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Compliance and Ethics at Walmart

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Senior Vice-President and Global Chief
Ethics Officer at Walmart

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Chief Compliance Officer at Walmart

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by Joe Murphy, CCEP, CCEP-I

Wow, we have a code of conduct!

Here is a statement I have heard a few times, especially during the Enron/WorldCom accounting scandals. “Enron had a great code of conduct, so that shows that compliance programs don’t really work.”



Murphy

But a code is not, never has been, and never will be a “compliance program.” Moreover, those who said this clearly did not actually read the Enron code. It was boring, ponderous text that read as if the sections were written by different people (mostly lawyers). Any experienced compliance person would have sent this code back to be ripped apart and redone. A book of boring text that employees could not have understood and would never have read is not a compliance program. It is not even a useful code.

Here is an exercise I recently used in a presentation in Chile about what should be in a compliance program. I placed a code of conduct on a chair in front of the audience. I then asked the audience to watch the code carefully, and let me know if it did anything as it sat there. The message was, no matter how good you think your code is, if left to itself, it does nothing.

A code is a tool. If you have a hammer, this does not mean you have a house to live in. You have nothing. The hammer is only useful if you use it. The same is true of a code. It does nothing. Its only value is when you use it. So do not do a celebration dance when you have finished your draft code.

There are things you can do to help bring the code to life. One of the ingredients for a useful code is humility. Do not assume you,

the Legal department, or HR know everything about codes for your company. Accept that your employees also are smart, also know the company, and also can tell if a code will be useful. Talk with them. Get their input. When you have a draft, take it to them for their comments. They will tell you what you have done wrong and what you have done well. They will give you new ideas. They will tell you about risks you didn’t know existed. In short, they will improve your code. And throughout this process, you will also be starting to get the word out to employees and develop buy-in.

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Here is another step, once your code is done. Does your CEO say the right things about integrity and the code? Then put him or her to the test. Have your CEO agree to use the code and keep it on his or her desk as a ready reference. If you have a CEO who quotes your code, looks at it when issues come up, and asks other officers if they checked the code before doing something, you can convert your little booklet into an important message for the company. If your CEO does this, it is very likely that word will spread throughout the company, and your code will really begin to matter. *

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