

ethikos Volume 33, Number 10. October 01, 2019 Chief compliance and ethics officers and their C-suite interactions

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A nuclear engineer shared a story with me some years ago about an interaction he witnessed in the control room of the nuclear plant at Three Mile Island. President Jimmy Carter and First Lady Rosalyn Carter were visiting Unit 1 of the plant following the partial meltdown of the reactor in Unit 2 of the plant. Former President Carter was a nuclear navy man, so the visit was a way to turn the accident into the impetus for what would become international safety and protocol procedures.

During the visit, Mrs. Carter sat down on the control panel. In the control room of a nuclear plant, there are red lines in front of the thousands of buttons, dials, numbers, and lights. Those who are not licensed operators cannot step within those red lines. In fact, safety rules do not permit anyone to carry a briefcase or purse with a shoulder strap because if either fell off their shoulders, the bag or case might hit the control panels. Rules in nuclear plants are precise, strictly enforced, and critical for safety. During President Carter's discussions with the operators in the control room, Mrs. Carter sat down on the control panels. She was perhaps weary from the walking required at a nuclear plant and not really prepared for the nuclear science discussion her husband was having. As she rested on the control panel, two operators saw it immediately. Their ordinary response would be to go to the sitting person, remind them of the rule, and get them off the control panels. Instead, the operators were hesitant and reticent. Their conversation (not verbatim) went something like this:

“Are you going to go tell her?”

“I was hoping that you would tell her.”

“I don't want to tell her. She is the first lady of the United States.”

Memories fade, and it was not clear whether someone spoke up or the Carters just departed.

What Mrs. Carter did (however unknowingly) violated an important safety rule, necessary for the protection of all of us, not even just those at the plant. Still, these highly trained, experienced, and serious professionals found themselves hesitating to do what was required of them because of their deference to the office of the president and his wife and the power that they hold.

So it is with ethics and compliance officers. They are highly trained, experienced, and serious professionals who know the rules. Like the operators, they also understand risk and consequences. Still, most ethics and compliance officers have to wrestle with the what, why, and when of their C-suite interactions because of the power wielded by central command. As much as we want to believe that the ethics or compliance officer reporting to the CEO solves most of the C-suite interaction issues, such an assumption is flawed. First, all the other executives have direct lines as well. Second, the other executives use that direct access to persuade a CEO who is hearing

something different from ethics and compliance. Sometimes, those in the C-suite use their power to sabotage the efforts of ethics and compliance. These issues explain why the relationship between ethics and compliance officers is too often strained, stilted, or perfunctory.

The role of ethics and compliance officers is a tough row to hoe, because doing their job requires telling their superiors “No” on occasion, reining them in on actions and conduct, and finding and offering alternative solutions. However, there are some steps that ethics and compliance officers can take to develop good C-suite relationships even as they increase their street cred.

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