

Ethics for HR Leaders

Elizabeth Stillwell, Area VP, HR and Compensation Consulting



Gallagher

Insurance | Risk Management | Consulting

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Elizabeth Stillwell

Area Vice President
Human Resources & Compensation Consulting

Work:

- Strategic partner to help businesses navigate complex organizational challenges.
- Solution driven HR consultant who views people strategy through a risk management lens.

Experience

- Over 15 years of experience in Risk Management and Human Resources.
- Experience implementing stakeholder governance, equity and compensation programs, ESG initiatives including B Corp Certification and with organizational design.

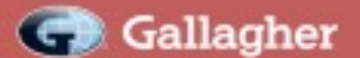
Education

- B.S. degree in Political Science and Communications from UNC- Chapel Hill
- M.S. from Champlain College in HR and Organizational Development with an emphasis in Positive Organizational Change
- SHRM-SCP, and Strengthscope Master

Community Involvement

- RMSHRM- VP, Communications
- Junior League of Raleigh- Quick Impact Captain, Sisted 2024 VP, Training
- Leadership Raleigh Class 48
- Project Enlightenment Board of Directors

Positive Employee Experiences Can Change our World!



Ethics for HR Leaders

Agenda



Introductions



What is an Ethical Workplace?



Drivers of Ethical Culture



HR's Role in Organizational Ethics

Introductions

About Gallagher

A Global Snapshot.

Founded in
1927

850+
Offices in
68 countries

\$6.9B
Total Adjusted
Brokerage & Risk
Management
Revenues (2021)



130
Countries
served

**Global Reach
Local Presence**

Shared values
Passion of excellence
Promises delivered

2022 WORLD'S MOST
ETHICAL
COMPANIES™
WWW.ETHISPHERE.COM

39,000+
Employees worldwide



“World’s Most Ethical Companies” and “Ethisphere” names and marks are registered trademarks of Ethisphere LLC. Arthur J. Gallagher & Co. named one of the World’s Most Ethical Companies® since 2012.

What is an Ethical Workplace?

“Ethics” In the Workplace

The moral code that guides the behavior of employees with respect to what is right and wrong in regard to conduct and decision making. Ethical decision making in the workplace takes into account the interest of all stakeholders and the fiscal, social and environmental impact of the choices made.

Four Pillars

What makes up an ethical organization?

