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Meet Anna Romberg: Avoiding compliance fatigue

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Anna Romberg (anna.romberg@getinge.com) was interviewed by Adam Turteltaub (adam.turteltaub@corporatecompliance.org), Chief Engagement & Strategy Officer at SCCE & HCCA.

AT: You are pretty unique in the world of compliance, in that you have spent virtually your entire professional career in compliance, but you have also simultaneously achieved an advanced degree in the field. What led you to decide to pursue an academic course while also working in compliance full time?

AR: I commonly say that my research project was spurred by professional frustrations. While working at Telia, I experienced the corruption scandal emerge from within and was frustrated at how the company was managing the risks on emerging markets. As a corporate governance and management accounting scholar, I was intrigued by how much effort was put into controlling the financial reporting–related risk, while the “non-financial risks”—as I labeled them a decade ago—were largely ignored. The company was highly successful in the former Soviet Union countries, had double-digit growth, high margins, and a belief that providing telecommunication services in these underdeveloped markets made the company sustainable, which blinded the company to the risks that were to become the end of the success.

I was looking to leave the company, and at the same time I started to explore from a theoretical perspective how companies manage nonfinancial or conduct-related risk. This exploration brought me to the world of ethics and compliance, and when the newly appointed Chief Ethics and Compliance Officer Michaela Ahlberg asked me to stay in the company, I saw a brilliant opportunity to employ this theoretical knowledge.

AT: I definitely want to talk more about your time at Telia, but let’s first talk more about your academic work. I’m very impressed with your dedication and that you earned a doctor of philosophy in corporate governance and compliance. In your doctoral thesis, you argue that formal programs aren’t enough; there needs to be acknowledgement of the “informal aspects” as well. What are those informal aspects? Why are they typically overlooked?

AR: All our colleagues who have implemented an ethics and compliance program in the midst of a scandal know how intense it is. You put in place risk assessments, draft policies and procedures, provide training, and implement control and monitoring structures. You report on the implementation of these formal structures and show that the company is doing a lot in terms of investing in ethics and compliance. At Telia, we successfully defended our ethics and compliance program to the Department of Justice and Hui Chen, and the company was not appointed a monitor despite the record-high fine. At the same time, we knew that these formal structures were highly dependent on us as individuals. We had to push hard, live through the friction, and ensure that the topics did not fall from the agenda.



Anna Romberg



Adam
Turteltaub

The informal aspects are, for example, subjective and person-dependent decision-making, lack of a speak-up culture, and normalizing exceptions and excessive risk-taking. The informal aspects are those that prevent the ethics and compliance program—and the ultimate agenda of fostering more responsible business decisions—from becoming institutionalized.

AT: You're also a strong believer that compliance is dependent on heroes and how they cope with ethical struggles. Tell us more about what that means.

AR: This relates to the institutionalization of the ethics and compliance agenda mentioned earlier. The ultimate purpose of ethics and compliance work is not only to ensure that the company is operating within the legal framework and has put in place formal programs, but also to ensure that decisions made today can withstand scrutiny in 5, 10, or 15 years' time. The purpose is to ensure business ethics is part of the business agenda, per se, and that multiple stakeholder perspectives and a longer horizon are taken into account by decision-makers. And this is many times uncomfortable. It takes time to make the assessments, and there are judgment calls that need to be made in the gray zone. If we do not dare to take up these perspectives and challenge the way business is done today, nothing will change.

At Telia, we experienced the ethical struggles on a daily basis and wondered whether we did something wrong. The ethics and compliance work was highly praised by investors and regulators, but advancing it internally was a daily struggle. We did, however, realize that these struggles were a sign that we were making progress, something was changing, and the status quo was challenged. What we did not realize at that time was that we took the struggles too personally.

AT: How can we help people engage in these ethical struggles more effectively? Is it more training? Or is it creating an environment where conversations about ethical issues are encouraged?

AR: A key finding in my research is the danger of taking the ethical struggles, and advancement of the ethics and compliance agenda, too personally. Yes, business ethics is highly personal, and we all need to take a stand. But you cannot make enduring the ethical struggles a personal agenda; this will likely lead to "compliance fatigue"—either you burn out or give in to the struggles. And this will not advance business ethics, but instead ethics and compliance may become part of the problem. The formal structures become a "shield" and provide false comfort to the management and the board.

