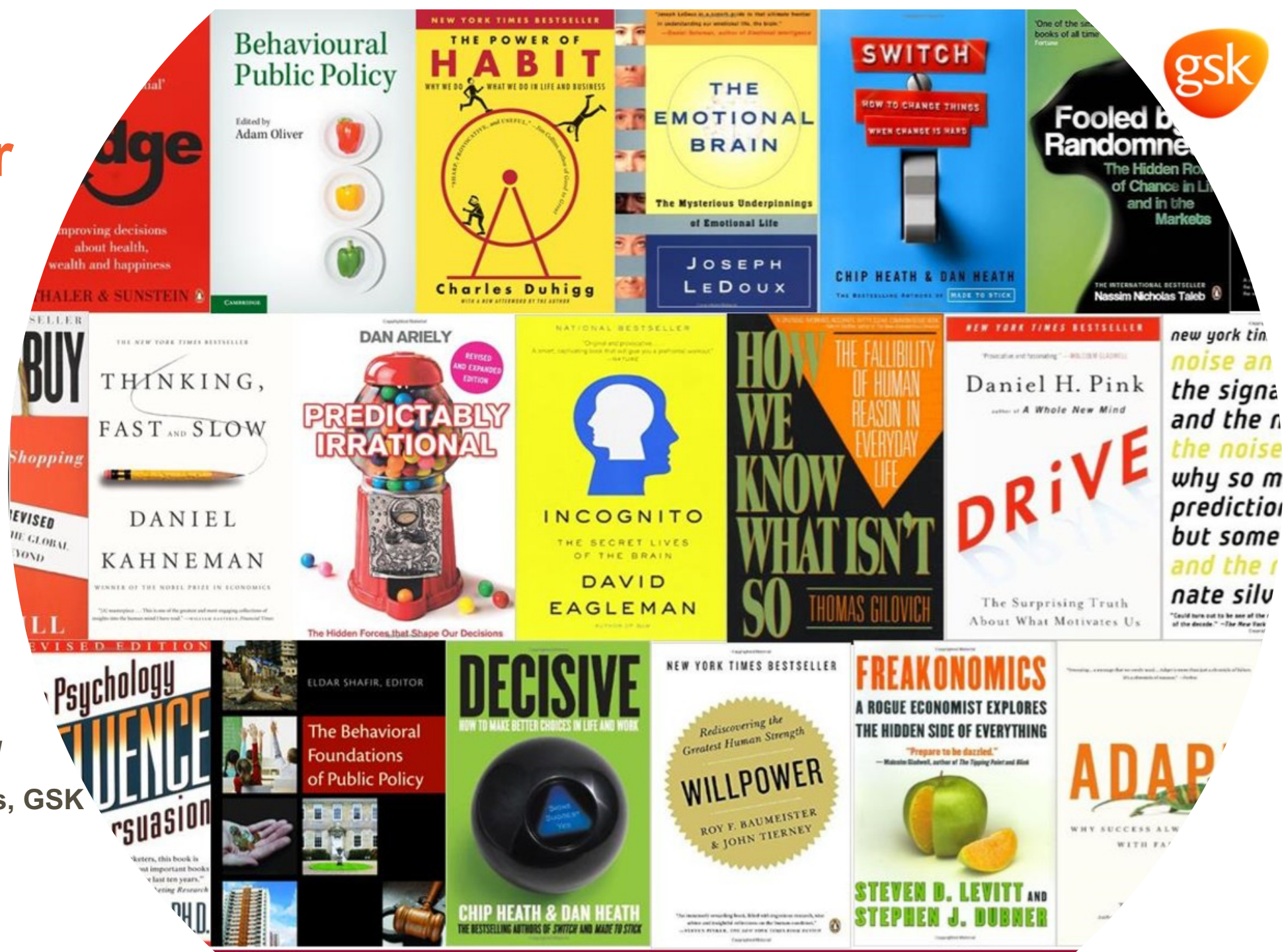
Nudge don't yank

If you're trying to lose weight and keep it off what works best? Going for 2 weeks to a health spa where you go on a crash diet, or changing small everyday habits that making weight loss easier in the longer term, like putting the healthy food on the reachable shelf in the fridge?





Why Consider a Behavioural Science Approach in Ethics & Compliance?

