

Extra! Extra! Read All About It: Getting the Word Out About Your Ethics Reporting Program

Karen M. Aavik
Dir. of Corporate/Wholesale Practices
KeyBank

Agenda

- ▶ Background
- ▶ Customizing Ethics Reporting Program (ERP) Training
- ▶ Using Your Organization's Resources to Heighten ERP Awareness
- ▶ Measuring the Success of ERP Awareness Efforts and Implementing Enhancements

Background

- ▶ Why is ERP awareness so important?
 - It encourages and supports an ethical culture
 - It helps facilitate an accurate measurement of the strength of your ethical culture
 - It helps you effectively manage your ethics program
 - It helps you communicate key ethics program data to the Board/Audit Committee and sr. management
 - It helps you meet legal, regulatory and other requirements and expectations
 - *Every non-report is a missed opportunity!!!*

3

ERP Training – General

- ▶ ERP training must be ongoing
 - It should take into account the nature, structure and unique risks of your organization
 - It should be conducted at the time of hire and periodically thereafter
 - At least annually, *but more frequently if necessary*
 - It should evolve based on data, observations, etc.
- ▶ The goal is for each party to understand:
 - The importance of the ERP
 - How the ERP supports your organization's ethics program
 - His/her unique role in ensuring a strong ERP (and thus a strong ethical culture)

4

ERP Training – Key Customization Considerations

- ▶ When customizing ERP training, ask yourself:
 - Who are the key constituents that require ERP training?
 - What are their unique roles within the organization?
 - How do they impact the ethics program and your ERP?
 - What is your goal in providing them with ERP training?
 - What specific ERP data/information might they need?
 - What challenges might they experience that could impact the effectiveness of the ERP?
 - What guidance do they need to help overcome those challenges?
 - What unique concerns might they have that should be addressed?

5

ERP Training – Employees

- ▶ Goal: employees must be aware of your ERP and know how to access it
- ▶ Employees are:
 - Essential to ensuring that ethical issues are identified and escalated
 - Responsible for supporting the ERP and an ethical culture
- ▶ Employees must understand that:
 - Management encourages a culture of reporting
 - Allegations are taken seriously
 - Reports are thoroughly investigated in a timely manner
 - They can choose to report anonymously
 - Confidentiality will be maintained (to the extent possible)
 - Retaliation will not be tolerated

6

ERP Training – Investigators

- ▶ Goal: Investigators must understand that they are the critical foundation of an effective ERP
- ▶ Investigators are critical to ensuring:
 - Comprehensive, consistent and fair investigations
 - The confidentiality of reports and corresponding information
 - That there is no retaliation in response to reports
 - That whistleblowers are afforded proper protection
 - The integrity of the ERP

7

ERP Training – Investigators (cont'd)

- ▶ Investigators must understand that:
 - Investigations must be timely and comprehensive
 - They must treat all Reporters, Subjects, etc., the same – regardless of their position within the firm
 - If objectivity is not possible, they must notify you ASAP
 - If applicable, that their collaboration with other Investigators impacts the success of the investigation
 - The escalation of “new” issues and/or trends is critical to the overall goals of the ERP
 - Their professionalism reflects on the integrity and effectiveness of the ERP
 - Full and accurate documentation protects both employees and the organization
 - They will be supported in their efforts

8

ERP Training – Managers

- ▶ Goal: Managers must understand their role in supporting the ERP and an ethical culture
- ▶ Managers are:
 - Ongoing examples of what is considered acceptable behavior with the organization
 - A resource for employees regarding ethical issues
 - Frequent recipients of ethics violation information
 - Responsible for ensuring that department-level issues are properly addressed
 - A mechanism for ensuring that more significant problems are efficiently and effectively escalated

9

ERP Training – Managers (cont'd)

- ▶ Managers must understand:
 - That their behavior and actions matter
 - That they need to have an “open door policy” regarding ethics
 - Scenarios that represent potential red flags
 - That they must make defensible, objective “judgment calls” about issues within the workplace
 - How to handle reports of potential ethics violations
 - How to discuss ethical issues with their employees
 - Who to contact for ethics support

