



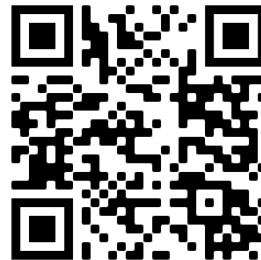
How Cultural Values Influences Fraud & Corruption

Malaysian Association of Certified Fraud Examiners

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21 May 2021



“Culture eats strategy
for breakfast”.

- Peter Drucker



02.27.17

This Is What Caused Uber's Broken Company Culture

Uber's problems are a result of a company that refused to fix its dysfunctional culture.



[Photo: Jaap Arriens/NurPhoto via Get

The Volkswagen scandal shows that corporate culture matters

Economics alone struggles to explain the German carmaker's disastrous choices



16



How Japan's corporate culture allows corrupt CEOs to win



CULTURE CAN BE COSTLY

Forbes

Billionaires

Innovation

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EDITORS' PICK | 18,166 views | Feb 24, 2020, 11:33am EST

Wells Fargo Forced To Pay \$3 Billion For The Bank's Fake Account Scandal



Jack Kelly Senior Contributor @
Careers

I write actionable interview, career and salary advice.

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- “When thousands of Wells Fargo employees engage, fairly openly, in illicit behavior,
- it is hard not to conclude that management at the bank failed to curb a culture of contempt
- for customers, for the law and, ultimately, for shareholders.”

<https://www.forbes.com/sites/jackkelly/2020/02/24/wells-fargo-forced-to-pay-3-billion-for-the-banks-fake-account-scandal/#42e9efa642d2>



CULTURE CAN BE COSTLY

Samsung's corporate culture may also have compounded any issues. Former Samsung employees described the workplace as:

- ✓ Militaristic
- ✓ with a top-down approach
- ✓ where orders come from people high above who did not understand how product technologies actually work.

The screenshot shows a CNN Business article page. The main headline is "Samsung takes \$10 billion hit to end Galaxy Note 7 fiasco" by Jethro Mullen and Mark Thompson, dated October 11, 2016. Below the headline is a video player with the title "Samsung halts production of Galaxy Note 7". To the right of the video player is a sidebar with several advertisements and articles, including "IMMERSE IN ULTIMATE LUXURY" for Land Rover, "Get \$0 phones and up to 5 free months of Fibre & TV deals!", "Health Smartwatch Everybody in Singapore is Talking...", "Can you invest in E-Games?", and "A new Pokémon UT representing adventure, discovery...".

<https://money.cnn.com/2016/10/11/technology/samsung-galaxy-note-7-what-next/>

COMPONENTS OF CULTURE

- **Purpose** – Why do we do what we do.
- **Values** - Beliefs about right and wrong.
- **Morals** - An individual's own values regarding right and wrong.
- **Ethics** - Rules provided to an individual by an external source, e.g. their profession or religion regarding right and wrong.
- **Culture** – Shared values, beliefs, rules & behavior.

<https://www.cnbc.com/2019/08/19/the-ceos-of-nearly-two-hundred-companies-say-shareholder-value-is-no-longer-their-main-objective.html>



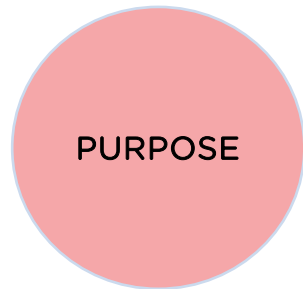
“Stakeholder confidence can only be strengthened if companies think seriously about the **reasons for their existence**, how they deliver on their **purpose**.”