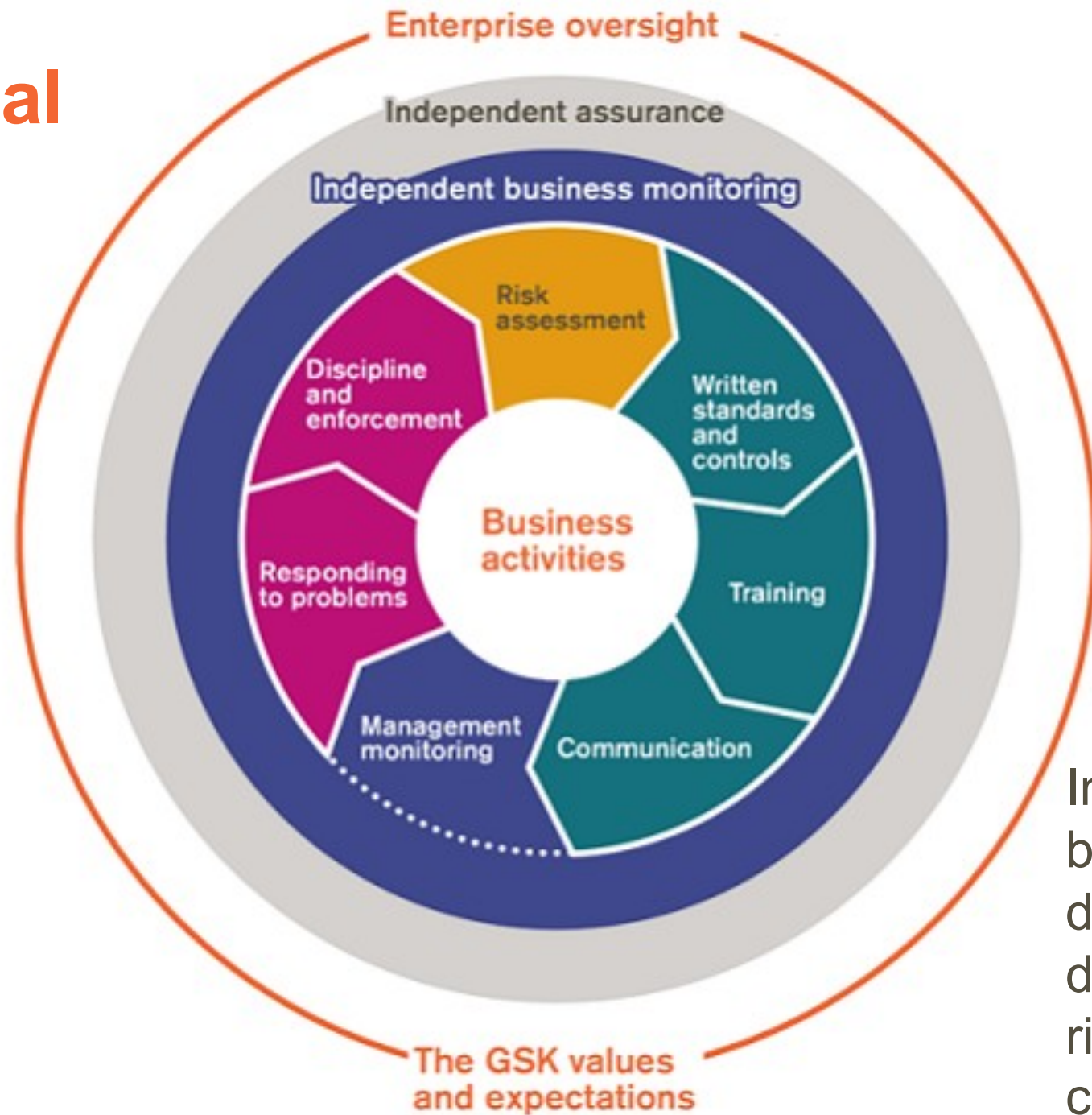


Dr Amanda Bunten, *CPsychol*
Director of Behavioural Ethics, GSK

A large, stylized DNA double helix structure is positioned on the left side of the image. It is rendered in a vibrant orange-to-yellow gradient with a textured, crystalline appearance, suggesting a molecular or scientific theme. The helix starts at the top left and curves downwards and to the right, ending near the bottom center.

**A science-led global
healthcare company
with a special purpose**

GSK's Internal Control Framework (ICF)

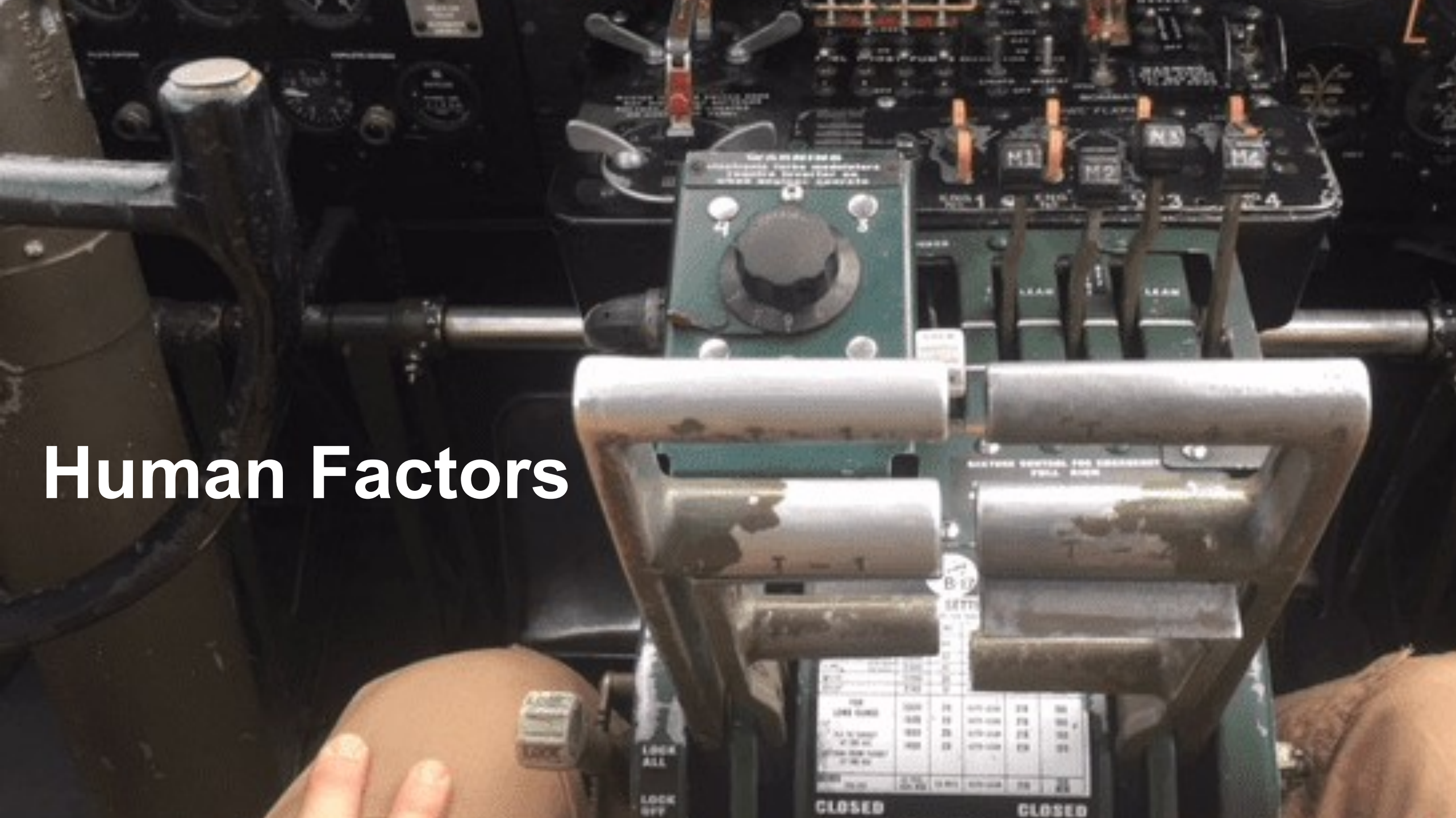


Integrating behavioural science, data analytics and digital solutions into risk management and compliance



What influences our behaviours and decision making?

