

CBIZ CEO Shares His Passion for Ethical Excellence

Compliance and Ethics

Interviews and Profiles



I recently had the pleasure of interviewing Jerry Grisko, the CEO of CBIZ — a nationwide provider of accounting, tax, financial advisory, government healthcare consulting, risk advisory, valuation, and insurance services. Headquartered in Cleveland, OH, CBIZ operates more than 100 company offices in 33 states. The following are excerpts from an interview in which we discussed the root causes of systemic corporate corruption and the measures Grisko and his company take to promote and ensure ethical business practices.

In my experience, most business professionals have a genuine desire to achieve performance goals in the right way. And yet, we see many firms make the headlines for thousands of employees engaging in criminal conduct. What do you think are the root causes of such systemic corporate corruption?

Grisko: Obviously, there are far too many examples of systemic corruption today. You need to start with the tone at the top and how leadership behaviors reinforce the culture and values as the bedrock of the organization. Any company can have core values but then act contrary to those values in their interactions with colleagues and customers. For core values to mean anything they have to be reinforced continually and be incorporated into everything you do with your employees, customers, vendors, and suppliers. There has to be a tone from the top that reinforces there is no compromise when it comes to our values. And, when you see behavior that is contrary to your values and culture, you need to send a strong message that it won't be tolerated.

How much do you think systemic corporate corruption is due to the strain being placed on organizations to perform?

Grisko: Every organization is challenged to continue to improve performance. But when there is a

lack of alignment between what the company stands for and how they actually behave, that's when you see the misconduct you're referring to. I keep coming back to core values. The most important core value that guides CBIZ is "We do the right thing." We have another value which is "We expect to win." Our team understands that while we expect to win, this does not translate to win at all costs or by any means. Our team understands how this value fits within our overall values. We make it clear from the top, our drumbeat, that we seek to win but only within the confines of "doing the right thing." Oftentimes organizations that fail are sending a clear message from the top that winning is the priority above all else. When this message is reinforced at the highest levels of a company, employees lose sight of values and how they serve as the company's moral compass.

We ethics and compliance officers focus on the importance of ethical culture strength — the capacity of an organization to withstand the strain to perform and to pursue their commercial goals ethically. Does CBIZ take any steps to measure its ethical culture strength?

Grisko: We regularly survey our entire team to better understand how we're doing in relation to our culture and how we live our values. In terms of ethics, we survey our team with a separate ethics-specific questionnaire that includes questions like "Are you aware of our values?" "Have you witnessed anyone doing anything that may be contrary to our values?" "Do you understand there are numerous ways to report your concerns?" This anonymous survey helps us identify opportunities for improvement so we can focus our attention and resources.

Does your board take an active interest in the survey results?

Grisko: Yes. We share the survey results with the board. We also deliver a quarterly report to the board that details any incident that raised an ethical concern and how we responded to it.

What's your view of the role boards should play in monitoring and promoting strong ethical cultures?

Grisko: It is very difficult for the board to have ultimate responsibility for reinforcing an ethical culture because the board's responsibility is for oversight rather than the day-to-day running of the business. First, it starts with the board hiring the CEO and senior management and doing its best to make clear the ethical standards that are expected by the board. Board oversight includes making sure company leadership is reinforcing the shared core values. Second, the board must get a report on any issues or incidents where there is an ethical concern. Third, the board needs free access to senior management to monitor for evidence of conduct contrary to the company's core values. Likewise, when company managers witness ethical issues, they should have free access to report these concerns directly to the board without having to follow the chain of command.

What does CBIZ do to monitor the effectiveness of its internal controls?

Grisko: Our internal audit team understands the specifics of our industry. They work hand in glove with management and the board to report on the most critical controls across the company. The board is aware of which controls will be tested and when this will happen. The owner of the controls reports directly to the board as part of this process.

What do you think about the Business Roundtable's recent observation that the purpose of business is to serve all stakeholders not just shareholders?

Grisko: If you get your core values right, you're going to retain the right people and do great work for your clients. Great work for clients produces returns for shareholders. It's not one stakeholder over all others. You must have a holistic view seeking to benefit all your stakeholders and keep them in balance. When you do, your business will succeed in serving all stakeholders — including shareholders. When you are solely focused on shareholder return, it drives some of the behaviors we know can lead to corrupt business practices.

How hard is it for you to execute a business strategy that serves all stakeholders?

Grisko: I don't feel pressure to pursue short-term gains at the expense of long-term growth. There is always a balancing act between taking our profits today and investing in future growth. We strive to be disciplined about developing and executing multi-year plans that strike a reasonable balance between these two objectives.

One thing that comes through in speaking to you about this topic is that it's not a side issue for you. You appear to have a genuine passion for pursuing your core value of doing things right. What do you have to say about that?

Grisko: As a leader, you can say all that you want, but ultimately, employees look to see if you re-enforce your core values in your day-to-day actions. You only achieve the desired result if your commitment to the core values is genuine.

Jim Nortz



Founder & President

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