10

ERP Training – Board/Audit Committee

- ▶ Goal: Board/AC Members must understand:
 - What the ERP is
 - How it works
 - Its correlation with the larger ethics program
 - How it generates critical information about the ethical culture organization
- ▶ Board/AC Members must:
 - Understand their fiduciary role with respect to the ERP and the firm's ethics program
 - Have access to the ERP and its corresponding data
 - Be made aware of both positive and negative trends uncovered via the ERP
 - Understand the correlation between ERP data and the need for additional ethics program resources

11

ERP Training – Other Considerations

- ▶ What is the best way to deliver training to each type of constituent?
 - E.g., passive training, on-demand modules, webinars, “live” sessions, one-on-one instruction
- ▶ What type(s) of training are most effective for each type of constituent?
 - E.g., hands-on system training, scenario-based modules (with or without tests), tip sheets
- ▶ The answers to these questions will depend on the unique characteristics of your firm

12

Heightening ERP Awareness

- ▶ Effectively identifying/employing your firm's resources is a three-step process:
 - Step One: Establish a Baseline.
 - Ask yourself the following questions:
 - What is the existing ERP awareness level?
 - Use comparative report data, intranet surveys, informal manager/employee feedback, etc.
 - What mechanisms are currently being used to encourage ERP awareness?
 - What are the pros and cons of each individual method?
 - Are these mechanisms readily available to all constituents?
 - What (if any) known awareness gaps exist?

13

Heightening ERP Awareness (cont'd)

- ▶ Three-step process (cont'd)
 - Step Two: Identify and Engage Departments/Functions that Can Help Get the Word Out.
 - Conduct a comprehensive survey that includes:
 - Human Resources
 - Audit
 - Enterprise Risk Management
 - Compliance
 - Marketing/Corporate Communications
 - Facilities
 - Senior and Mid-Level Management

14

Heightening ERP Awareness (cont'd)

▶ Three-step process (cont'd)

- Step Three: Work with Those Departments/Functions to Identify All Available Mechanisms.
 - Consider the results of Steps One and Two, and ask yourself the following questions:
 - What mechanisms will be most effective for achieving broad sensitization? More targeted awareness?
 - What are the potential flaws in each mechanism, and how can they be overcome?
 - How can you leverage the departments/functions to ensure that delivery methods are as effective as possible?
 - Are there any groups that (despite all of the options available) are not covered by existing options?

15

Heightening ERP Awareness (cont'd)

▶ Three-step process (cont'd)

- Step Three (cont'd)
 - Possible mechanisms include:

Broad Sensitization: <ul style="list-style-type: none">-Include in C of C/Employee Manual-Incorporate into ethics training-Display posters/other signage-Link on the intranet homepage-Create intranet quizzes-Daily reminder upon login-Wallet cards/reference guides	<ul style="list-style-type: none">-Publish in company's directory-Have link within signature block-Include in newsletters Targeted Sensitization: <ul style="list-style-type: none">-Live awareness sessions-Lunch and Learns-One-on-one/group training
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And Now Execute on the Findings!!!

16

Measuring Effectiveness/Implementing Enhancements

- ▶ In order to measure the effectiveness of your sensitization efforts:
 - Gradually introduce different awareness initiatives and conduct timely measurement of the corresponding effect
 - Ask yourself:
 - Was there an increase in the overall number of reports received? If so, by how much?
 - Was there an increase in a particular allegation type? If so, how significant was it?
 - Was there an increase generated by a particular area(s)? What could that mean? Is additional training, etc., needed?
 - Based on that information, what do the numbers/nature of these reports reveal about:
 - What mechanisms work for what types of constituents?
 - Whether there might still be groups that are not “hearing” your message? How should you address them?

17

Measuring Effectiveness/Implementing Enhancements (cont'd)

- ▶ Tips:
 - Designate a person(s) to monitor the ongoing success/failure of each sensitization initiative
 - Request periodic updates from him/her to ensure the process is as effective as possible
 - Once measured, share the results with key constituents
 - Partner with other areas to help validate your findings
 - Revisit your sensitization plan's framework/calendar annually to ensure that it still meets your firm's needs
 - Use the data you uncover to modify/improve your sensitization framework and obtain buy-in for enhancements
 - Communicate the outcome of those enhancements to key parties
 - Network with other professionals about methods, etc.
 - *Do not forget the goal of your ERP!*

18

Questions?

Thank you for your time and attention!