Human Factors

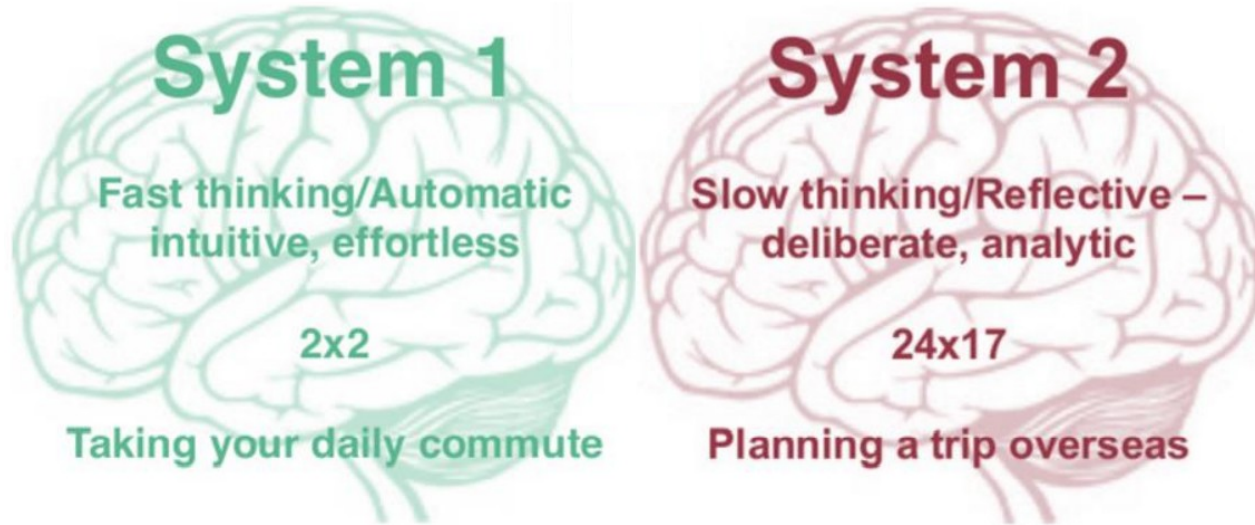


ISLAGIAT Principle



Scared straight Programme
Petrosino et al (2003)

Dual Process Thinking



In reality

- Subject to biases
- Subject to irrationalities
- Use heuristics
Shortcuts to make decisions
- Context and time dependent
inconsistent
- Emotional

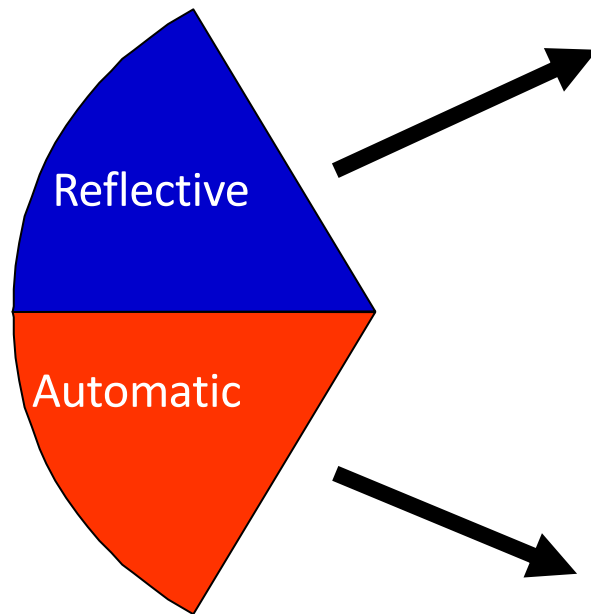


“Homo-economicus”

- Consistently rational
not emotional
- Self-interested
not altruistic
- Utility maximisers
the greatest amount of value possible for the budget
- Takes the optimal route to achieve goals



Motivation: reflective and automatic



Beliefs about what is good and bad,
conscious intentions, decisions and plans

Emotional responses, desires and habits
resulting from associative learning and
physiological states

Reflective-Impulsive Model, Strack & Deutsch, 2004

PRIME Theory of Motivation, West, 2006

Low Price

sweet treats



Resist or change environments



Fun factor

Intention – Behaviour Gap



We all have good intentions but often don't follow through.

“Changing behaviour by changing minds is unscalable, increases inequalities, not very effective”

Professor Theresa Marteau, Cambridge

The **Intention-Action** Gap

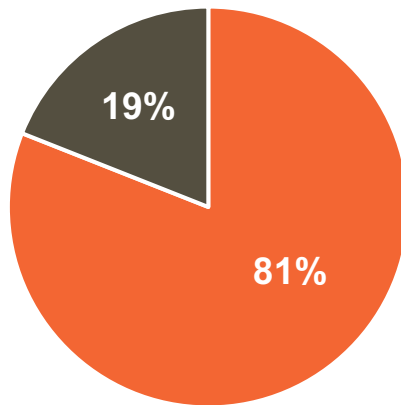


Understanding Phishing Behaviour



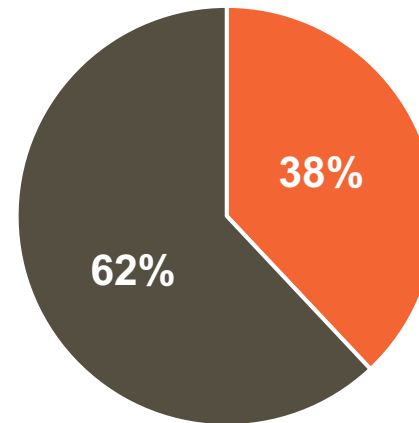
Were you aware of the PhishAlarm that is embedded in Microsoft Outlook?

