



## 002 Teaching Big Shots to Listen, Understand, & Behave

**Vernon G. Baker, II**  
*Senior Vice President & General Counsel*  
ArvinMeritor, Inc.

**Reina M. MacDonald**  
*General Counsel*  
NMB (USA) Inc.

**Stephen M. Paskoff**  
*President*  
Employment Learning Innovations

**Richard T. White**  
*Senior Vice President, Secretary & General Counsel*  
The Auto Club Group (AAA)

## Faculty Biographies

### Vernon G. Baker, II

Vernon Baker is senior vice president and general counsel of ArvinMeritor Inc. In this position, he has overall legal responsibility for all of ArvinMeritor's global operations and its subsidiaries. In addition, Baker directs all legal activities in the corporation, including corporate governance; acquisitions and divestitures; litigation; business standards compliance; regulatory compliance; and intellectual property. He also has functional oversight responsibility for the environmental and health & safety areas. Before the July 2000 merger of Arvin Inc. and Meritor Automotive Inc., Baker was senior vice president, general counsel and secretary of Meritor, a global supplier of components and systems for commercial, specialty and light vehicle OEMs and the aftermarket.

Before joining Meritor, Baker was at Hoechst Celanese Corporation, where he was vice president and general counsel, corporate research and technology. Prior to that, he served as associate general counsel for Hoechst's Advanced Material Group. Baker began his professional career as an associate with the law firm of Schnader, Harrison, Segal and Lewis. Two years later, he joined the Corporate Law Department of Scott Paper Company.

He was recently honored with the Minority Corporate Counsel Association's Trailblazer Award, which recognizes the outstanding achievements of minority in-house counsels who also stand as role models in the legal profession.

Baker holds a B.A. from Dartmouth College in Hanover, New Hampshire and a J.D. from American University, Washington College of Law, in Washington, D.C.

### Stephen M. Paskoff

Stephen M. Paskoff is the founder and president of Employment Learning Innovations (ELI), located in Atlanta, a training company that teaches professional workplace conduct, helping clients translate their values into behaviors, increase employee contribution, build respectful and inclusive cultures, and reduce legal and ethical risk.

Prior to establishing ELI, Mr. Paskoff was a trial attorney with the Equal Employment Opportunity Commission and a partner in a management law firm.

Mr. Paskoff is a nationally recognized speaker and author on workplace legal issues. He has written extensively on issues related to workplace compliance and legal issues and how to affect culture change in order to build lawful, professional operations that align with an organization's mission and values. He has been named the highest-ranking speaker at the national conference of the Society for Human Resource Management (SHRM) and has been selected to speak at a number of other national conferences. In addition, Mr. Paskoff serves as co-chair of the ABA's compliance training and communication subcommittee, which explores best practices in training methodology as well as overall strategies for implementing learning and communication plans to maintain corporate compliance. He is also a member of the editorial board of Workforce Management magazine.

Mr. Paskoff and ELI have appeared on or been interviewed by a variety of national media outlets and he is also the author of the book, Teaching Big Shots to Behave and Other Human Resource Challenges.

He is a graduate of Hamilton College and the University of Pittsburgh School of Law.

### Reina M. MacDonald

Reina M. MacDonald is general counsel and secretary for NMB (USA) Inc., in Chatsworth, California, and its subsidiaries. Ms. MacDonald is responsible for all legal matters relating to NMB Group Companies including export control, import compliance, environmental compliance, acquisitions and divestitures, litigation management, transactional matters, and records management. A member of NMB's executive council, Ms. MacDonald is an integral member of the management team.

Ms. MacDonald previously held the position of foreign counsel in the legal department of NMB's Japanese parent company, Minebea Co., Ltd., in Tokyo, where she was responsible for multinational transactional matters.

Ms. MacDonald is a member of ACC and the Los Angeles County Bar Association, corporate counsel section. She is also a past member of the corporate law departments committee and the committee on cyberspace law of the business law section of the State Bar of California. Active in her community, Ms. MacDonald recently graduated from the Leadership Simi Valley Program offered by the Chamber of Commerce, through which she is involved in establishing a teen center for the city's youth population. Ms. MacDonald is a long-standing member of the local steering committee for the American Cancer Society's Relay For Life. Ms. MacDonald received the Anti-Defamation League's Deborah Award, given to women of achievement who exhibit courage, determination, and leadership in their professional and personal lives.