MCCG 2021

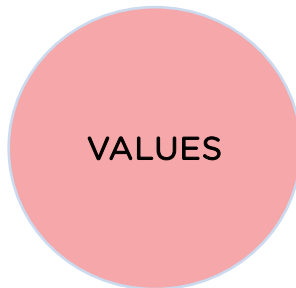
SYNOPSIS

Stakeholders

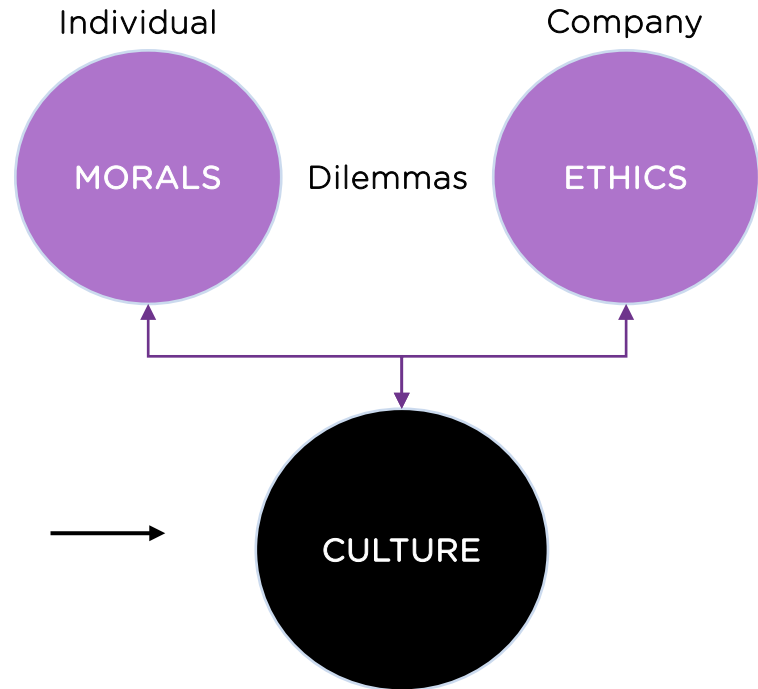
- Deliver value to customers
- Invest in employees
- Deal fairly and ethically with suppliers
- Support communities
- Generate long-term value for shareholders



What is your Why



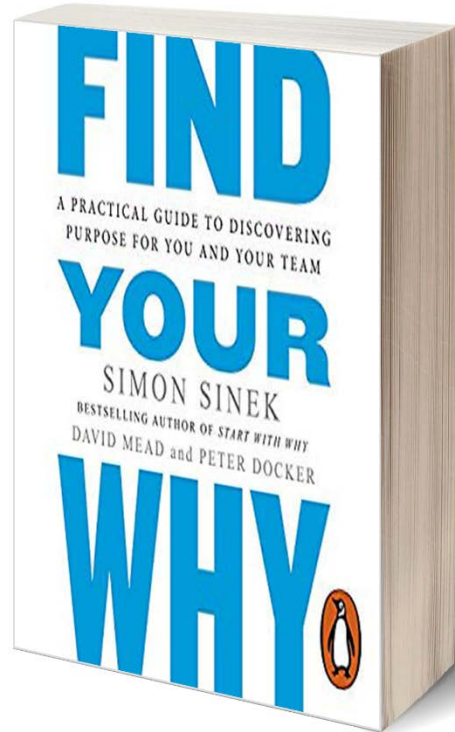
What do you Believe in?



Shared Values,
Attitudes, Actions
& Behaviours



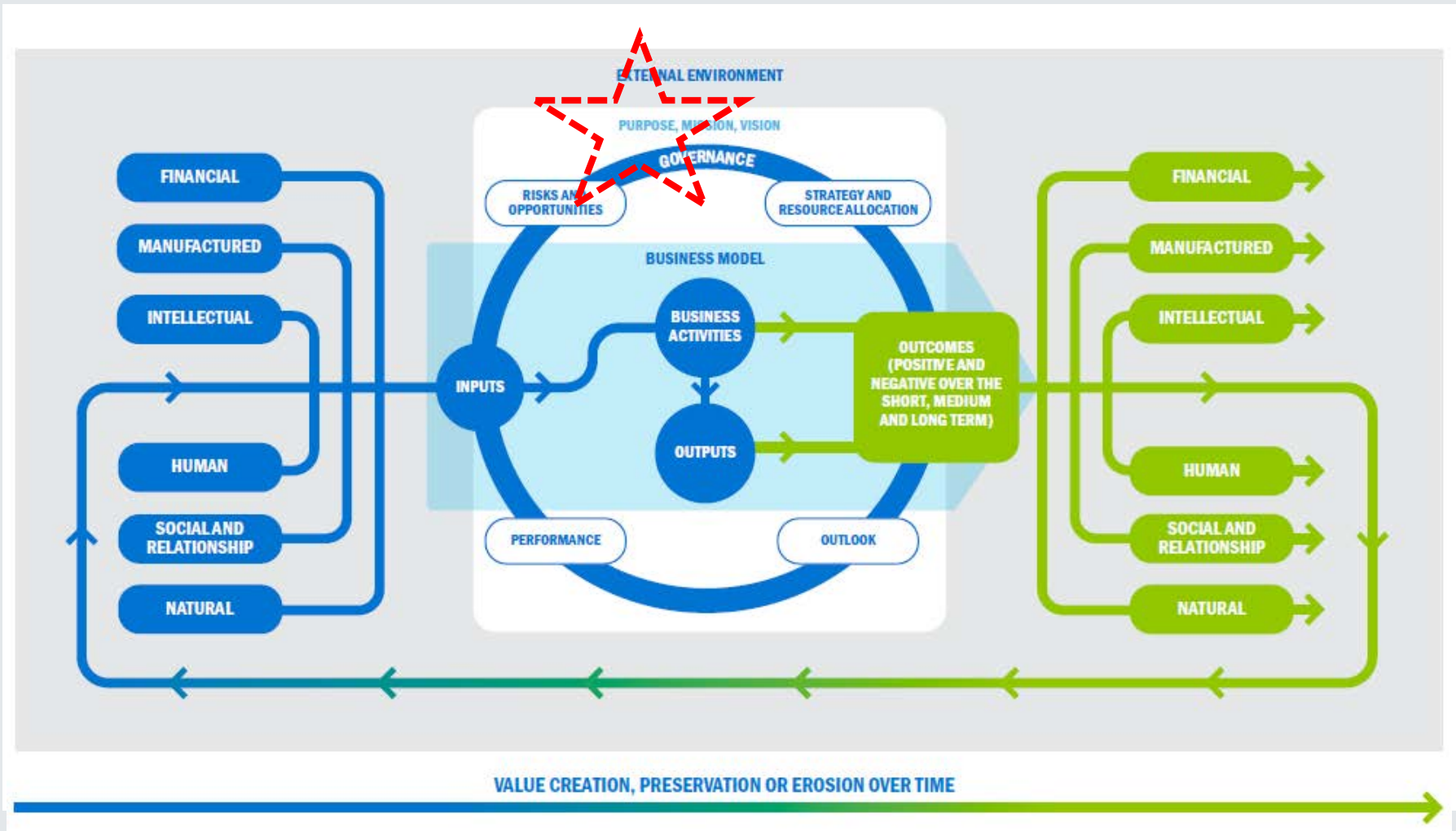
WHAT IS PURPOSE?