■ Yes ■ No



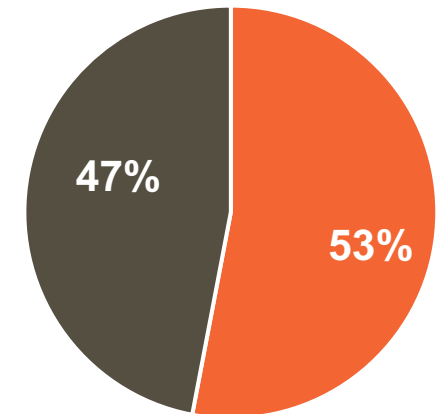
Prior to clicking on the link in the email, did you have any thoughts that this might be a phishing attempt?

■ Yes ■ No



Did you at any point consider not clicking on the link/attachment?

■ Yes ■ No





Cabinet Office



Department for Education



Department for Business, Innovation & Skills



Department of Health & Social Care



Department for Work & Pensions



HM Revenue & Customs



Department for International Development



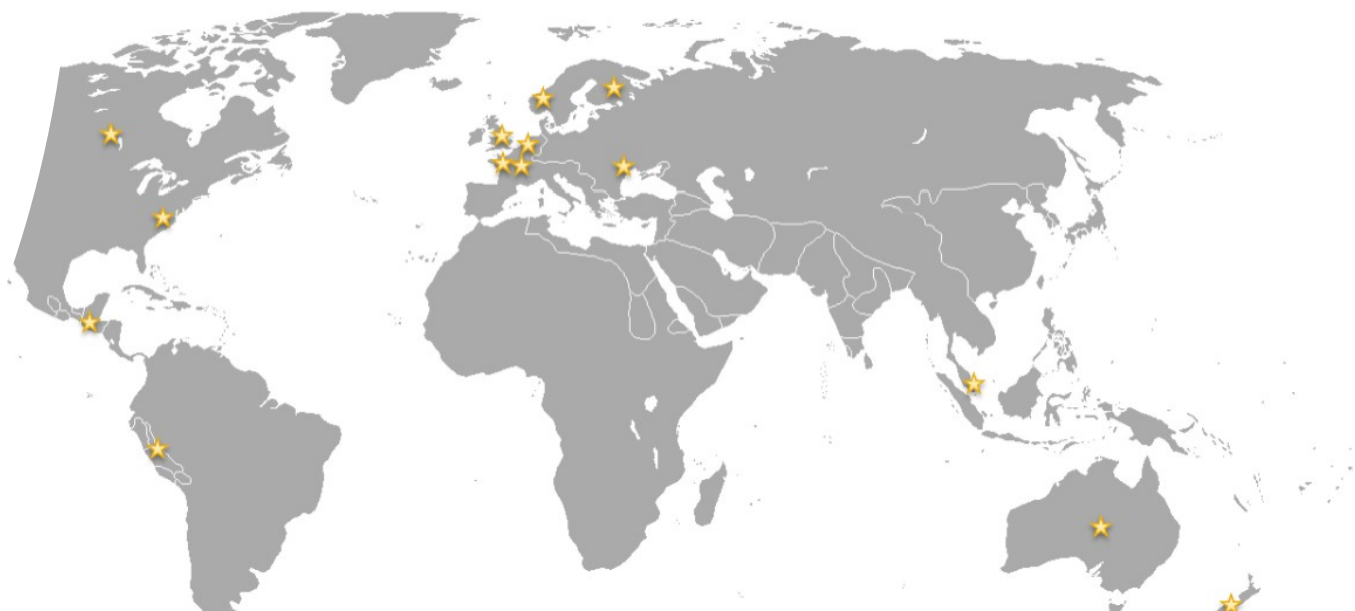
Public Health England



HM Courts & Tribunals Service



Department for Transport



Control

Control group

“**9 out of 10**
people in **Britain**
pay their tax on
time”

Social norm
nationally

“**9 out of 10**
people in
B15 1AY pay
their tax on time”

Social norm in
your postcode

“**9 out of 10**
people in
Birmingham pay
their tax on time”