Ms. MacDonald received her B.A. from the University of Regina and her LL. B. from the University of Ottawa.

### Richard T. White

Richard T. White is senior vice president, secretary, and general counsel of The Auto Club Group (ACG) at its headquarters in Dearborn, Michigan. ACG is the largest American Automobile Association (AAA) club in the Midwest serving the motoring, travel, insurance, and financial services needs of 4.2 million members in the Midwest (Illinois, Indiana, Minnesota, Iowa, Michigan, Nebraska, North Dakota, and Wisconsin). Mr. White is responsible for legal, governance, and government relations.

Prior to joining ACG, Mr. White was in private practice as a founding and managing partner in the firm of Lewis, White & Clay (currently Lewis & Munday), where he specialized in corporate, mergers/acquisitions, health care, and insurance law.

Mr. White serves on ACC's Board Of Directors and executive committees. He is Vice Chair of ACC and will become Chair in 2007. He is also on the board of directors, executive committee, and chairs the audit committee of The Bartech Group. Mr. White served as a commissioner of the Foreign Claims Settlement Commission pursuant to a Presidential appointment and reappointment. He also served as a commissioner and vice-chair of the Michigan Transportation Commission.

Mr. White received a B.A. from Morehouse College and is a graduate of the Harvard Law School.

## Teaching Big Shots to Listen, Understand, and Behave

Association of Corporate Counsel's 2006 Annual Meeting

By Stephen M. Paskoff, Esq.  
President, ELI®

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### **Too often, the truth:**

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**“My department head doesn’t follow policy unless it benefits him personally.”**

**“My manager expects loyalty at all costs. Altering a document every now and then is part of the job.”**

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### **Too often, the truth:**

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**“The sales group is always finding inventive ways to make their numbers. They can work their way around any process to make them come out right.”**

**“Sure, I see people violating the code every day. But what’s the point of telling someone? That wouldn’t change anything.”**

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## The Problem... “Big Shots”

“Let’s keep it quiet.”

The Pitiless Tyrant

“I’m all business.”

The Rainmaker

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## What are the consequences of misbehavior?

For customers?	For co-workers?	For the organization?
Financial/ business harm	Distraction from customer focus	Loss of values Reputational harm
Increased risks	Uncertainty about ethics/values	Perceived lack of integrity
Loss of trust and confidence in relationship	Inability to work as team	Recruitment attraction Decrease in business value
Uncertainty about quality of end product/service		High turnover Negative publicity Hefty fines Damage to brand

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**What are the consequences of misbehavior?**

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	<b>For the "big shot"?</b>	
	Damage to reputation Personal financial liability Potential legal troubles  <b>But too often, there aren't any!</b>	

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**PART I**

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**PREVENTION**

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## Key Strategic Questions

### What allies are needed?

- Organizational leadership
- Partners/support within the organization

### And the key question is...

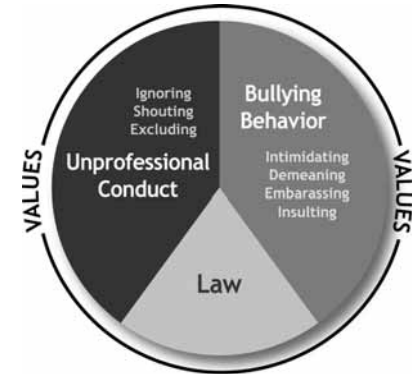
**Prevention**

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## Key Strategic Questions

Will your organization truly link its values to behavioral standards?

**DIGNITY  
RESPECT  
INTEGRITY**



**Prevention**

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## Key Strategic Questions

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### Who communicates standards?