Clear
Expectations

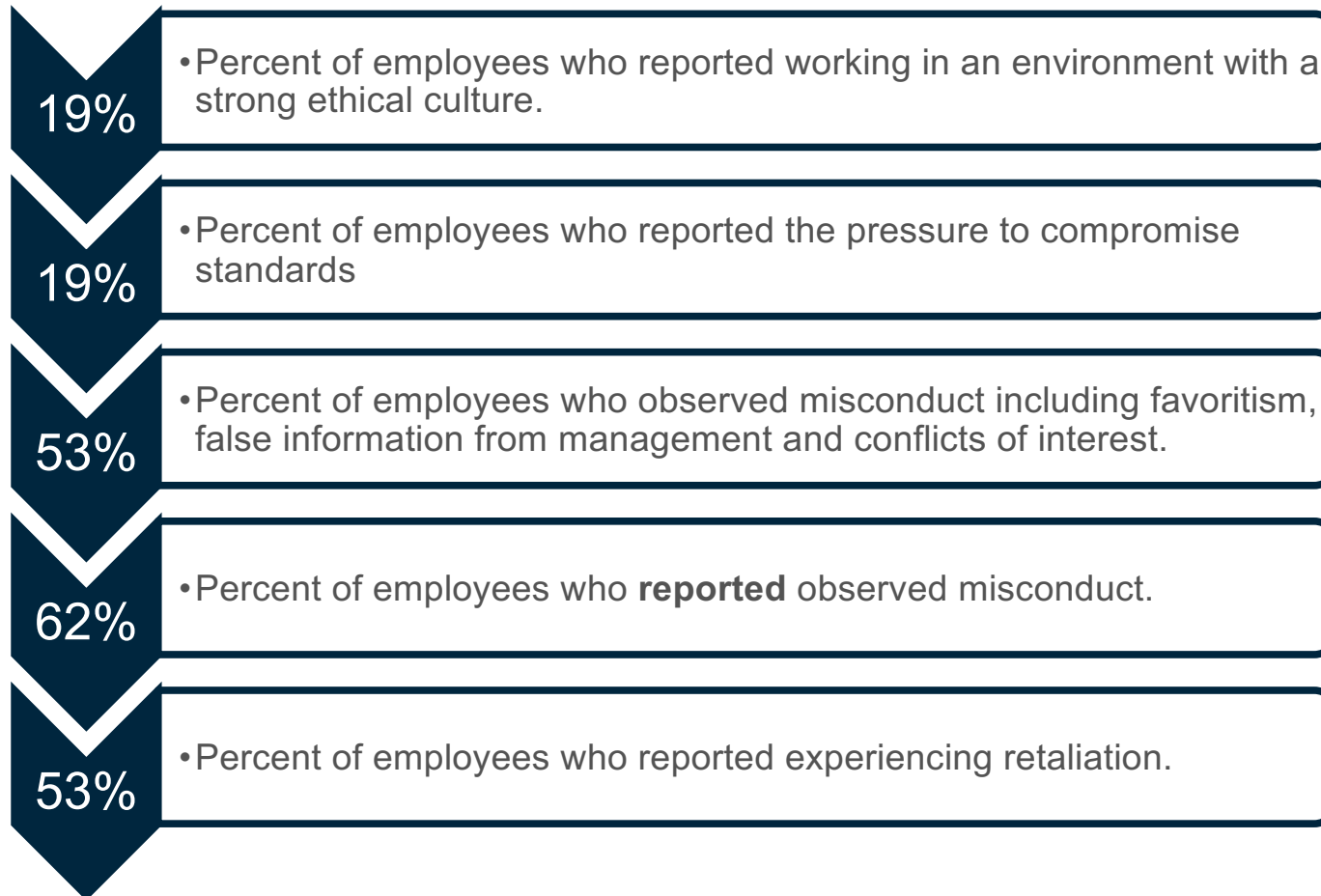
Leadership
Competencies

Trust and
Safety

Value
Alignment

Current State of Ethics in the US

Measuring the five major ethics metrics in US businesses.



Source: Global Business Ethics Survey (GBES), 2023.

Drivers of Ethical Culture

What are the key drivers of culture?

Clear Expectations

Why having clarity around code of conduct, values and mission is important?

- Internally
 - Clarifies shared expectations
 - Serves as a central reference for employers
 - Streamlines violation procedures
- Externally
 - Compliance (Public Companies)
 - Brand Perception
 - Risk Management Technique

Leader Competencies

What are the most significant leadership or managerial competencies that are required for success in your organization?



Communicating effectively



Building trust



Strategic thinking



Being inclusive and respectful



Fostering a sense of belonging

Gallagher Organizational Wellbeing Poll 4: December, 2023

Establishing Trust and Safety

Encouraging Inclusivity and accountability



Aligning Behavior and Values

The effects of cognitive dissonance at an organizational level.



- Reputational Risk
- Financial Risk
- Operational Risk
- Competitive Risk

HR's Role in Organizational Ethics

People Metrics

What are the most important people metrics for determining future business success in your organization?

