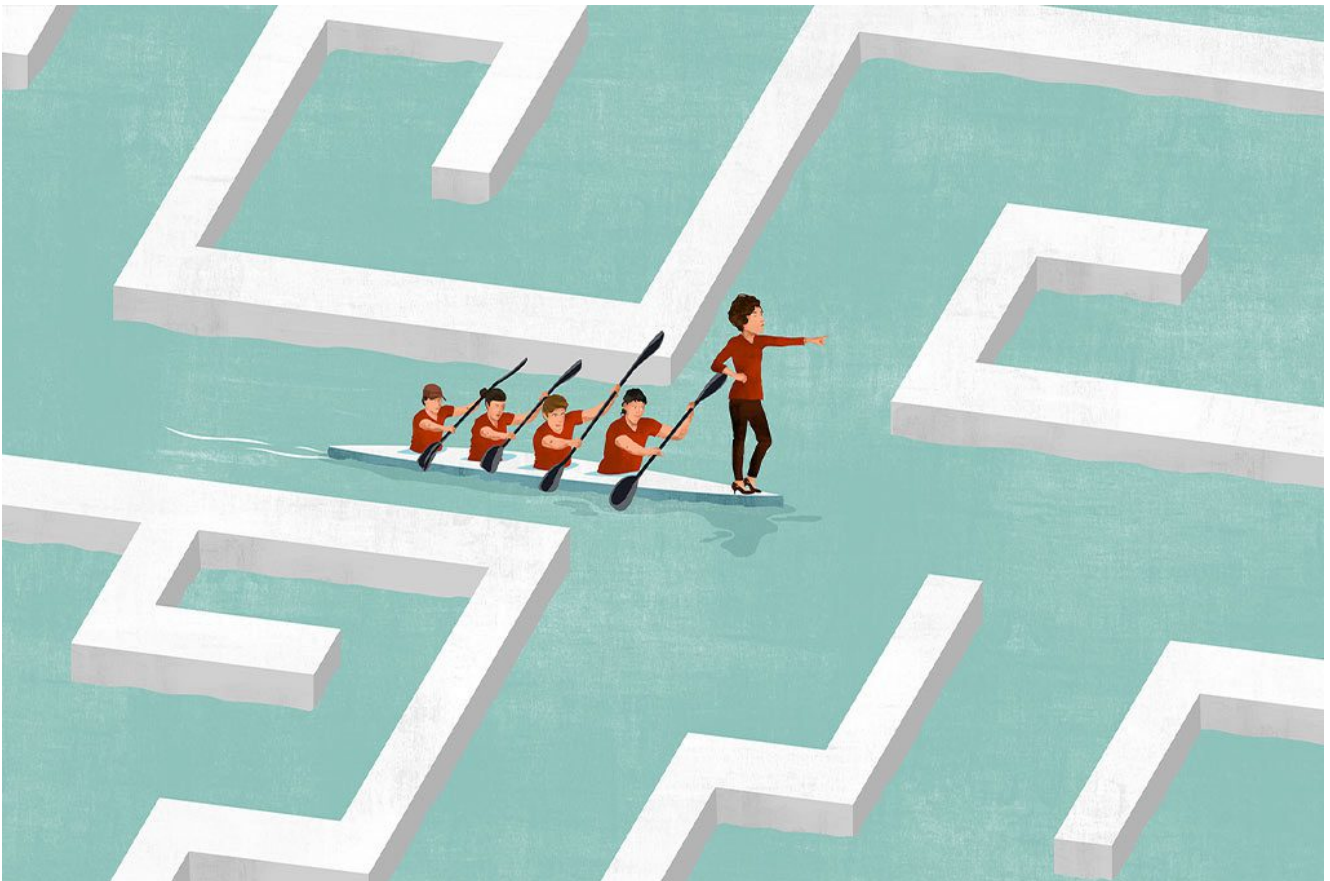


Make way for the chief integrity officer

To address the main compliance challenges facing managers today, the authors propose the creation of a new profile: the Chief Integrity Officer. This person would support the CEO and the board in shaping the corporate culture, helping to create an organizational environment in which people are happy and proud to work.



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By Enrique Aznar & [Antonino Vaccaro](#)

Recent history is littered with riches-to-rags sagas of corporate decline. Enron might still be a leader in the U.S. energy industry had its leaders not sacrificed the welfare of their employees and doctored the company accounts. A genuinely talented manager, Dennis Kozlowski, might have led Tyco to many years of success had he not misappropriated company assets. As for Lehman Brothers, rather than becoming a catch-all for corporate crisis and decline, the firm might still be alive today had it not chased the subprime fast buck with such reckless abandon.

Today the issue of compliance is more important than ever. Volkswagen getting caught using a “defeat device” to cheat emissions tests has served as the latest reminder of the importance of complying with national and international laws. In the financial sector, the U.S. government’s increased enforcement of anti-money laundering requirements since 2008 has given rise to a whole new compliance specialty.

However, compliance officers cannot be expected to carry the whole weight of corporate responsibility on their shoulders. While they need to be given sufficient autonomy and independence, they also need adequate resources and direct access to the executive team and the board of directors, normally via the audit committee, in order to do their job properly.

Clearly if companies are serious about complying with national and international laws and regulations as well as operating with genuine integrity, then an organization-wide commitment to support and resource the compliance function is a basic first step.

But businesses need to go beyond compliance. We believe the role of the Chief Compliance Officer needs to be expanded into a broader profile: the Chief Integrity Officer. The Chief Integrity Officer would support the CEO and the board in shaping the corporate culture, helping to create an organizational environment in which people are happy and proud to work – not just because they are complying with the law, but because they are making a positive contribution to society.

In this article, we discuss the main compliance issues faced by managers today. Then, we explain the notion of the Chief Integrity Officer, which greatly extends the traditional role represented by the Chief Compliance Officer.

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