Effective Compliance Training – Tactics and Techniques for Engaging the Organization

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Welcome

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Effective Compliance Training – Tactics and Techniques for Engaging the Organization

- Challenges of “Engaging the Organization”
- Merck’s strategy for Compliance Training and Communications
- Some “Tactics and Techniques” including Pros and Cons
  - Communications campaign
  - Integration with internal partners
  - Compliance-driven solutions
Challenges of “Engaging the Organization”

- WHAT DOES THIS MEAN?
- WHY IS THIS SO DIFFICULT?
- WHY DOES IT MATTER?
What do we mean by “Engagement”?

No commonly accepted business definition.

“What do we mean by “Engagement”? No commonly accepted business definition.

“Employee engagement is the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their company. They don’t work just for a paycheck, or just for the next promotion, but work on behalf of the organization’s goals.” Kevin Kruise, Forbes Magazine, 6/22/2012

“...getting people to believe what you want them to believe, and if people really fundamentally believe what you want them to believe, they will walk through walls. They will do anything.” Jim Whitehurst, President and CEO Red Hat, New York Times, 3/11/2012.

Definition from the Gallup Organization, (potentially the most widely recognized name associated with employee engagement for First, Break All the Rules) defines engaged employees as those who, “work with a passion and feel a profound connection to their company”. (GMJ, 2006).
We think of *organizational engagement* on two levels:

- Employees as “learners” – influencing them to believe in and uphold our corporate values
  - i.e., designing training and communications that result in positive behaviors and attitudes
- Business leaders as “sponsors” – influencing them to be passionate and committed to upholding our corporate values
  - i.e., building partnerships with organizational leaders that generate positive behaviors and attitudes
An example from the Field

Let’s see how our Merck colleagues in the Philippines approach engagement...(video clip)
Why is “engagement” so difficult?

Challenges we encounter include…

- Competing business priorities
- Information overload
- Authenticity of the message
- Language and cultural barriers
- Difficult to measure
- Poor learning design
Why is “Learning Design” a challenge?

When the goal is improving *engagement*, (how someone “feels” or what they “value”) we need to design training with consideration for the affective domain.

To impact an individual’s level of engagement we need more than simple compliance *awareness* training. You need to change your training design approach.

**The Affective Domain:** categorization of skill development associated with feelings, emotions, behaviors and attitudes. Much more challenging to measure.
Why should we care that learners are engaged in compliance training?

The goal of high quality compliance training should be more than ensuring the employee completed the course.

To benefit the organization, the training should have a positive impact employee behavior and attitudes.

CEB 2013: From Awareness to Application – Reduce Risk through Effective Compliance and Ethics Training

- “On average, compliance and ethics programs spend 24% of their budget on training.”
- “Employees hold surprisingly negative reactions to compliance training—fewer than 40% think it is relevant or helpful.”
- Only 35% felt “training improves my ability to make ethical business decisions.”
- “The majority (63%) of compliance executives make employee awareness the primary goal of their training,” however CEB data shows that employees ability to apply concepts to their work reduces levels of observed misconduct and improves employee reporting rates.
Merck’s Approach to Ethics and Compliance and the resulting Learning Strategy
The Drivers: Demand for Ethical Business Practices

Merck is a leader in one of the most highly regulated industries on earth

- Our focus on the health and well-being of people and animals is the foundation of our approach to ethics and compliance
GCT Learning Strategy: Value and Impact through Engagement

- Securing business leader support for compliance training
- Business Sponsorship and Messaging
- Collaboration and Partnership
- Global Compliance Training
- Audience Identification and Targeting
- Content Relevance and Application
- Easy, Accurate Access and Tracking
- 24/7 Cognos Reports
- Annual training schedule and reporting cycle
- Business representation through the GCO Learning Gov. Council
- Content integration with other learning groups
- 24/7 Cognos Reports
- Annual training schedule and reporting cycle
- Securing business leader support for compliance training
- Within course design or in LMS assignment
- Refined target identification
- Working with SMEs contextualize content
- Strict design guidelines push interaction
- Working with SMEs contextualize content
The Big “Training/Comms” Picture