Social norm in
your town

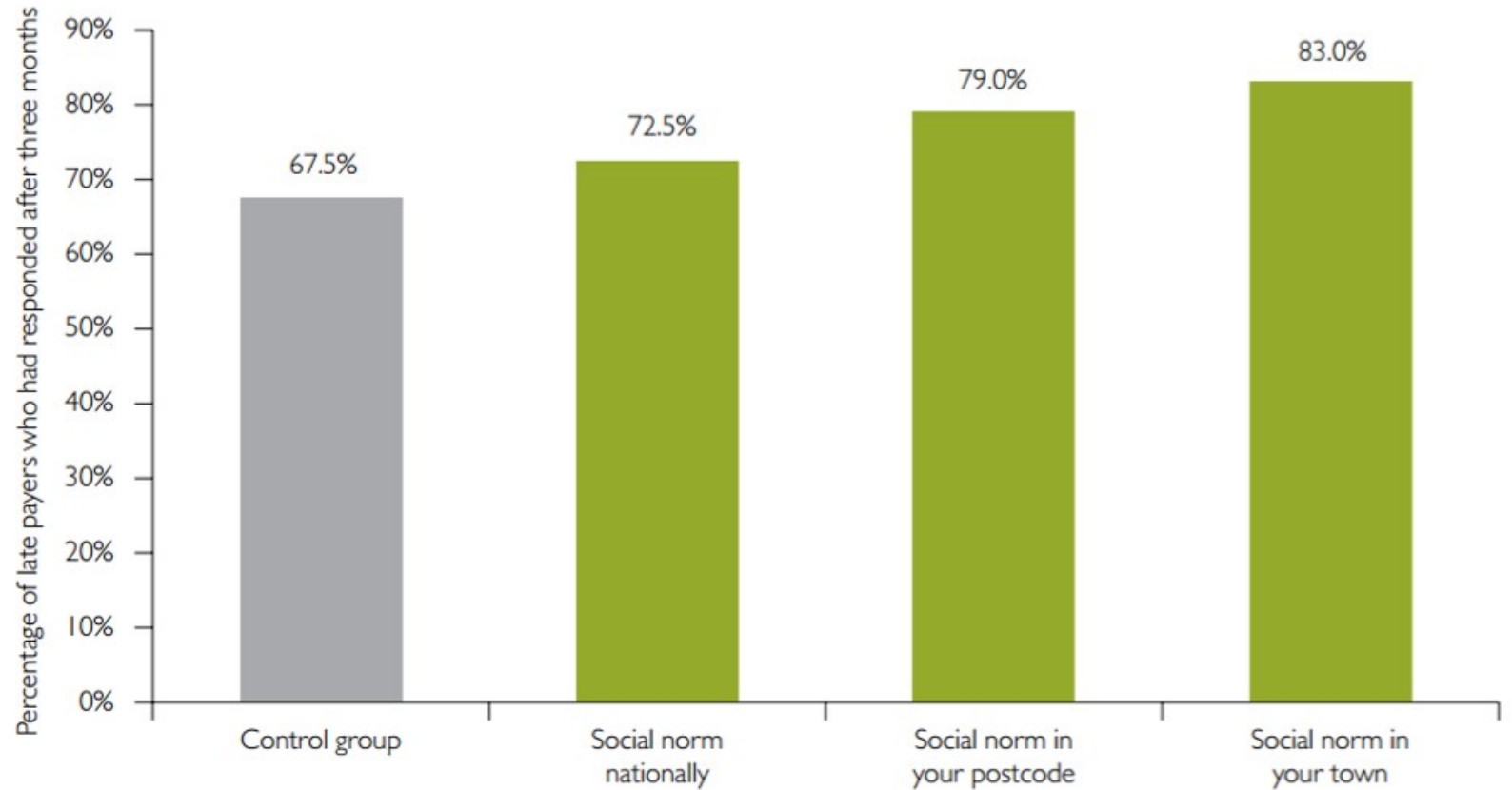


HM Revenue
& Customs



THE
BEHAVIOURAL
INSIGHTS
TEAM

**Revenue increased
by an additional
£210 million
(2012/13)**



**HM Revenue
& Customs**



**THE
BEHAVIOURAL
INSIGHTS
TEAM**

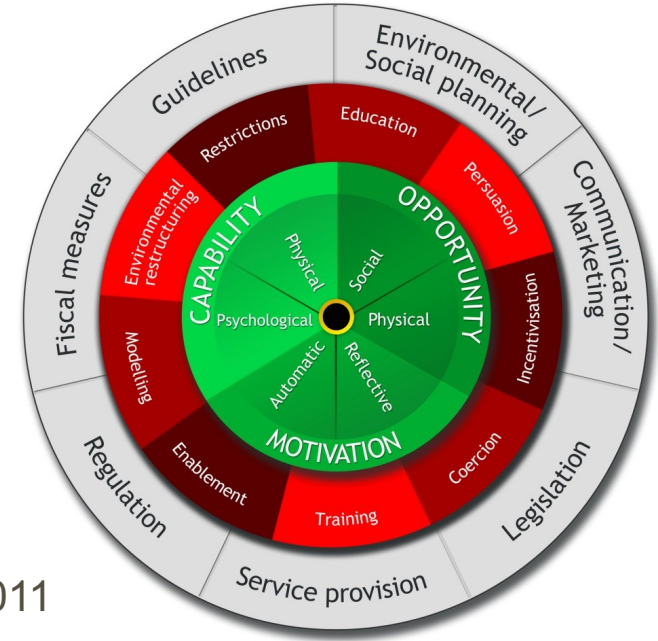
Applying a behavioural science lens



Understand the problem in behavioural terms

Understand the context in which the behaviour occurs

- Sources of behaviour
- Intervention functions
- Policy categories



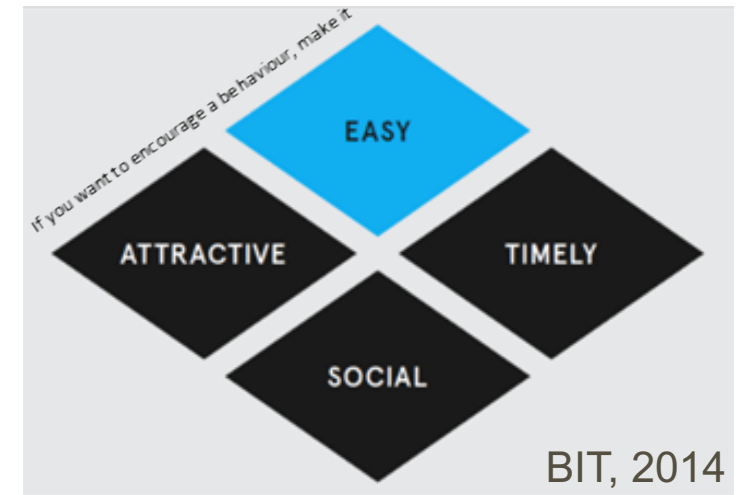
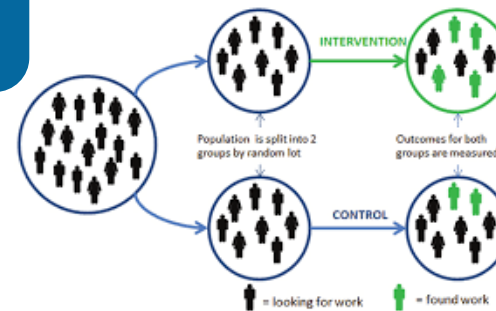
Michie et al, 2011

Co-produce with the business, stakeholders and users

Understand the barriers and motivators

Define the target behaviours

Understand the system in which it occurs



BIT, 2014

How can behavioural science add value?



