



From Traditional to Modern: A Closer Look At Johnson Controls' Ethics & Compliance Program

AT A GLANCE

Johnson Controls International (JCI) worked with SAI Global to transform their global ethics and compliance (E&C) program. At the heart of this relationship was a complete transformation from a traditional ten-hour experience to a program that satisfied employees, saved time and money, and was rich with analytics. As a result, JCI's program and courses won Gold at the 2017 Brandon Hall Awards for "Best Advance in Compliance Training."



CUSTOMER BACKGROUND

Johnson Controls is a global diversified technology and multi-industrial leader, creating intelligent buildings, efficient energy solutions, integrated infrastructure and next generation transportation systems. With revenues of \$30 billion, Johnson Controls has 120,000 employees in more than 2,000 locations serving customers across 150 countries.

Today, Johnson Controls' ethics and compliance program is managed by Ms. Bernie Barber, director of Global Compliance Programs. Bernie took on management of the E&C program at Tyco from 2013 to 2016, prior to its merger with Johnson Controls. When the two companies merged, Tyco's existing compliance education program was adopted by the wider Johnson Controls organization, integrated into their existing infrastructure and deployed to its employees.

Ms. Barber's responsibilities include educating employees across the entire enterprise on nine key E&C topics in 32 languages. The compliance education program includes new hire training, annual training, live training and quarterly manager-led discussion sessions called *Values in Action*.

Risk area topics in Johnson Controls' program include Conflicts of Interest, Gifts & Entertainment, Anti-Bribery & Anti-Corruption, Data Privacy, Trade Controls, Intellectual Property, Confidential Information, Competitive Intelligence and Fair Competition.



Ms. Bernie Barber
Director of Global
Compliance Programs

CHALLENGES

Like most organizations before 2013, Tyco/Johnson Controls' E&C program took a traditional "check the box" approach to training, focused primarily on course completions and due diligence. The challenge was to completely refresh the E&C program with an evolved, modern and learner-focused approach that accomplished key organizational goals. Once this global program was updated, it would need to be scaled to thousands of new employees following the merger of Tyco and Johnson Controls.

Before this transformation process began, the annual training took between six and ten hours for each employee, the content wasn't always relevant or specific to job roles, and there was minimal data available to measure program effectiveness. This position mirrors what many other global E&C programs looked like at the time, and demonstrates why there needed to be a transformative approach to effective ethics and compliance education.

In 2013, Bernie Barber joined Tyco as the senior manager of Compliance & Ethics Education.

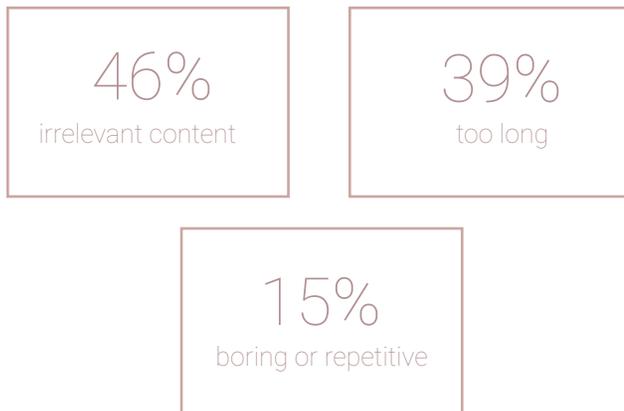
With only completion rates available as a data source, an optional survey was deployed to all learners. The goal was to gather data to better understand the learner perspective in relation to the relevancy, duration, clarity, and overall satisfaction of the compliance education experience.

The results were eye-opening:



of learner comments expressed dissatisfaction with the ethics and compliance training they received.

That dissatisfaction fell into three core categories:



It was clear to Bernie and her team that there was work to be done to create an effective program that addressed the employee feedback and resembled a modern compliance program: one that is built on a foundation of adult learning principles. The challenge for Johnson Controls was to completely refresh its program with an evolved, modern, and learner-focused approach that:

- didn't require significant investment;
- was targeted to each employee's needs and mindful of available training time;
- collected data that would help make informed decisions to drive continuous improvements

To overcome that challenge, Johnson Controls renewed its long-term relationship with SAI Global to answer a question at the core of their program's evolution:

How can we customize the learning experience for all of our employees to prevent fatigue, acknowledge what they already know, save time, and improve the relevance of the training they receive?

"That's one of the challenges, I think, with ethics & compliance training. Rules don't change substantially from year to year, so it's important to try to make the same material interesting in a different way, year on year, and not 'feel' the same. That's a big challenge, and it was important to me that we started to focus on the learner."

