

Organizational Integrity

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Ethics & Compliance: Let's Be Disciplined About Discipline

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Discipline is a complicated thing. Ask any parent. Figuring out the right type, tone, intensity, and timing of discipline to drive the behavior you are trying to drive is no easy task. Too little discipline, and your kid walks all over you. Too much discipline, and your kid resents you and talks about you to her therapist for the rest of her life.

Complex organizations — businesses, universities, law enforcement agencies, etc. — face the same problems as parents. How do you structure a disciplinary process that is meaningful (i.e., one that drives positive behavior and inhibits negative behavior) yet is fair and measured? How do you reduce wrongdoing and irrational risk taking without squashing innovation, creativity, and sensible risk taking?

These are complicated questions, but questions worth one's time. We all should care about this topic for a number of reasons.

1. **First**, as noted above, and as multiple studies have shown, an effective discipline program drives positive behavior and reduces negative behavior.
2. **Second**, not disciplining wrongdoers sends a dangerous signal to other employees that the improper behavior is condoned by the organization. This can harm an organization's business interests as well as its recruitment, retention, and DEI efforts.
3. **Third**, the absence of an effective discipline program can be a factor in the consequences of any wrongdoing attributable to *the organization as a whole*. An organization that fails to hold its wrongdoers accountable for their actions, for example, is more likely to be found reckless by Government enforcement officials.

So what are the elements of an effective discipline program? We contend there are a few:

1. **It must be meaningful**. To drive behavior, discipline either must educate, inflict some pain (in the corporate setting, this typically is financial pain), or some combination of the two. Unduly weak discipline not only doesn't drive behavior, it sends a message that the organization condones the wrongful behavior.



2. ***It must be rational.*** Discipline must be commensurate with the actions that spawned it. The punishment must fit the crime as they say. Over-discipline brings with it its own set of dangers.
3. ***It must be prompt.*** Discipline that is far removed from the actions that spawned it is less effective than discipline temporally associated with the wrongdoing.
4. ***It must be even-handed.*** A manager who violates should receive no less punishment than an employee who violates. A high revenue producer who violates should receive the same punishment as a low revenue producer.
5. ***It must be known.*** A “double secret” discipline program, to steal a phrase from a great old movie, doesn’t drive behavior. Personnel need to know what is expected of them and what the consequences of transgressions will be.

Notably, we have not included on our list that discipline always must be harsh. Some situations call for a softer touch. Indeed, some situations call for no discipline at all, but rather counseling or education. In these cases, as suggested above, over-discipline can be just as damaging as under-discipline is in other situations.

It’s probably worth also saying a word here about the flip side of the disciplinary coin—rewarding positive behavior. There is good evidence that rewarding employees can be even more effective in driving positive behavior than punishing employees. This is not to say you should give trophies to everyone and discipline no one (although my two millennial daughters would support that approach). But it is to say both a meaningful discipline program and a meaningful rewards or recognition program are critical elements of an effective Ethics and Compliance program.

At the end of the day, creating a meaningful discipline program is not rocket science. But it’s not baking a cake either. Finding the right balance among dissuading negative behavior, driving positive behavior, and not squashing sensible business risk taking (not legal risk taking, but business risk taking) may not always be easy, but it is worth taking the time to think about, and deliberately craft, a thoughtful strategy.

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