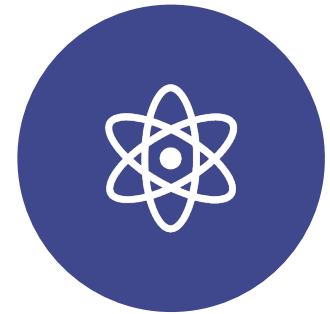
HELP IDENTIFY WHAT
INFLUENCES BEHAVIOUR



HELP DESIGN
INTERVENTIONS/ POLICIES/
TRAINING TO TARGET THE
DRIVERS OF BEHAVIOUR



BUILD MEASUREMENTS OF
EFFECTIVENESS AND
ROBUST EVALUATION



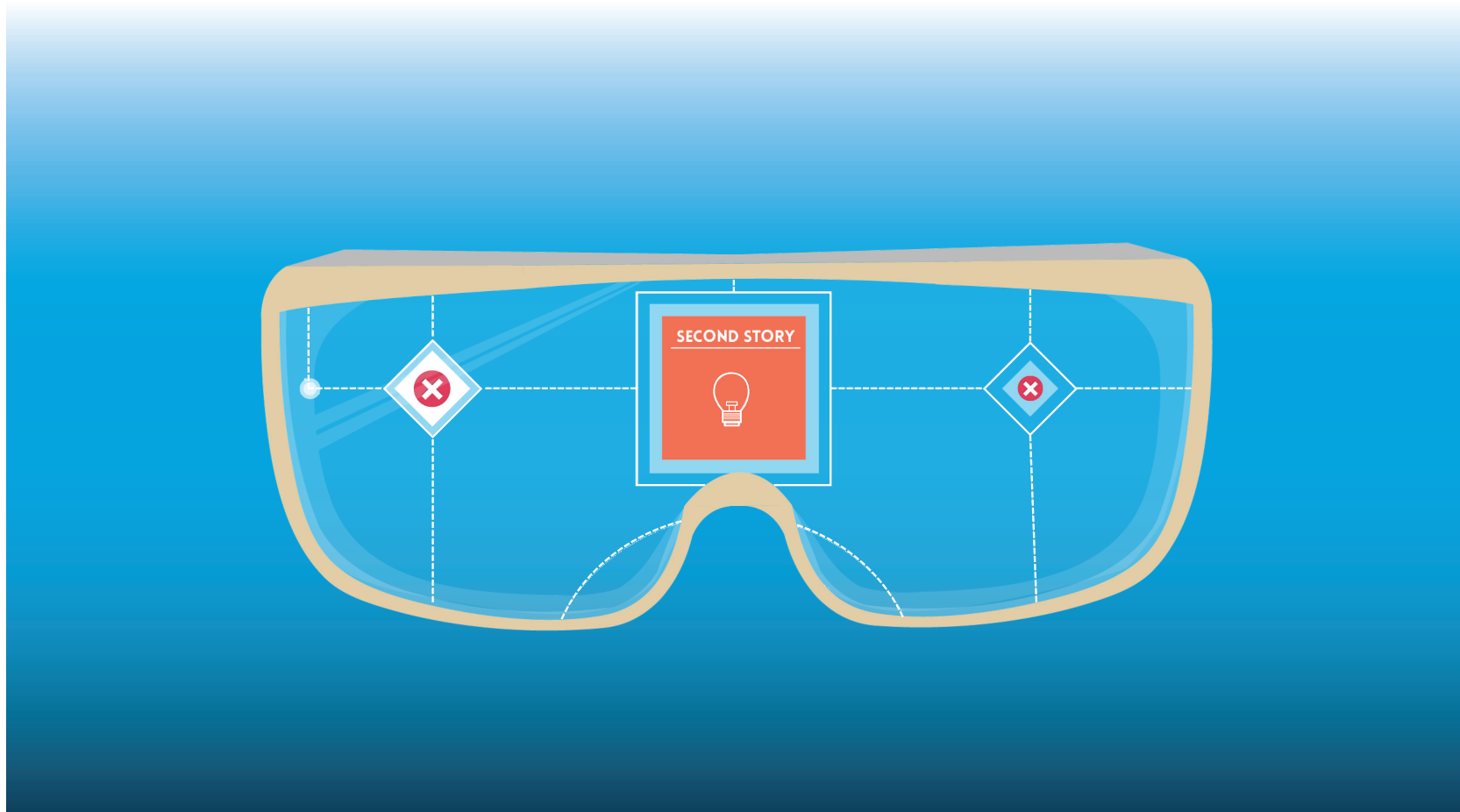
AN APPROACH OF TEST,
LEARN AND ADAPT

Human Performance

BioPharm Manufacturing
Experience

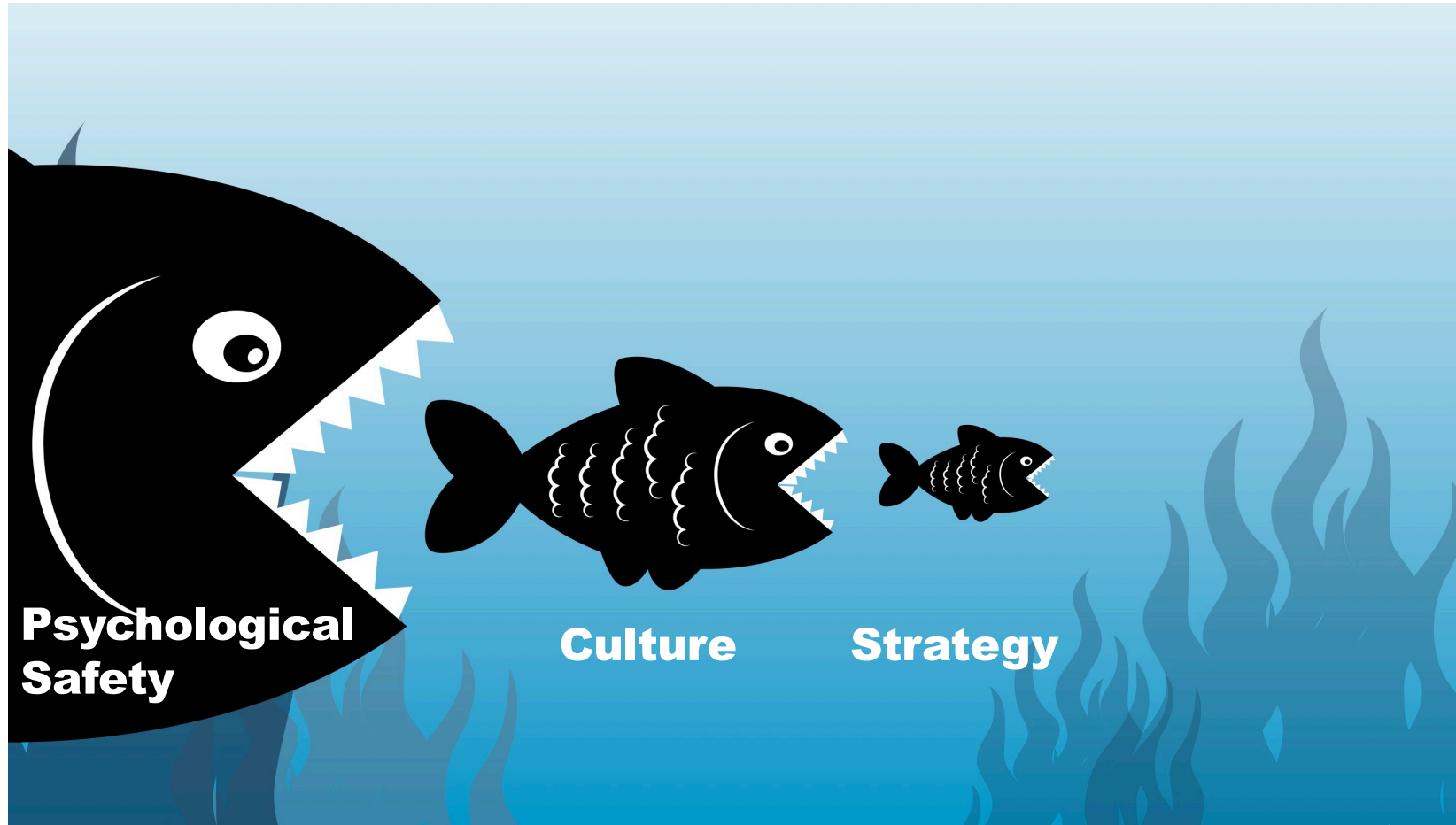
Understand why a behaviour made sense at the time