– Bernie Barber,
Director of Global Compliance Programs, Johnson Controls

SOLUTION

As a leader in the ethics & compliance learning space, SAI Global was reshaping its approach to adult learning by implementing shorter and more modern learning formats with enhanced analytics capabilities. To address the concerns expressed by employees in the end-user survey, Bernie Barber and Johnson Controls collaborated with its dedicated team at SAI Global to completely rebuild the online element of the annual training program. The rebuilt program would have to integrate with Johnson Controls' learning management system and global infrastructure.

To do this, Johnson Controls combined common adult learning principles with SAI Global's new advanced training approach and formats, including adaptive learning and analytics technology, tailored to address two main problems that had to be solved.

1

Johnson Controls needed to make the training experience shorter

To accomplish this, Bernie worked closely with internal subject matter experts to condense the training content and focus on key messaging, delivered through storytelling using real cases that demonstrated the consequences of wrongdoing for individuals and the company. Instead of 40 to 60-minute modules for all nine core training topics, Johnson Controls now uses new and updated content and solutions that only requires ten minutes per module by focusing on key messages, instead of every law, rule, and procedure.

Another key component of making the training experience shorter was to only deliver targeted training, meaning the training is now relevant to an employee's role, responsibilities, and reflects their current understanding of each risk area. To make this possible, action mazes, test-out, and targeted profiling capabilities were used to track the roles and current knowledge of every employee. By programming these results into Johnson Controls' revamped training courses and content, each person received a customized education experience for their annual training. This has now increased the relevancy of what the employees are learning, and accordingly, the effectiveness of the program.

2

Johnson Controls needed to make the training content more engaging

The functionality within SAI Global's courses also increased the level of engagement for employees. The new, revamped content included:

- More interactive elements within each module, including drag-and-drop knowledge checks and other gamified aspects
- More variety in the look and feel of each module, including a broader spectrum of colors and animation to make it more visually appealing
- The addition of introductory videos and messages from the CEO and risk-area specific subject matter experts, improving the authenticity, relatability, and legitimacy of the content
- The addition of stories and case studies, both from current events and internal experiences, helping to emphasize and actualize the consequences of certain choices that could be made, and improve the relevance of the content

Profiling - An adaptive learning experience where learning content is filtered against user characteristics (roles, assigned duties, etc.).

Test Out – An adaptive learning experience where learners are presented with a knowledge check at the beginning of the course and if the learner passes, they are rewarded for retention of knowledge by skipping the instructional content and progressing to the action maze element where they are tasked with demonstrating their ability to apply that knowledge.

Action Maze – A branched learning experience in which a challenge is presented and based on the answer, subsequent challenges will follow. It essentially looks and feels like a comic strip where learners have to choose what happens next. Choosing correctly earns credit while incorrect choices result in consequences and feedback and the learner having to choose again.

RESULTS

Overhauling the ethics and compliance program and implementing a variety of new ways of capturing data and program analytics achieved noteworthy results.

Employee Satisfaction



Between 2015 and 2017, there has been an increased overall satisfaction rating in employee surveys on the annual training they take:

“The training was relevant to my needs”
increased from 3.8 to 3.9
(out of 5)

“The training content was easy
to follow and well laid out”
increased from 3.9 to 4.1
(out of 5)

“The duration of the training was
appropriate for the subject covered”
increased from 3.7 to 3.9
(out of 5)

“Overall, I am satisfied with the training received”
increased from 3.8 to 4.0
(out of 5)



Learner-survey results on the annual training also reflected an increase rating in the following categories:

76%

of employees agreed or strongly agreed that
the training was relevant to their needs
(vs. 73% in 2015)

85%

of employees agreed or strongly agreed that the
training content was easy to follow and well laid out
(vs. 82% in 2015)

78%

of employees agreed or strongly agreed that
the duration of the training was appropriate
for the subject covered
(vs. 67% in 2015)

81%

of employees agreed or strongly agreed
that they were satisfied with the training received
(vs. 76% in 2015)



Annual training employee feedback includes:

“I like that you tested me on my
knowledge so that I did not have to
sit through subject matter that I was
already familiar with. Thank you!”

“I thought this year’s training was
much better than in previous years.
Last year’s was a huge improvement
over prior years as far as relevancy,
and this year’s training surpassed
that.”

“The pre-test scenarios were very
good and truly laid out the potential
in each situation.”

