

Effective Ethics Training, Year After Year

Susan Bounds

*Director – Corporate Compliance
AT&T*



COMPLIANCE WEEK 2012

Effective Ethics Training, Year After Year

Who we train: 250,000+

- Technicians
- Retail store employees
- Call center employees
- Labs
- Managers, officers
- Worldwide



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How we trained:

- Traditional on-line format
- Scheduled blocks of time
- Mandatory courses every year
- Process for non-automated trainees



Effective Training, Year After Year

Experiment in Video:

- Officers
- Frontline
- Leadership
- Specialized
- Useful elsewhere



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Coming Next:

- Avatars
- More Specialization
- Mobile Devices
- Downtime



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Ken Jones

*Corporate Vice President
Chief Compliance Officer
Huron Consulting Group*



COMPLIANCE WEEK 2012

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- CCO at Huron since 2009

- Previously:
 - CCO and Director of Training and Professional Development- Stockamp&Associates
 - President/CEO of post-acute care operating division of Legacy Health System, Portland Oregon
 - Director of Management Services and Budget Officer, City of Portland, Oregon

Huron Consulting Group

- Provides business consulting services in healthcare, higher education, legal, and financial services
- Founded in 2002 with 200 employees
- Growth organically and through acquisition
- Publically traded (HURN)
- FY 2011 Revenue \$606.3 M
- Currently has 2,000+ employees
- Offices in the U.S., Europe, the Middle East, and India

Huron Corporate Values

- Corporate Values:
 - Integrity, pursuit of excellence, accountability, collaboration, passion
 - Value: Integrity
 - Definition - We do the right thing regardless of the consequences
 - Behaviors-
 - Be genuine, say what you mean and mean what you say
 - Build trust by always exhibiting honesty and respect
 - Give credit where credit is due
 - Speak up and take positive action when something appears wrong
 - Be transparent about individual and collective successes and failures

New Employees Basics: Ethical Check Questions

Ethical Check Questions

1. Is it legal?

- Consider laws, regulations, Huron policies

2. Is it balanced? Does it promote win-win outcomes?

- Look at all implications of decision
- Consider impact on company, clients, communities, stakeholders
- Should I obtain additional advice about the issue? (e.g. Helpline)

3. How would the decision make me feel?

- Would decision give me an advantage to which I'm not entitled or which I shouldn't accept?
- Am I comfortable sharing the issue and decision with others?
- What if decision were made public?

New Leaders: Understanding How Ethical Decisions Are Made

Four Approaches to Ethical Decision-Making

1. **Principles Approach**

- Base decisions on certain ethical principles in every case without exception

2. **Consequence**

- Base decisions on whatever action will achieve the best outcome

3. **Virtue/Character**

- Base decisions on the individual's moral character and ability to apply principles uniquely to each specific situation

4. **Moral Sentiment**

- Base decisions on how you and/or others feel about the decision

As discussed in [Ethical Decision-Making](#) by Jack Gilbert

Advanced Leadership: Supporting an Ethical Culture

- **Lead by example**
 - Discuss ethical dilemmas that you've faced.
 - Ask tough questions
 - Be accountable
- **Embed ethical values in workplace discussions**
 - Emphasize and demonstrate that living our values trumps other priorities
 - Ensure that work group is safe place to be heard. You can be faulted for NOT speaking up
 - Guard against too aggressive work plans that could foster inappropriate compromises
- **Build ethical decision-making skills**
 - Address ethical conflicts by appealing to a shared sense of purpose/values
 - Apply skills learned in coaching and giving feedback to address ethical dilemmas
 - Anticipate dealing with rationalizations for questionable behavior, e.g. "Everyone does it."

Continuing Learning and Evaluation

- Instructor-led training for new hires
- Instructor-led training for new directors and new managing directors
 - 1-3 days
 - Scenario based
 - Includes COO, CCO, VP-HR
 - Continuing cohort sessions at least quarterly for 1 year
- Corporate-wide mandatory online courses
- Operational audits of engagement team compliance
- Corporate ethical culture survey to assess perceptions of our ethical culture and track changes

Effective Ethics Training; Year After Year

Sandy Williams

Vice President of Ethics & Compliance; Chief Compliance
Officer

American Electric Power



Effective Ethics Training; Year After Year

About AEP

- President and CEO – Nick Akins
- Assets - \$60.5 billion
- Employees – 18,700
- U. S. Customers – Approximately 5.3 million
- States served – Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.
- Service Territory – Approximately 200,000 square miles
- Miles of Transmission Lines – Approximately 39,000
- Miles of Distribution Lines – Approximately 216,000
- Generating Capacity – Approximately 38,000 Megawatts



Effective Ethics Training; Year After Year

Chief Compliance Officer...

- Report directly to CEO
- Report to governance committee of the Board of Directors
- Office of Ethics & Compliance: Four investigators and one administrative associate
- Responsible for ethics communications and Corporate Code of Conduct
- Responsible for investigation of calls on AEP Concerns Line
 - Anonymous Hotline
 - Approximately 500 calls per year
 - Available via toll-free telephone call or internet

Effective Ethics Training; Year After Year

Emphasis on Constant Training via Communication using 'Ask Sandy' Brand



- Ask Sandy Q&A column on company intranet site
- Ask Sandy Live IM chat sessions
- Ask Sandy Twitter Account
- Ask Sandy Advice Line (in development)
- Ask Sandy Live Webcasts

Effective Ethics Training; Year After Year

Emphasis on Constant Training through Communication

- Ethics & Compliance annual 'State of the Program' letter
- Ethics Panel
- Scrubbed cases on ethics & compliance intranet site



2011 State of the Program
UNDENIABLY ETHICAL

Letter From Sandy Williams

Welcome to the fifth annual Ethics & Compliance "State of the Program" letter. Inside the next few pages you'll find out just what E&C was busy working on in 2011, the trends we were tracking and, as always, summaries of a number of real Concerns Line matters.

We received a bit of a jolt in 2011 when we conducted an Ethics Risk Assessment of the company and found that 53% of employees believe that if they reported a violation of the company's code of conduct, they would experience retaliation. Moreover, 50% believe that if they reported such a violation, discipline of those involved would vary depending on who it was and what position they held. These findings rocked me to my core – and not in a good way!

To say that these numbers – and more importantly the culture from which they originate – are unacceptable at AEP is an understatement. In order for us to be successful it is imperative that we have a culture where employees are encouraged to speak up. With the threat of retaliation looming in the distance, who is going to step up and do the right thing? In fact, if employees fear retaliation for doing the right thing, are we actually driving them to make the wrong decisions?

I'll be honest - I need your help. Every year I've told you that E&C is committed to promoting ethical behavior and providing each of you with a workplace and a culture in which you feel comfortable, valued and safe. I'm renewing that pledge today, but I can't do it without you. Talk to me, whether it's through the Concerns Line, an email, a phone call or personal visit – just talk to me. Together, we can figure this out.

Sandy

"UNDENIABLY ETHICAL"
Do you have a concern that needs an independent review?
Contact the AEP Concerns Line:
1-800-750-5001
www.AEPconcernsline.com **AEP**
8-200-6226/614-719-6226 Ethics & Compliance

AEP
Ethics & Compliance

March 2012

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Emphasis on Constant Training through Communication

- Ms. Perception blog
- Reflections on ethics
- Ethics posters
- Site visits/presentations

Ms. Perception, with Sandy

Interact with Sandy Williams on ethics at AEP.

REFLECTIONS ON ETHICS

Video Series