① Employee Engagement

② Turnover Rate

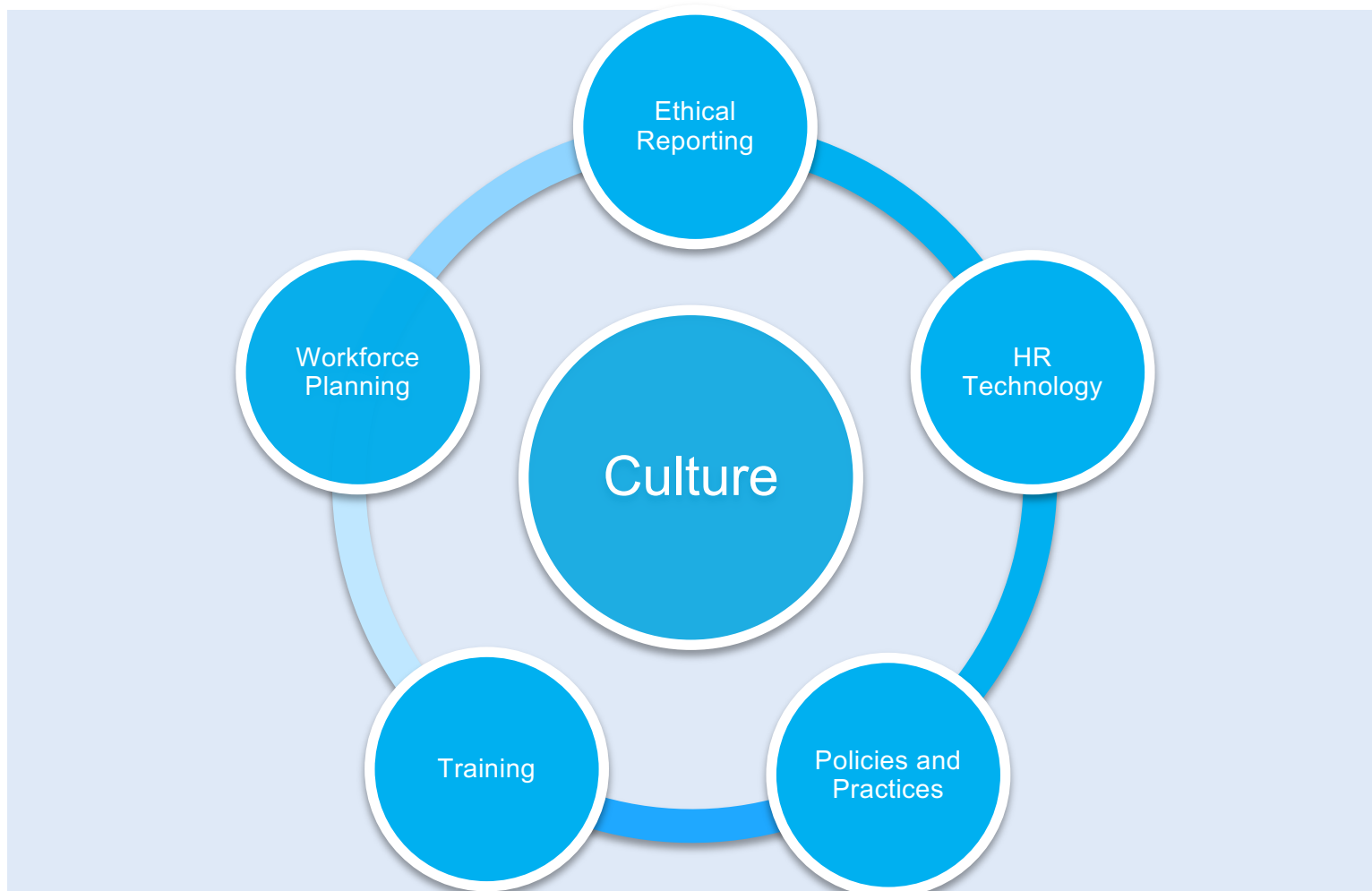
③ Trust in Leadership

This is the 3rd year in a row that these metrics rank as the top indicators of future business success

Gallagher Organizational Wellbeing Poll 4: December, 2023

Activity Connection

How does ethics fit into your workflow?