- Upper management (executive team)
- Human Resources and Ethics Officers
- Line managers

### Are there consequences to behavior?

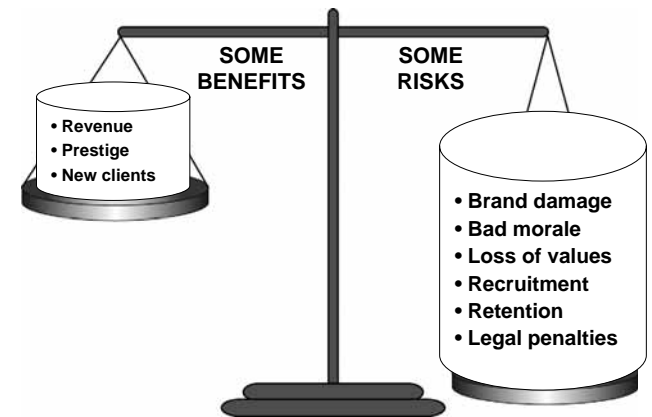
- Loss of jobs/perquisites
- Personal risk

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## Making the Case

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## Real-World Examples

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- **Halliburton** – former employee guilty of receiving \$100,000 in kickbacks; faces 10 years in prison and \$1.25 million in fines
- **WorldCom** – multiple former executives sentenced to prison terms and fined for roles in \$11 billion fraud scandal
- **Chicago-Sun Times** – multiple employees indicted for cheating shareholders; accused of mail and wire fraud which amounted to \$32 million
- **Adelphia** – CEO, CFO, and former executive VP of operations indicted for hiding \$2.3 billion in bank debt; also used billions of company money for personal use

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## What don't big shots "get?"

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- **Big shots *understand* the standards, they just don't *follow* them.**
- **They need to understand that:**
  - Their conduct is unprofessional and unacceptable.
  - It can cause professional risk and personal harm.
  - There will be consequences to their behavior.

***Prevention:* Communicating with Big Shots**

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# Ask, Don't Tell

**Prevention:** Communicating with Big Shots

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## Top Big Shot Objections

1. "Look at the number of clients I bring in."  
*Will those clients cover a 7-figure verdict?*
2. "I'll just take my grants elsewhere."  
*Where, exactly, are you going to take them?*
3. "I'm under a lot of stress."  
*Are you saying that your stress level justifies breaking our policies and the law?*

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## Top Big Shot Objections

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4. "I've always done it this way."

*What other aspects of your job are the same as they were 10 years ago?*

5. "You are interfering with my academic freedom."

*What does violating the organization's standards have to do with academic freedom?*

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## Top Big Shot Objections

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6. "Others are just as bad."

*In what other ways do you violate our rules because others do?*

7. "You can't say or do anything any more."

*What, specifically, do you think you can no longer say or do?*

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## Top Big Shot Objections

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8. "I don't have time to handle it that way."  
*How much time do you have to prepare for trial?*
9. "It's their word against mine."  
*Why do you think you would be believed?*
10. "My lawyer will handle this."  
*Are you sure you want your lawyer to handle this?*

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## PART II

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# DETECTION

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## **Methods**

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- **Complaint Systems**
  - Formal
  - Informal – a Welcoming Culture
- **Commitment to Balanced Resolution**
- **Organizational Credibility**

***Detection***

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## **Investigate!**

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**If you get your facts wrong,  
they'll stop listening.**

***Detection***

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## PART III

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# CORRECTION

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## The Shocking Truth

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**“When you screamed at him/her in front of customers, what point were you making?”**

**“I’m really concerned that your name will be in the headlines.”**

**“It’s going to come out sooner or later. So how much do you think you’re worth?”**

**“When can your spouse come by? We may need help explaining this in court.”**

***Correction:*** Special Responses

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## **The Shocking Truth**

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**“Why would a jury think that you behaved properly?”**

**“When you told him to ‘pretend this never happened,’ could you explain what you meant by that?”**

**“Sure, we can fight this – let’s see how your calendar looks for the next couple of months.”**

***Correction:*** Special Responses

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## **High-Risk Situations**

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- 1. When giving criticism**
- 2. In emergency or stressful situations**
- 3. When others ask questions or point out problems**
- 4. Social situations (especially involving alcohol)**
- 5. When business results will be public**

***Pre-Arranged Plan for High-Risk Situations***

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