Training and communications are approached as a continuum

Our Values and Standards: annual campaign focused on four core messages
- Video campaign
- Sync Articles
- Posters, brochures
- *Tone at the Top* leader slides
- *Tone at the Start* new hire and anniv. letters

Required Ethics and Compliance Courses: support the Code and Corp Policies, and Laws
- GCTS
- CIA Awareness and Knowledge,
- Policy training
- Local, Country or Divisional compliance training

Integrated and Targeted Courses: leverage interactive, real world business cases
- EMFL partnership
- Management Foundations
- Learning with Ethics and Integrity
- Business Stewardship for MDs

Enterprise-wide Communications

Awareness and Application: Foundational and Annual Refresher Course

Mastery Courses: Focus primarily on contextualized cases
Some Simple Tactics and Techniques

- COMMUNICATIONS CAMPAIGN
- INTEGRATION WITH INTERNAL PARTNERS
- COMPLIANCE-DRIVEN SOLUTIONS
1) Establish “Criteria” for Global Compliance Courses

Clear criteria for what qualifies as a compliance course helps ensure quality and suitability of learning

- For example:

Global Compliance courses...

1. Courses whose objectives meet the following thresholds...
   - Subject matter is included Code of Conduct and/or corporate policy
   - Objectives are focused on application of the content
   - Intended to help mitigate emerging enterprise ethics and compliance risks
   - Training that is required by a regulatory entity or by law

2. Courses whose target audience...
   - Includes globally distributed employees from at least two divisions and across multiple careers bands
   - Is identifiable (can be targeted, assigned and tracked) through available data fields in LMS
Value of Establishing Design Standards

Benefits the learner and the organization – ensures consistent look and feel, accessibility, application of learning strategy, avoids redundancy

- Content does not duplicate an existing Global Compliance course
- Content is available in multiple formats (eLearning, Classroom version/facilitator guide and/or self-study, HTML, iPad compatible)
- Developed in accordance with LMS standards and meets criteria
- All images of people or places and associated names should be representational of companies’ global employee base and mindful of presenting a balance of gender, age, and cultural/ethnic diversity, etc. Images should also be accurate with respect to GXP and safety standards.
- Course must observe corporate branding guidelines
- Language versions available equivalent to the translations of the Code of Conduct
2) Business Representation and Governance

Governance ensures business voice is heard…

- Global Compliance courses are centrally managed and governed by a learning governance council representative of business units and regions.
- Any required training that crosses multiple divisions, countries, and is considered a required course must be presented and approved prior to assignment by the council.

Approval process flow…

1. Content Owner(s) contact GCOT with proposed training need
2. Owner/GCOT partner to evaluate fit, modify if necessary or identify alternative path
3. Proposed course is reviewed by LGC
4. Owner and GCO partner to design and develop course
5. LGC recommends course to GCO LT for inclusion in GCTS
6. GCO LT Approves

If NO

- Not approved
- LGC preps GCOLT member on new course
- Not approved
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- Not approved
- LGC preps GCOLT member on new course
3) Benefits of an Enterprise LMS

- **Accuracy of assignments – the right training to the right person**
  - The assignment of and due dates for all global compliance courses can be managed centrally.
  - The assignment can be based on target audience identification determined in consultation with the course sponsors, course owners and subject matter experts.