Example

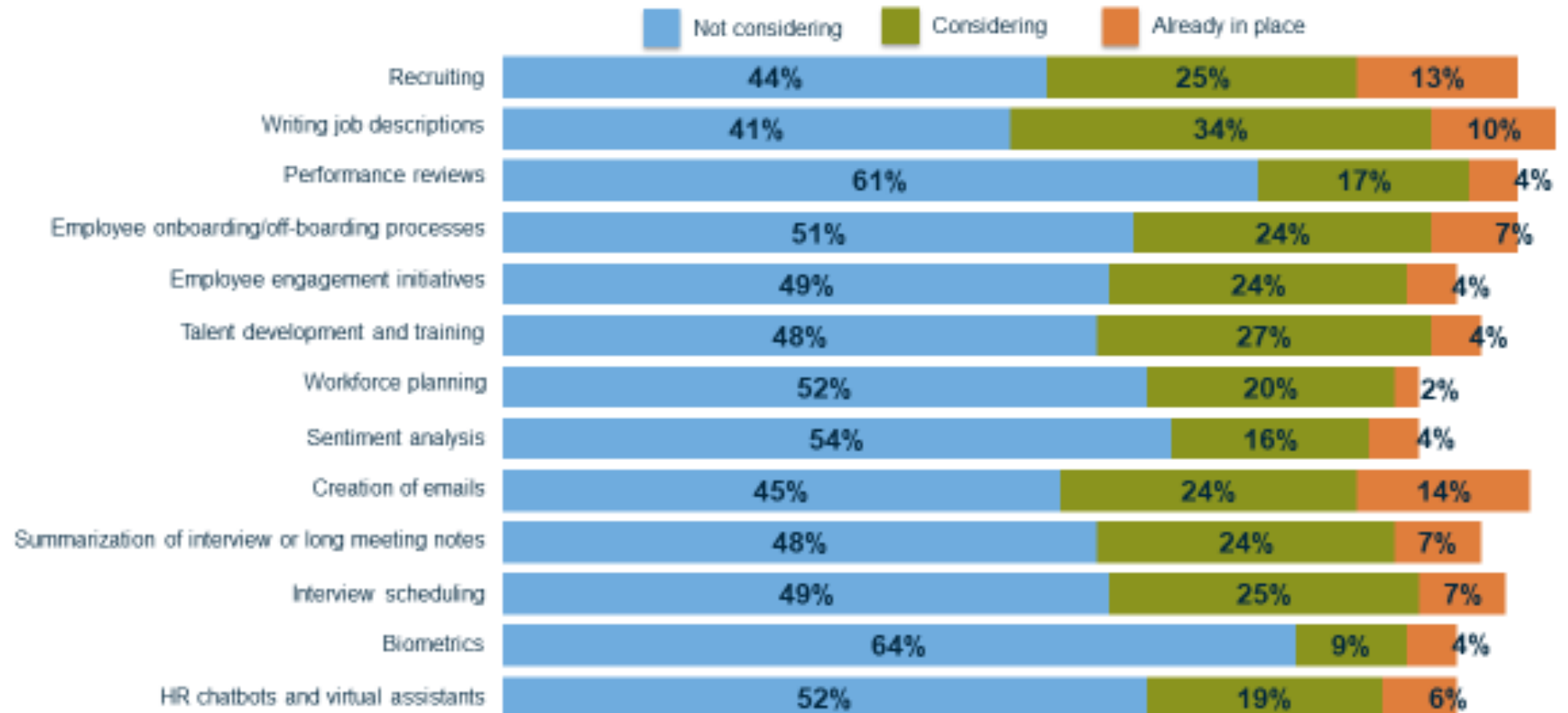
Reporting Ethics Concerns

Accounting/Audit Irregularities	Improper Loans to Executives	Sexual Harassment	Conflicts of Interest	Insider Trading
Substance Abuse	Client Relations	Kickbacks	Theft of Funds	Discrimination
Policy Issues	Theft of Goods/Services	Employee Relations	Breach of Confidential Information	Theft of Time
Falsification of Company Records	Misuse of Company Assets	Unauthorized Discounts	Fraud	Retaliation of Whistleblowers
Wage/Hour Issues	Fraudulent Insurance Claims	Workplace Safety Issues	Corruption or Bribery	

Example

HR Technology

Is your organization using Artificial Intelligence (AI) in Human Resources?



Example

Firm up policies and practices at all levels of the company.



