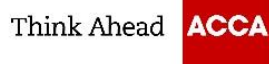


Joint ACCA & ecoDa event discusses “Aligning Corporate Governance and culture: What’s in it for the board?” 11 January 2017



PRESS RELEASE

To change people’s attitudes and behaviours, the issue of corporate culture needs to be addressed. Change starts with “tone from the top”, but more important is “behaviour at the top” - action, not just words, were the main messages of a joint event recently organised by ACCA and ecoDa in Brussels.

There is increasing evidence and acceptance that a link exists between the corporate governance and culture of organisations, as unfortunately highlighted by recent examples of corporate dysfunction. There is no “no one size fits all” in corporate governance matters, and corporate culture – as well as nurturing a healthy one - is a challenge to everyone. But the good news is that evidence is building with examples of culture facilitating better performance and building harmonious teams.

To shed some light on these examples and start a debate, ACCA (the Association of Chartered Certified Accountants) and ecoDa (The European Voice of Directors) co-hosted a lively panel discussion with experts to share best practices and real life examples of how companies successfully achieved a culture change and how this change works in reality.

Turid Elisabeth Solvang, Chair of ecoDa & Co-Founder of the Norwegian Institute of Directors, opened the debate: *“The acknowledgement that good corporate governance goes far beyond compliance is spreading. The global governance discussion increasingly pivots around culture and values, and the board’s role and responsibility in making sure that a healthy corporate culture is nurtured, and that the company’s set of values permeate every aspect of its operations. Regulations are not enough to achieve lasting change. To really change people’s attitudes and behaviour, we have to address culture. Because we all know - in the quote usually attributed to Peter Drucker - ‘culture eats strategy for breakfast’ ”.*

Cora van Nieuwenhuizen, MEP, indicated that corporate governance is increasingly high on the political agenda of the European Parliament. *“Unfortunately the reason for that is the recent scandals, such as Panama Papers or Lux Leaks. We should instead try to set the agenda before something goes wrong. Cultural change should be an ongoing process: we should be proactive, anticipate and not wait for the next scandal to arrive. Changing culture is also an incremental, step-by-step process, which takes time. There shouldn’t be a deadline to reach the final destination – the journey is more important. It starts with the tone at the top, but more important is the behaviour at the top. People are more likely to follow examples, rather than to obey rules.*

The debate revealed that prescriptive regulation trying to address corporate culture change is not a silver bullet to help organisations, team and individuals progress. Culture relates to the quality of behaviour and passing legislation requiring people to behave better is a challenge. Tone from the top matters and stewardship is critical for change, but this is not enough, with companies needing a systematic approach to embedding their values.

It was also highlighted that the purpose of companies is not just to generate short term profits for their shareholders. Corporate leaders need to be aware of the impact of their company on society and also how the values they have espoused are shaping the behaviour of their employees. It was stressed that this might suggest a greater focus on disclosure. Part of this could involve developing and promoting new indicators such as customer satisfaction and staff turnover.

Jo Iwasaki, ACCA's head of Corporate Governance concluded : *“Corporate culture has a decisive impact on how individuals behave. Culture is not made up of intangible, abstract, ideas. It is closely connected to, and interacts with hard and solid elements such as pay structure, promotion opportunities and training that employees get. ACCA has developed a new [culture-governance tool](#) to help leadership systematically approach and understand how the culture set at the top reflects the organisation's value and mission. It help identifying areas of inconsistencies that that need to be addressed, and build an action plan”.*

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ABOUT THE ORGANISERS:

About ecoDa

Contact: Béatrice Richez-Baum, ecoDa Secretary General, tel: +32 (0) 231 58 11 or beatrice.richez-baum@ecoda.org

The European Confederation of Directors' Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Its objective is to represent the views of company directors from EU member states to corporate governance policy-makers at EU level. ecoDa, the European Confederation of Directors' Associations, is a not-for-profit association acting as the “European voice of board directors”.

Through its 20 national institutes of directors, ecoDa represents around sixty-five thousand board members from across the EU, ensuring that their views on Corporate Governance are clearly communicated to policymakers in the EU institutions. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.

www.ecoda.org

About ACCA

Contact: Cecile Bonino, Head of EU Affairs, tel: +32 (0) 2 286 11 37 or cecile.bonino@accaglobal.com

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. It offers business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

ACCA supports its **188,000** members and **480,000** students in **181** countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of **95** offices and centres and more than **7,110** Approved Employers worldwide, who provide high standards of employee learning and development. Through its public interest remit, ACCA promotes appropriate regulation of accounting and conducts relevant research to ensure accountancy continues to grow in reputation and influence.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. It believes that accountants bring value to economies in all stages of development and seek to develop capacity in the profession and encourage the adoption of global standards. ACCA's core values are aligned to the needs of employers in all sectors and it ensures that through its range of qualifications, it prepares accountants for business. ACCA seeks to open up the profession to people of all backgrounds and remove artificial barriers, innovating its qualifications and delivery to meet the diverse needs of trainee professionals and their employers. More information is here: www.accaglobal.com