Company Benefits

1

The annual training program was shortened from between six to ten hours per employee to less than ninety minutes

- Data from 2017 employee surveys indicates this new E&C approach is more effective
- 40% of survey respondents said they learned something new from their training
- 80% of those respondents said they would apply what they learned to their job

2

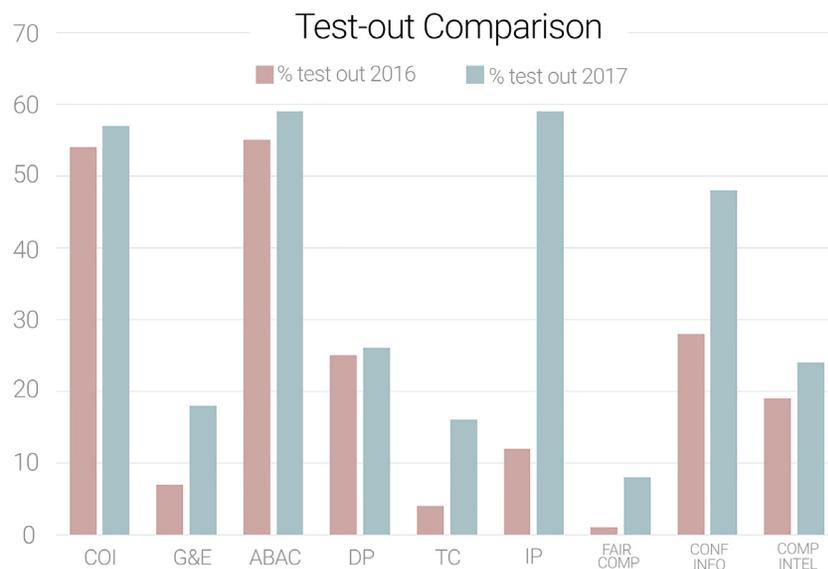
Completion rates have risen for annual online training



3

Test-out results demonstrate an increase in knowledge retention and program effectiveness

SAI Global helped Johnson Controls create pre-tests for learners to take, prior to annual training on key topics. If they scored 100% on a given topic, they could test-out of certain aspects of the training and move forward with a shorter, more customized experience based on their prior knowledge and risk awareness. Across all nine key training topics that JCI focused on, there was an increase in the percentage of employees who successfully tested out from 2016 to 2017.



4

A new *Values in Action* campaign was deployed enterprise-wide

This campaign is a quarterly assignment for managers to facilitate manager-led discussions with employees and set the tone. Employee feedback from those sessions include:

“The sessions are excellent, well received, and I believe they truly have a tangible impact.”

“This was by far the best and most relevant topic and presentation that I have seen in years. Excellent!”

5

New opportunities for continuous program improvement

To enable Johnson Controls' efforts to ensure that future content is created with employee preferences in mind, SAI Global added new opportunities to capture suspend data and employee behavior and preferences within each training experience.

AWARDS AND VALIDATION

In 2016, Johnson Controls was recognized by Ethisphere as one of the “World’s Most Ethical Companies” for the 10th consecutive year. In 2017, Johnson Controls was ranked 16th in Corporate Responsibility (CR) Magazine’s annual list of the “100 Best Corporate Citizens.” In 2017, their ethics and compliance program won three Brandon Hall Awards, including Gold for “Best Advance in Compliance Training.”



JCI won Gold at the 2017 Brandon Hall Awards for “Best Advance in Compliance Training” thanks in part to the program improvements that were made as part of this transformation, as well as their own internal drive to embrace a modern approach to ethics and compliance by offering learners choice in how they take their annual training including game-play and attending live sessions. This award recognizes their overall program, including annual training, the Values in Action program and live training experiences.



WHY SAI GLOBAL

“SAI Global has been a long-term strategic partner. The team has been very supportive through our program transformation project and results have been very positive.”

– Bernie Barber

Johnson Controls had a strategic vision and a desire to push the boundaries of traditional compliance and ethics education. They needed to work with an organization capable of and willing to approach things differently and deliver change in a way that was globally scalable. They wanted shorter and more engaging content and technology that enabled data capture to track effectiveness measures, and a responsive and knowledgeable support team that served as an extension of their own internal resources. SAI offered this combination of content, technology, and services, helping Bernie Barber and JCI accomplish their goals and continuously improve the online training element of their E&C program year over year. As partners do, JCI also provides feedback to SAI Global which allows us to ensure future products, content, and innovations are aligned with mature and forward thinking client needs and goals.

To learn more about how SAI Global can help transform your ethics and compliance program, call +1 781 891 9700, email info.americas@saiglobal.com, or visit www.saiglobal.com/ethicscompliance