Example

Workplace Training

**Conduct
Regular
Training**

**Model
Behavior**

**Active
Bystanders**

**Encourage
Employee
Voice**

**Monitor the
Environment**

**Practice
Empathy in
Conflict**

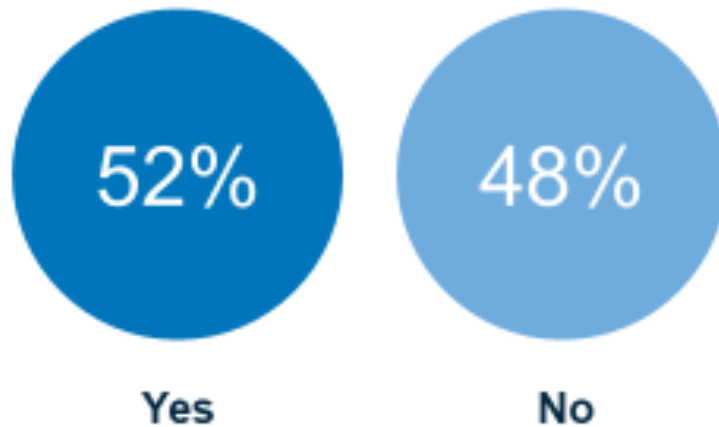
**Acknowledge
Differences**

**Support
Inclusionary
Practices**

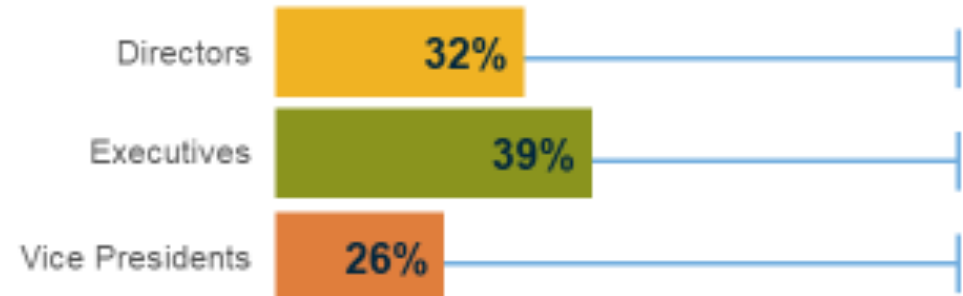
Example

Workforce Planning

Does your organization engage in ongoing succession planning?



Which of the following positions does your strategy include?



Example

Workforce Planning- Engagement and Retention Drivers

The current primary drivers of employee engagement in order of influence:

- 1 **Sound career development pathways**
- 2 High confidence in the organization and its products/services
- 3 **Trust in senior leadership**
- 4 Experience a culture of respect and inclusivity
- 5 Relationship health and overall connectivity with managers/supervisors

The current primary drivers of employee retention, in order of influence:

- 1 **Sound career development pathways**
- 2 Management of workload stress; i.e. work-life balance and support
- 3 **Trust in senior leadership**
- 4 Compensation
- 5 Feeling recognized and respected for work contribution

Scenario

Use of AI in Hiring Process

Trace's Engineering Firm wants to incorporate AI into their hiring process. They think it could help them weed out applications that don't match the job description by reviewing submittals for key words, qualifications and experience levels.

What should they think about before implementation?

Scenario

Employee Classification

Emmy's Advertising Agency has administrative professionals who are entry level that routinely work after hours to accomplish the necessary requirements of the job. This department is trying to cut costs and the manager asks HR if all of these employees, regardless of job responsibilities and scope, can be reclassified as exempt.

What should the HR Manager do next?

Scenario

Performance Review Challenges

Carolina Printing Services has an employee who has had a workers compensation claim this year and was out on approved leave for the birth of a child. During the performance review and merit increase process the manager indicates that this employee has not been performing well and should not receive a raise. When the HR team asks for specific details around the subpar performance the manager refers to the fact that this employee has missed a lot of work and isn't a team player.

What should HR do next?

Immediate Action

Steps HR can take today!



Questions?



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Thank You!

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Appendix



Tailored Solutions for your needs



Physical & Emotional Wellbeing

- Compliance Consulting
- Employee Benefits Consulting
- Pharmacy Benefit Management Consulting
- Voluntary Benefits Consulting
- Small Business Consulting

Financial Wellbeing

- Executive Planning
- Institutional Investment Consulting
- Life & Annuity Brokerage
- Retirement Plan Consultin

Career Wellbeing

- Communication Consulting
- Compensation & Rewards Consulting
- Data & Research Consulting
- Human Resources Consulting
- Human Resources Technology Consulting
- Multinational Benefits & HR Consulting
- Talent & Leadership Advisory

Why Gallagher?

How we are different



1 Client first focus

We deploy our resources & services to ensure a successful partnership.

2

We search for innovative solutions and the right partners for our clients. Not products and platforms that drive more revenue for the consultant.

3

One Gallagher

Collaborative team approach, we don't work in silos.

4

World's Most Ethical Companies

Eleven consecutive years

5

Gallagher Better WorksSM

Holistic, personal and organizational wellbeing approach.

6

Data Analytics

Data Drives DecisionsTM at Gallagher



Data Drives Decisions

Making tough benefits and HR decisions? Our insights and trends data can help.



Compare

See how similar-sized organizations in your industry and region approach total rewards and compare your strategies.



Validate

Confirm whether your total rewards strategies are in line with the market, need improvement or distinguish your business from the competition.



Justify

Defend to leadership how you balance employee needs and business goals with comprehensive, comparable data.

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