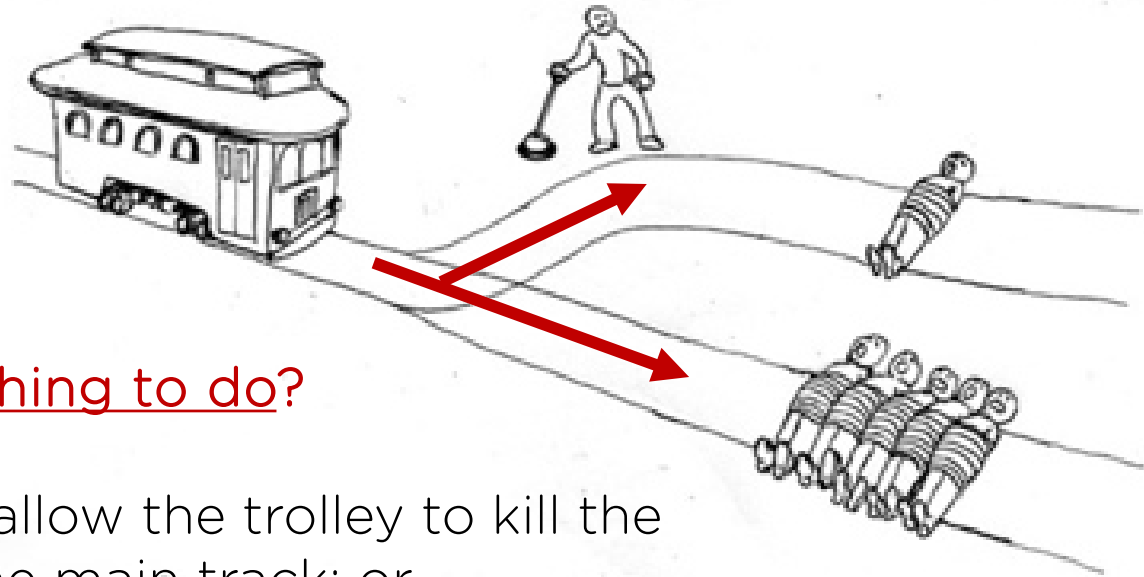
“If we want to feel an undying passion for our work, if we want to feel we are contributing to something bigger than ourselves, we all need to know our WHY.”