- **Improved tracking and reporting - simpler, more exact metrics**
  - 24/7 access to completion data by all managers relieves pressure on Compliance Officer to report
  - Business is now responsible for monitoring completions and managers are responsible for ensuring training is completed

- **Course testing and maintenance – more consistent and reliable access**
  - More efficient to release courses in a single LMS
  - Single source of completion data
  - Single source of training courses
Ideas for required Compliance Training

Enhance organizational engagement with required learning by:

• Improving the learner experience
  – Better designed course
    • Application-based in design
    • Relevant content
    • Better targeting
  – More reliable access
    • Multiple formats
  – Stronger business sponsorship
    • Involvement and transparency
Examples of Application-approach in eL

• Accessible via laptop or mobile device
• Learner self-selects division to review contextualized business cases and answer multi-layered questions.
• 23 languages available
Simple methods to create a more tailored eLearning

• Allow learners to select their own path by embedding
  • Divisional cases or scenarios
  • Role or level-based examples

Benefit: This adds business context without adding time to the course, makes the course content more relevant to the learner.

Build layered scenarios that reflect business application of the core concepts:
For example learner chooses based on their function within the company:
• Administrative
• Sales and Marketing
• Research
• Manufacturing
• Support Functions (IT, HR, Finance)
Examples of Local Compliance Training
Collaborating with Internal Partners: Content Integration
Our Approach to Integration

• Leverage the existing investment in leadership learning to insert ethics content in the context of relevant business topics to illustrate the impact of ethical decision making to impact long term business success.
Compliance Integration with Leadership Development Framework

- **Executive Development Program**
- **Emerging Leaders Emerging Markets Program**
- **Business Leadership Program**
- **Women’s Leadership Program**
- **Advanced Management Program**
- **Management Foundations Program**
- **Leading with Ethics and Integrity Workshop for Managers**
- **Code of Conduct Annual Refresher**
- **Preventing Discrimination and Harassment**
- **Protecting Trade Secrets**
- **Preventing Corruption and Bribery**
- **Business Information Security**
- **Privacy Awareness**
- **Understanding the Merck Code of Conduct**

**Executives**
- Co-developed new learning programs using fact-based scenarios based on actual case studies
- Co-hosted discussions facilitated by peer participants
- Integrated ethics content and reinforce ethics and integrity behaviors
- Existing program modified to integrate ethics content and reinforce managing with ethics and integrity
- Planning content delivered by external leader focused on building ethical leadership skills

**Emerging Leaders**
- Co-hosted discussions facilitated by peer participants
- Increased engagement
- Existing program modified to integrate ethics content and reinforce managing with ethics and integrity

**People Managers**
- Integrated ethics content and reinforce ethics and integrity behaviors
- Introduced resources and tools to support new managers to be ambassadors for code of conduct
- Empowering

**All Employees**
- All employees take required compliance training including new annual refresher on code of conduct

(*Note: separate versions for managers and individual contributors)
Examples of Integrated Leadership Programs

BLP Program Experience

8-weeks
- 1. Foundation Activities
  - Merck Leadership Behavior Survey and Hogan Assessment
- 2. Application Activities
  - One-on-one coaching session on results
  - Simulation Case
  - Financial Statement Web Module

5-days
- 1. Foundation Activities
  - Introductions and Overview
  - Understanding Merck’s Strategy
  - Making Conversations Work
  - Pharma Business Simulation
  - Translating Strategy Into Action
- 2. Application Activities
  - One-on-one follow-up conversation with coach
  - Individual application of tools
  - Virtual application session with faculty. December 14, 2010
  - Leading Innovation
  - Your Leadership Challenge
  - Preparation for Application and Close

8 - 12 weeks
- 1. Foundation Activities
  - Introductions and Overview
  - Understanding Merck’s Strategy
  - Making Conversations Work
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Merck/MSD EM: Continuing the Learning

Bribery and Corruption in Emerging Markets: What We Learn from Recent Cases Against MSD

Resources:
- Lilly: http://www.elsevier.com/books/2012/03/012/073.html

Maxima Corporation: Emerging Markets Division

Executive Management Team

November 8, 2012
Highly Confidential

Emerging Markets Future Leaders Program

Module 3: Winning in Emerging Markets
Case Study on Wal-Mart de Mexico

May 15, 2012

Leveraging Peer to Peer Experience in Advanced E&C Learning

Engaging participants in a virtual course:

- Virtual courses present unique challenges and opportunities
- Pre-invite select participants to serve as co-facilitators
- Give them guidance on their role, topic and specific questions to discuss, allow them time to consider what experiences they can share
- Works well when debriefing on cases
- Cases must be well-written and compelling to spark discussion
- If not industry-specific, be sure to draw connections
Engaging the Organization through Compliance Communications
Compliance Communications: Core Elements

- **Integrated** – partnered with training to reinforce core compliance topics and messages
- **Flexible** - includes centrally-pushed HQ communications, Tone at the Top messages from business leaders and locally-driven compliance messages
- **Accessible** – available in 23 languages
- **Multi-media** – leveraging corporate intranet portal, publications, websites, mobile apps, videos, direct-to-employee emails, Town Halls and Employee Business Briefings, local events and meetings, employee computer log-in page, etc.
Strengthening the E&C Culture at Merck

Leaders push “Tone at the Top”

Training and communication materials to targeted Merck audiences

Globally pushed Compliance messages

Roles and Responsibilities*

Resources available

Compliance officers can select from multimedia resources to support “Tone at the Top” messaging

Select materials available for localization and tracked locally

- Videos, Slides, Case Studies, etc.
- New Hire Orientation, Anniv. Letters, GCTS courses, Leading with Ethics and Integrity Workshop, portfolio of integrated Enterprise Learning courses, etc.
- Sync articles, Blogs, Login Screen, ID Badge stickers, OV&S Awareness Days, OV&S Posters and print materials, OV&S Mobile App, etc.
Core Communication Resources

Print and Electronic Code of Conduct

LEADING WITH ETHICS AND INTEGRITY
A GUIDE TO OUR VALUES AND STANDARDS FOR MANAGERS, SUPERVISORS AND LEADERS

OUR VALUES AND STANDARDS
THE BASES OF OUR SUCCESS

BUILD TRUST, ACT WITH ETHICS AND INTEGRITY.

To raise a concern:
Office of Ethics
1-908-423-4958
1-800-990-1146
ethics.merck.com

24-hour Security Emergency Response
(+ 001) 908-423-6000

Employee ID Badge

To check your employee ID badge:
Download the Merck ID Badge app on your smartphone.

Wallet Card

The Office of Ethics is a resource for employees to answer questions or report a code of conduct issue.
Call 1-800-990-1146.

Understanding our values and standards enhances your ability to make good business decisions. As a Merck employee, you can play a critical role in building trust and confidence throughout the organization.

If you have a question or concern about ethics, please call someone who can help. It's our business.
Multi-media campaign also includes

Ethics and integrity. Our responsibility. Every day.
Learn more at ethics.merck.com

Dear New Hire,

Welcome to Merck and congratulations on joining our company!

We would like to bring to your attention important information about Merck’s program to ensure ethical business practices globally. Every day, Merck employees observe the highest standards of ethics and integrity in serving customers and patients—a tradition that has united us for more than 100 years.

Our Values and Standards is the Merck Code of Conduct, and provides employees with guidelines on company expectations for ethical behavior in daily practice. No matter where we operate across the world, Our Values and Standards remains the basis of our success. Each of us is responsible for adhering to Our Values and Standards. Please take the time to familiarize yourself with this important resource. You can access a copy of Our Values and Standards at http://ethics.merck.com.
Strategy Encourages Localization and Communications Content Sharing

Four core topics areas for messaging encourage consistency across the organization.

As an example, specific resources on Privacy are available for local translation and use.
Local Employee Engagement: Talking Advantage Series in MSD AsiaPac

Join us in our session on ACCESS FOR ALL!

Our guest speaker, Dr. Robert So, senior manager of PhilHealth, will discuss the public private partnership with MSD on Pneumonia and the benefits of a PhilHealth membership.

We passed the audit!