Wear your human factor glasses and stay curious



Change starts with self

Create the climate for improvement



Work as done

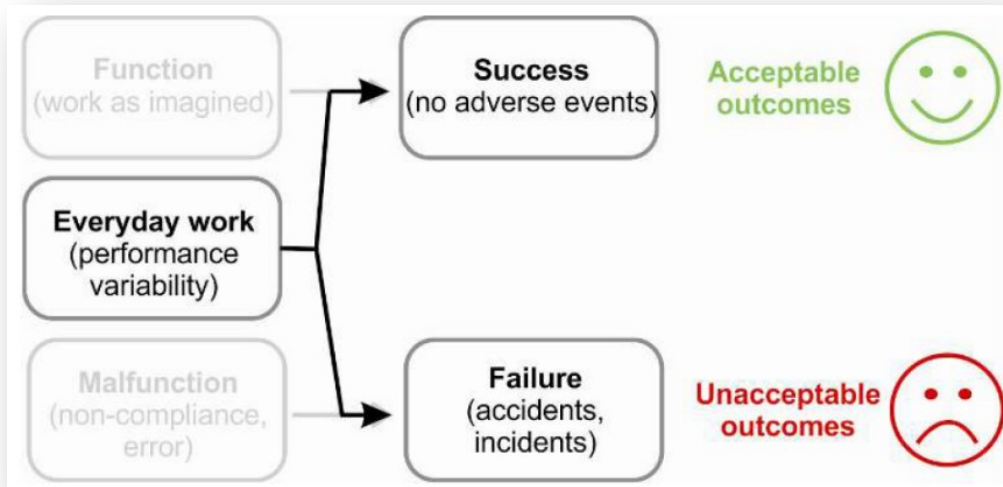
People navigate complexity and complete the process design



Work as done



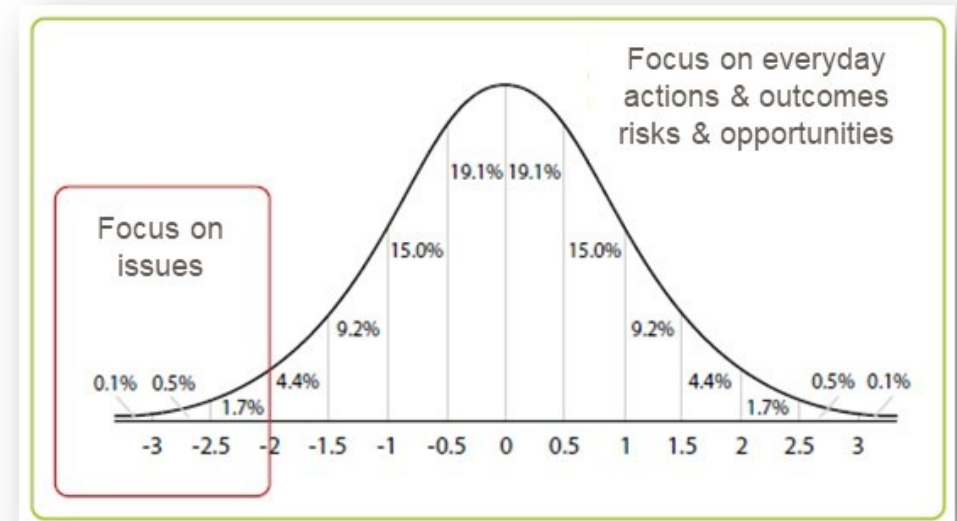
What risks do people manage successfully every day?