- Simon Sinek

INTEGRATED REPORTING <IR>



DILEMMAS - THE TROLLEY PROBLEM

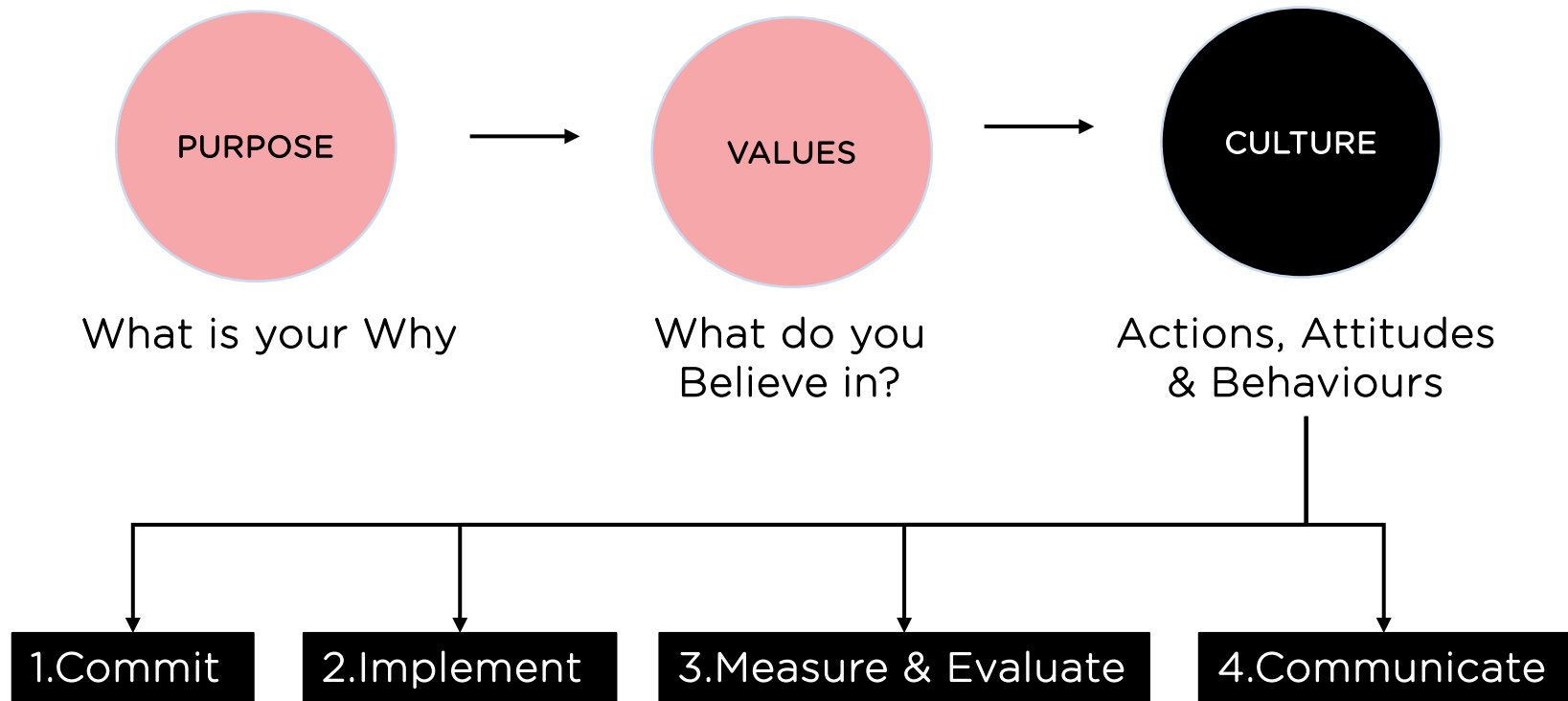


What is the right thing to do?

- Do nothing and allow the trolley to kill the five people on the main track; or
- Pull the lever, diverting the trolley onto the side track where it will kill one person.

<http://www.youtube.com/watch?v=6WB3Q5EF4Sg>

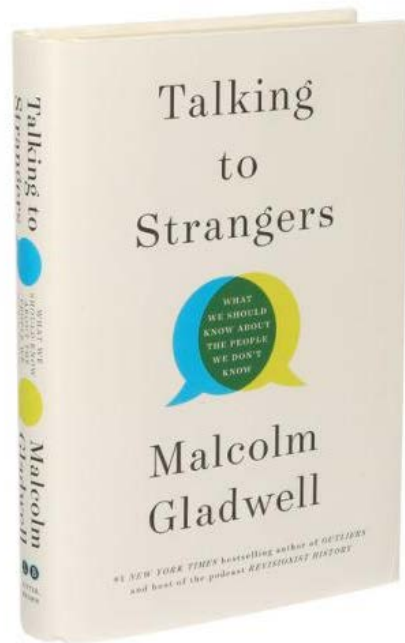
SYNOPSIS



Making Culture work in your company



BE WILLING TO BE A HOLY FOOL



“In Russian folklore there is a person called yurodivy, or the Holy Fool.

The Holy Fool is a social misfit who has access to the truth. The Holy Fool is a truth-teller because he is an outcast.

Those who are not part of existing social hierarchies are free to blurt out inconvenient truths or question things the rest of us take for granted.

The closest we have to Holy Fools in modern life are whistleblowers.”



COMMUNICATIONS WITH PURPOSE

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