Introduction and Background

I scheduled a meeting with Lynn Zentner, the Director of Institutional Compliance at the University of Minnesota (U of M), to discuss her experience managing ethics policy in a not-for-profit environment. Her job responsibilities include:

- Identifying compliance risks and effective methods to mitigate those risks;
- Improving delivery of compliance resources;
- Educating and promoting awareness of ethical and legal standards of conduct through effective programs; and
- Partnering with responsible University representatives to monitor compliance and to ensure that appropriate and effective corrective actions are taken where non-compliance is detected.

Lynn has been with the U of M for about one year. She has extensive legal experience, having been an assistant U.S. Attorney at the Department of Justice in Washington D.C. for 18 years, where she “provided legal advice on issues of conflicts of interest, financial disclosure obligations, and employment issues, including misconduct, fraud, and discrimination.”

Immediately prior to her employment at the U of M, she was part of the corporate legal office at Medtronic, where she directly advised the company’s compliance office. As we discussed the full scope of her duties, it became evident how critical understanding and interpreting new laws and regulations are to the operational success of the Office of Institutional Compliance.

Managing Ethics Policy at the University of Minnesota

Lynn and I spent much of our time discussing her efforts to develop a more robust conflict of interest policy, which she believes is the most relevant ethical issue the U of M currently faces. As research-oriented institution, she recognizes that the relationship between faculty and industry is mutually beneficial. However, considering the volume and complexities of the various

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2 Ibid.
research relationships that exist at the U of M in combination with the increased attention paid to this issue by the media, she understands that this is a particularly high-risk area for the organization. In her first year here, she has spent time with the Conflict of Interest Committee to determine what measures they should implement to improve transparency and generate reliable disclosures if a conflict of interest is suspected. During our meeting, she was not able to identify an ethical issue that has been waning in importance. She said that many of their activities are driven by modification to existing laws; so, while they are constantly responding to revised regulation, these changes are not necessarily less strict than before.

The U of M Office of Institutional Compliance has written a code of conduct (Appendix A) that applies to many individuals and groups who have a relationship with the U of M, which highlights the values, guiding principles and standards of conduct that are expected of University representatives. Although this does highlight the organization’s objectives, a systematic policy for handling code violations and disciplinary consideration does not exist. Compliance reports are generated on a semi-annual basis by the “on-the-ground” compliance officers devoted to each of the 30 areas that fall within their jurisdiction. After review by the Office of Institutional Compliance, these reports are submitted to the Office of the General Counsel and the Department of Internal Audits. When a compliance failure is identified, the violation is reviewed by the Compliance committee to discuss repercussions and recommend a course of action. Based on the specific situation, they will determine if it is a systematic failure, training failure, supervision failure, etc. Isolating the cause of the problem governs their action plan and affects whom they decide should be involved in the execution of the management plan.

The decentralized makeup of units within the University makes it difficult – if not impossible – to develop a standardized disciplinary policy, which are common in big corporations. Lynn is
consulting one of the Code of Conduct committees to determine if a more standardized system is appropriate for the University’s structure. The absence of a systematic disciplinary policy is not synonymous with a lack of discipline. To the contrary, the University uses its organizational design to its advantage. By actively engaging deans, administrative directors, peer review panels and managers, the Office of Institutional Compliance gives control over disciplinary action to the respective units if the violation is minor enough to be addressed at that level. For instance, the punitive options to a tenured faculty differ from junior faculty, and the U of M policy allows for these nuances.

**Training and Whistle-blowing**

Another issue we discussed in our meeting was the challenge of trying to educate people on what constitutes ethical behavior. The Office of Institutional Compliance has tried to integrate this education in a variety of ways. They provide in-person training in the new employee orientation program with the belief that instilling the guiding principles of the U of M’s commitment to ethics early on will shape their behavior. They provide ongoing training in online modules, and they offer additional in-person sessions for the high-risk compliance areas, such as Conflict of Interest.

Because understanding the U of M values and applying these core concepts to the work environment can be difficult, the Office of Institutional Compliance created a booklet that looks at each ethical behavior, explains what it looks like and gives common examples of how it could be violated. Their goal in creating this booklet is to show how the code of conduct applies to employees’ daily lives and help University representatives see how they can contribute to maintaining the U of M ethical standards.
Once employees are able to identify potential violations, the Office of Institutional Compliance has developed a very advanced, user-friendly, anonymous reporting system\(^3\) where individuals can feel comfortable voicing their concerns. Lynn emphasized their commitment to fostering this sense of freedom and said they are dedicated to working with the Office of Human Resources to ensure the whistle-blower is protected. In fiscal year 2008, the University received 160 reports through their anonymous website. Although not all of these resulted in systemic changes, Lynn feels that many people simply want specific questions answered, certain issues investigated and a sense that their concerns are being validated and addressed. All of these components are important in cultivating a culture of trust and confidence.

**Reflection**

One of the concerns I initially had about meeting with the Director of Institutional Compliance was that her responsibilities would be so focused on other areas of compliance that her experience with ethics management would be limited. However, I learned that although her job description indicates much of her time should be devoted to maintaining legal compliance, she said she spent most of the time during her first year addressing Conflict of Interest – an ethical issue. Hearing that she identifies this as a major source of risk showed me that ethical policy considerations are coming to the forefront, and the public is becoming increasingly aware of unethical conduct. A few of the issues she knows they need to address are:

- Faculty speaking on behalf of an industry
- Accepting industry gifts
- Ghostwriting

While focusing on these issues, she feels that the relationships between industry and researchers should be preserved and encouraged, but our system simply needs the infrastructure

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and oversight in place to ensure that there is adequate transparency and the appropriate disclosures are provided.

Another issue that stood out to me during our interview was how frequently discussion of adherence to laws and responding to regulations was mentioned. One of the ethical questions I struggled with throughout this course was the notion that “what is legal is ethical.” A major takeaway from this Business Ethics course is that this principle is not true, and it is critical to be able to identify situations that compromise ethical standards while remaining within legal limits. Without having the opportunity to witness the operations behind the Office of Institutional Compliance, it seemed that the University’s resources allocated to this area are limited such that the University’s position is primarily reactive to new laws and regulations. This position restricts their ability to identify new sources of risk and makes the institution vulnerable to ethical lapses.

Finally, my interview with Lynn illustrated how the process of ethics management is constantly evolving. A major key to the success of the Office of Institutional Compliance lies in the relationships they build with University stakeholders. Rather than “policing” the institution, she says she purposefully acts as a partner to each unit. Because people can easily be negatively influenced or pressured by authority, she is dedicated to establishing partnerships with University leaders. Personal commitment from individuals at this level to the University’s ethical standards enables successful distribution of consistent messaging to University employees while creating a sustainable communication structure that can easily respond to changes in the ethical environment.