- Things that go right and things that go wrong happen in the same way
- A perspective that the user completes the process design
e.g. compensating for missing features

Our response

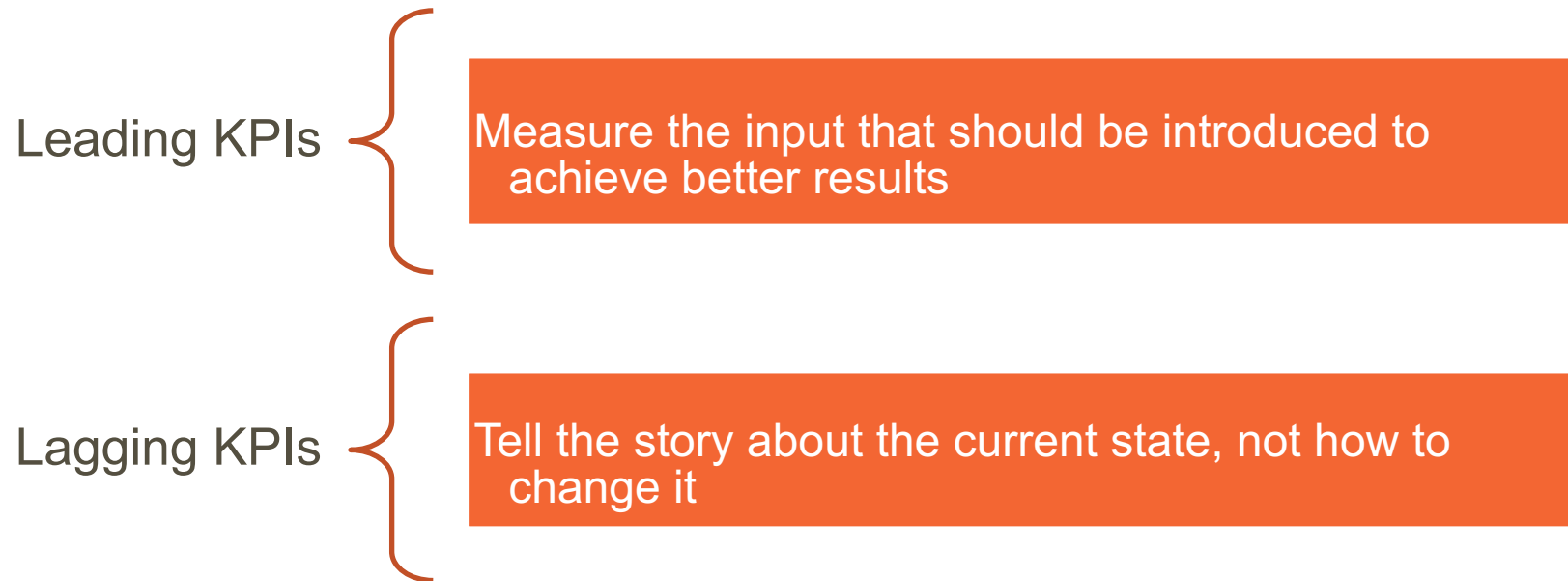
- Change the nature of the work
- Invest in learning about what enables day-to-day success



People deliver what you measure



The journey *and* the destination



Set people up for success for Ethical behaviour



Concept	Tool	Approach
Change starts with self	<ul style="list-style-type: none"> • Open questions • Listen up for weak signals 	<ul style="list-style-type: none"> • Humility • Growth mindset
Work as done	<ul style="list-style-type: none"> • Gemba walk for behaviours • Human Reliability Assessment for accumulated risk • Healthy sense of unease 	<ul style="list-style-type: none"> • Set people up for success • People manage complexity • Rich picture: See, Hear, Feel
People deliver what is measured	<ul style="list-style-type: none"> • What goes right & how • Meaningful lead measures 	<ul style="list-style-type: none"> • Improve rather than prove • Link the why to the how Values & expectations led

*Gemba Japanese word meaning “the actual place.”

Human Performance

One conversation at a time



Develop Capability

to understand human performance



Adjust Culture

Make it easier to succeed

Integrate Systematically

Build human performance into existing systems

Effective compliance prevention strategies...



Get to the heart of complex problems



Make the desired behaviours easier to adopt



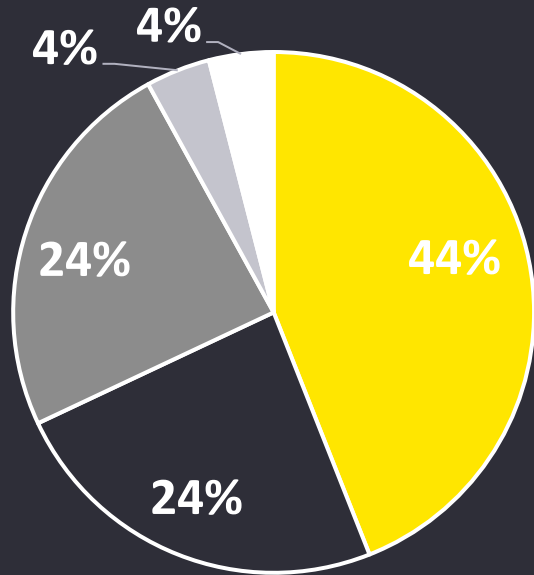
Continuously listen and adapt



Design human interventions

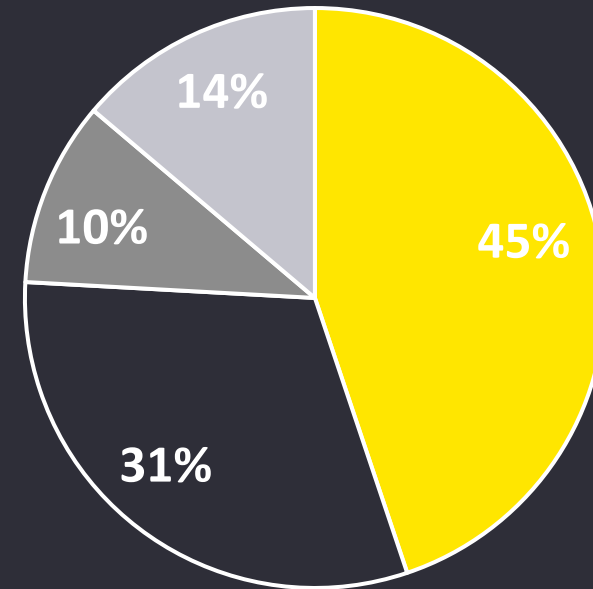
Poll Results

What are you doing to drive the 'right' behaviours across your organisation?



- Delivering training
- Communications campaigns
- Focusing on tone from the top
- Using behavioural science
- Other

To what extent do you plan to integrate a behavioural approach in your compliance strategy in the next 12 months:



- To some extent
- It will be a key component of our strategy
- It is already a key component of our strategy
- Undecided