

Q.1. What are the pressures that underlie organizational drift?

Summary

- Sales/profit stock price targets
- Growth
- Fear
- Speed/time pressure
- Expense pressure

Response 1

- Demographics
- Speed
- Globalization/Growth
- Sales targets
- Social or political pressures / pressures on culture
- Cost reduction (budget/financials/expenses)
- Regulatory

Response 2

- Budget / expenses
- Stock price / goals
- Compensation/scorecard/incentives
- Social pressures

Response 3

- Profits
- Targets
- Pressures
- Meeting deadlines / goals
- Success

Response 4

- Pressures on culture
 - New management / organization
 - Diversity / demographics
 - Short-term results
 - New long-term strategy / goals (i.e., increase international business by 100%)
 - External factors that negatively affect your industry (i.e., price of oil, political climate)
 - Fear
 - Loss of reputation
 - Incentives

Response 5

- Orders / Sales /EBIT/ Cash “Win”
- New leadership / organization
- Competitive disadvantage
- “make the numbers” unattainable goals

- e. Fear
- f. Good News culture

Response 6

- a. Greed
- b. Unachievable metrics
- c. Rewording those who <> the lines but not recognizing role followers
- d. No tone of the top/ wrong tone
- e. Time-pressure

Response 7

- f. Financials, regulatory, time, Unachievable metrics

Response 8

- a. Pressure to grow on out perform
- b. Pressure to achieve or maintain specific metrics
- c. Pressure to move fast
- d. Pressure to reduce expense

Response 8

- a. Profit goals
- b. Short-term <> price
- c. Production goals / punishments / rewards
- d. Decreased budgets

Response 9

- a. Unachievable
- b. Unrealistic
- c. Performance goals to keep your job

Response 10

- a. Sales / production goals
- b. Stock price
- c. Executive C-suite directives
- d. Market pressure
- e. Staffing issues
- f. Greed
- g. Pressure to outperform

Q.2. What are the signs of organizational drift?

Summary

- **Turnover**
- **Disengagement**
- **Hotline calls**
- **Beating expectations**
- **Survey results**
- **Jokes and narrative that marginalize control functions**

- **What is rewarded**
- **Exceptions to policies**

Response 1

- Increased hotline cases
- Attrition rates increase
- Excluding control functions at the table
- Attendance rates
- Exceptions to policies and procedures
- By passing controls

Response 2

- Euphemistic language
- Changes to priorities
- Allocation of resources
- Turnover

Response 3

- Increase turnover of tenured EES
- Intense focus on narrow metrics
- Turnover in compliance
- Increase views/viewers on issues/violations
- Decreasing customer satisfaction
- Increasing insularity of key groups
- Unexpected profits
- Language shifts
- Disengagements
- “Make it happen”, “no excuses”

Response 4

- Ethics Tickets / Open doors
- Turn-over at certain levels in certain #s
- Unexpected profits / beating expectations repeatedly
- Errors in business
- Disengagement

Response 5

- Retention
- Top @ top slizzoing – What gets discussed?
- Walking away from the program
- Reorganize / Deprioritize
- Indication in ERM survey

Response 6

- Employee attrition / leadership turnover
- Significant quick changes in high priority metrics (unusual patterns)

- c. Change the tone at the top
- d. Number of ethics reminders
- e. Jokes/ comments that marginalize control functions, rescheduled meetings
- f. Increase in request for exceptions to established policies
- g. Disengagement

Response 7

- a. Change in target – make more challenging
- b. Lack of engagement
- c. Not taking in the stakeholders' perspectives
- d. Pressure fewer resources

Response 8

- a. Look at strategic plan
- b. Look at what people are being compensated for
- c. Look at decision making and role of values
- d. Exclusion of control functions at the table
- e. Authoritarian approach to initiatives
- f. Changing of policies / exceptions to policies
- g. By pass / removal of controls
- h. Increase hotline cases
- i. Attrition rates
- j. Increase in acceptance of risks at senior level

Response 9

- a. Employee disengagement (increased absences, etc.)
- b. Unexpected / unexplained increases : profits, sales, decreased costs, technological advances

Response 10

- a. "Do not want excuses just results"
- b. "Did you reach your goal? Yes/No"

Response 11

- a. Customer complaints
- b. Attrition
- c. Product quality issues
- d. Unfavorable survey scores
- e. Power struggles / politics
- f. "retirements" / new regime
- g. Unexpected profits
- h. Rationalization language

Q.3. How can compliances people corrupt drift?

Summary

- **Reward adherence to controls**
- **Get engaged**
- **Independence**

Response 1

- a. Being Proactive - problem solvers
- b. Earn your seat at the table

Response 2

- a. Independent reporting
- b. Well-designed employment contract
- c. Incentive pay with E&C <>

Response 3

- a. Develop partnerships / build trust
- b. Penalties for control violations
- c. Rewards for control adherence
- d. Tone
- e. Set the culture
- f. Monitor the factors that indicate drift

Response 4

- a. Don't be the office of no" – "office of know"
- b. Problem solvers
- c. courage
- d. earn influence + power
- e. independence
- f. political savvy
- g. tenacity
- h. consulting / coaching

Response 5

- a. Job description, independence, reporting structure
- b. Governance (committee structure)

Q.4 What skills are needed?

Response 1

- a. Coaching, influencing, HR, organizational structure

Response 2

- a. Business knowledge, communication

Response 3

- a. Reliability, trustworthy, courage, respected, communication

Response 4

a. Courage