Join us in celebrating this milestone – a true example of how diversity & teamwork can make us successful!

Nov. 24, 2014 4:00pm MSD Office 29th Floor

Innovation turns ideas into efficient solutions, valuable processes, or life-changing discoveries that help people be well.

Hear more about it from our invited guest – a Filipino-austrian with over 20 years experience in pharmaceutical research and development.

Join us on Monday, Dec. 19 at 4pm at the SBF Big Meeting Room.
Expanding our view of Compliance Communications

- DOJ/SEC decision not to prosecute Morgan Stanley in Garth Peterson Case was a watershed event
  - First time DOJ/SEC has credited a compliance program in their decision to decline charges against a company
  - Based on information Morgan Stanley provided, DOJ and SEC determined
    - Company had made sufficient efforts to communicate and train the employee on Code of Conduct and compliance topics
    - Employee acted alone in deliberately disregarding company policies and intentionally circumventing measures intended to uncover noncompliant activities
Imagine the following scenario –

Your organization has been contacted by the DOJ. Allegations of wrongdoing in a key emerging market has been made. An investigation, involving local authorities, is underway.

You want to describe the company’s efforts to reinforce with employees its high standards of ethics and integrity in all business practices globally.

What would your data say about your company’s efforts to train employees and reinforce expectations?
Evidence of Communications

Our response would include:

• Training completion statistics for required ethics and compliance courses

• Statistics of communication and messaging by senior leaders on ethics and compliance topics

• Evidence and examples of both
Tone at the Top messages

• We began tracking Tone at the Top messaging in an effort to demonstrate Merck’s commitment to conducting business with the highest ethical standards
  – Merck already tracks and monitors ethics and compliance training completions closely
  – Goal is to collect leadership communications in order to document, measure and analyze Merck’s leader communications on ethics and compliance throughout the business
• Includes communications by Executive Committee, regional commercial presidents and emerging market country leaders
Illustrating *Tone at the Top*

- These data will help to demonstrate our leaders’ communications on ethics and compliance topics, e.g.,
  - How many times did senior leaders message on specific topics to their teams?
  - What regions, countries or organizations received key messages from their leaders?
  - Which topics were covered?
Example of Tracking *Tone at the Top*

**Benefits:**
- Reality check – actual data v. self-perception
- Creates peer to peer competition
- Leverage for driving certain messages/themes
Recent video campaign on ethical dilemmas in the workplace features senior leader intro and closing messages.

• Show clip from series
Business Snapshot: Tone at the Top

**Why?**
Commitment – Our leaders promote our Company values by regularly communicating key messages about operating with integrity.

FSGO* Requirement – leaders regularly communicate ethical “tone at the top”

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<tr>
<th>Who’s communicating?</th>
<th>EC, EC+1 leaders, or delegates</th>
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**What kind of messages?**
*Messages about –*
- Supporting **ethical and legal behavior,**
- Reinforcing **Our Values & Standards,**
- **Ethics and compliance training** requirements,
- Operating every day with **integrity,**
- **Code of Conduct, company policies or regulatory requirements** that affect your operations (e.g. fraud, anti-corruption, privacy, promotional practices, information security, etc.),
- **Ethical and legal considerations** when making business decisions

**What communications should be included?**
Webcasts, Town Halls, staff meeting minutes, email cascades, blogs, newsletters, Community postings, Sync and teamspace postings

**What information does GCO track?**
Title, Date, Presenter Name/Division, Topic, brief description of content, and/or presentation materials, Audience Data (global, regional, country etc.), how presented

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* Federal Sentencing Guidelines for Organizations
Summary

• Think about how to leverage learners’ “affective” domain – not just “cognitive” domain

• Get Business leaders and representatives involved in training design, development, ownership and accountability

• Go beyond awareness - design application-based training that is interactive and relevant to the learner based on their needs

• Look for opportunities to embed and reinforce core concepts in other types of training, communications or formats
Thank you!

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