Instead, I advocate for ensuring that the formal governance structures and all decision-makers absorb these struggles. Yes, training is one piece, but it's more about identifying the struggles and training managers to become sensitized to the fact that the most natural response is trying to avoid struggle. The key is to institutionalize the ethical struggles by realizing that these are vital to advance business ethics and compliance in the long term. If things need to change, there will always be some discomfort. Adequate governance structures are those that, for example, force transparency and accountability into the decision-making processes, ensuring that ethics and compliance does not become the "approver" or someone that "needs to be convinced" when there are difficult considerations and dilemmas. Adequate governance provides transparency when exceptions become the norm and when misconduct is not adequately addressed.

AT: Now I want to stress again that your knowledge isn't based on books you read while at university but from your own experience. After starting out in the audit and assurance field, you have now spent a decade working in compliance. What led you across the hallway to compliance?

AR: Yes, my way into compliance was not through the more common legal route but through a desire to change and advance responsible corporate conduct. As a corporate governance and management accounting scholar, I initially approached the topic from ensuring good governance, solid internal controls, and transparent

processes, and I have subsequently studied the legal frameworks. I have a passion for good governance and ethical business practices, not only because companies should stay on the right side of the law but also because of the huge impact companies have on societies and individuals on a grassroots level. A company paying million-dollar fines for corruption violations is only the tip of the iceberg. The true consequences are feeding the global plague of corruption and the devastating consequences for individuals living in corrupt societies.

AT: No company wants to go through the challenges Telia faced, but it does focus attention on the compliance program. For someone moving into a compliance role during a crisis, where is the best place to start? What do you need to find out first?

AR: Ensure that the decision-makers, management, and the board know that you will be “difficult.” It is not you as a person that will be difficult, but the process of challenging historical decisions, reassessing previously ignored risks, and questioning current ways of working. Make sure that they are aware that you will elevate the ethical dilemmas and make sure ethical struggles are not absorbed on an individual level. You will not be the one making all the difficult calls, and the formal compliance program will not change the culture. Make sure it is clear from the beginning that the purpose of the formal program is to affect the more informal aspects, daily decisions, and behaviors at all levels in the company. The culture will only change as a consequence from what is done in practice, as culture is built through action, from what is done and from what is left undone. Be humble in your approach, since there will be individuals in the company that have been part of the historical practices. You do not want to create a culture where individuals feel they have to shield historical practices because they have been involved themselves. It is vital to build a culture where these individuals feel they can speak up and bring forward concerns. This is really hard work, but if this is not acknowledged, you risk creating subcultures within the company, unintentionally hindering a true speak-up culture.

AT: If there is anything good about a major incident, it is that it focuses the attention of leadership and the board on compliance. At the same time, though, they still have a business to run. How do you ensure you get the attention you need without unduly taking up too much of their time?

AR: In my thesis, I argue that unethical conduct creates an “invisible debt,” which commonly is revealed in a scandal or through a major incident. The issue has been there all the time, but now it is not just visible to the company leadership—it is a consequence from how business has been done in the past. And sometimes it is not an isolated incident but a pattern of bad decisions or systemic reprioritization of ethical considerations. When this debt is revealed, it is important, in my mind, to not view this as something separate that needs to be fixed and then things can go back to how they were. Stakeholder expectations are constantly increasing, and the sooner ethical considerations are integrated into the governance and control mechanisms (for real), the less disruptive the scandals and incidents will be. If you have ignored corruption issues for, let’s say, 20 years and then have to focus on anti-corruption compliance measures for a few, I do not think it is unreasonable.

AT: At Telia, you ended up spending about three years running the company’s global anticorruption program. It’s a risk area that persists for all global companies. What have you found are the most effective investments compliance teams can make to manage this risk?

AR: Corrupt behavior exists everywhere. How it is displayed and concealed may, however, vary depending on the industry and individual. I am a bit hesitant to label countries as more corrupt, per se, as it is always the individuals operating in this context that are corrupt, and corruption is usually enabled by individuals from less corrupt countries.

One of the most effective investments is to understand your context—both the external context, such as the industry you are in, who your customers are, and how decisions are made in reality, and the internal context, such as if your organization is equipped to understand the risks that employees face, what kind of behavior is

rewarded, and if there is truly a speak-up culture.

AT: Are there investments that you think are less productive than most would think?

AR: One-way communication, such as e-learning, and formal sign-offs of policies. If we want to equip our colleagues to be able to manage dilemmas and make decisions in the gray zone, we need to create ways to practice. In reality, it is hard to bring up difficult issues if we just tell employees to “do the right thing” and do not follow up with practical exercises on what this means when there are time pressures, conflicting targets, and issues that may be legal but still not the right thing to do in the long term.

AT: You moved on from Telia in 2016 to Cargotec, which is a part of the shipping industry, and you are now working at Getinge within the health care sector. What advice would you give to anyone else moving in a compliance role in one company to another and from one industry to another?

AR: As mentioned, one of the most important things as a compliance officer is to know the external and internal context. When transitioning to a new role, I did not only focus on the industry but also on the culture, on company history, and the message from the board. I think that understanding how the board views compliance is an important indicator for how successful you will be in your role. Prior to joining Getinge, I worked a few years as a consultant and had the privilege of working with numerous industries. I have learned that the root causes for compliance failures tend to be the same across industries.

AT: Now you are working as the executive vice president for legal, compliance, and governance at Getinge. Moving into the top role and executive team of a company can be quite a transition. What should people moving into the top job be prepared for in terms of how responsibilities change and how they interact with the rest of the organization?

AR: At Getinge, this position as part of the executive management team is new, and I started the role during the pandemic, so it has been quite an interesting year. In addition to compliance and internal audit, I am also heading the global legal team, which is a new experience for me. Apart from the support from the board and obviously your CEO, it is critical to have good people around you. I have been blessed with many great professionals in my team that are experts at things that I am not. Moving into an executive role is a challenge, as you have to be assertive but humble. I have told myself that if I cannot achieve change in this role and with this team, it will hardly be possible anywhere.

AT: Working across a wide spectrum of companies has given you a great perspective on a range of issues. Do you think you would be as successful as you are now without the experience in other industries?

AR: I do think it is rewarding to get new perspectives from new industries and new organizational cultures. I do, however, think you can be successful staying within one company as well. Being in the medical technology industry feels like coming home. It is very engaging on a personal level to work for a company with a mission to save lives. This has become very visible through the pandemic as well.

AT: When the pandemic starts to wane and compliance teams adjust to the new world, how should we look to most effectively engage with the business team?

AR: I think many companies are moving toward a new world that will involve less traveling. As compliance teams, we have been used to frequent travel to conduct training, risk assessments, and investigations. During the pandemic, at least, I have learned that you can do much of this work virtually. We have created some very engaging virtual trainings and educational programs and done all investigations virtually for over a year. I do, however, think it is very important to maintain personal relationships and ensure that you are in regular contact with business peers. This can be done through informal conversations and making sure that you are participating

in sales conferences and management team meetings.

AT: My great concern is what the new world will mean for corporate cultures. With so many people working remotely, it may be much more difficult to create a consistent culture, as people really are functioning all alone. How can compliance teams help bridge the gap?

AR: Yes, I do share that concern. To be honest, I do not think that we know yet what this new world will mean for corporate cultures. At Getinge, we have been discussing the importance of ensuring that you recruit the right people that will thrive in the company culture that you are striving for. I think it is important that compliance teams team up with other functions such as human resources and communications. Now is a really good opportunity to be part of shaping the culture on a united front. Common topics for compliance officers such as trust, physiological safety, and speaking up are more important than ever for companies.

AT: Finally, looking down the road a few years, how do you think compliance programs will evolve? Environmental, social, and governance concerns, for example, have emerged as a huge force. Will compliance be a part of it, and how big a role should compliance play?

AR: We see more regulation passed in areas such as the environment and human rights, which will mean an increased effort by companies to comply with these new regulations. I think sustainability teams and ethics and compliance teams will need to work closely together. The compliance program methodology can be applied to any topic area, and compliance teams can contribute a lot with promoting a systematic approach for implementation and monitoring. The era when a company could say that they respect human rights and comply with UN Global Compact—without showing proof of how they have done so in practice—is over. The regulation is there for a purpose. We should not lose sight of that purpose and should measure progress by real impact and change.

AT: Thank you for your time, Anna!

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