

**Company Profile – AT&T, Inc.  
Part 2 – Value to Shareholders**

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## AT&T, Inc. Company Profile, Part 2

### Value to Shareholders: Ethical Practices

AT&T is committed to standards of integrity and management enforces ethical standards of conduct among employees (AT&T Division of Compliance, 2022). One of the ways AT&T helps employees live up to the high moral standards is with a simple four question checklist. AT&T supervisors ask staff to run every action through four simple checks: First, is the action consistent with AT&T company values (AT&T Division of Compliance, 2022)? The company values were drilled into staff during training and are reinforced in annual refreshers, so they are never forgotten. Second, does the action comply with AT&T policies and the law? Policies are always covered by shift supervisors and reminders for lesser-followed policies are always covered in monthly meetings with staff (AT&T Division of Compliance, 2022). Third, does the action feel right? AT&T encourages staff to be in tune with their own moral convictions and to avoid acts that make them feel even remotely weary, unsure, or uncomfortable (AT&T Division of Compliance, 2022). Fourth, staff are encouraged to ask themselves if they think a particular action would be acceptable if it made the news. Examples of offending actions include acts of retaliation and abuses of power (AT&T Division of Compliance, 2022).

Ethics extend beyond conduct which may affect customers and also includes conduct which may affect other staff. AT&T promotes ethical conduct that supports a safe, inclusive work environment, but also a safe and secure workplace that is free from intimidation, discrimination, and harassment (AT&T Intellectual Property, 2022). These ethical principles produce and preserve value for shareholders (AT&T Intellectual Property, 2022). Operating lawfully and in accordance with regulations helps AT&T staff avoid accidents and incidents which would reduce liability for stakeholders. Ethical practices also promote the protection of assets, intellectual property, and confidential information (AT&T Intellectual Property, 2022). Finally, ethical practices help staff members avoid conflict with each other and customers while having the added benefit of helping to resolve any conflicts that may come up. Conducting oneself in an honest

and respectful manner is a key to global conflict resolution which, among other things, has the benefit of greatly increasing consumer trust and reliability in the company which is great for increasing shareholder value.

## **Value to Shareholders: Diversity/Composition of the Board of Directors**

Periodically, AT&T reviews its employment demographics, reviews past performance with regard to diversity, equity, and inclusion, and sets new diversity, equity, and inclusion goals (Anthony, 2021). AT&T chooses to chase improvements in these areas because they believe these three are the keys to equality for all, a social change initiative that is near and dear to AT&T (Anthony, 2021). By surveying the public, customers, and shareholders – and combining this subjective data with the objective employment demographical data – AT&T was able to gauge the general perception of their performance in these areas and couple it with actionable objective data. With regard to equality, AT&T's workforce is 34% comprised of women and their board of directors is 20% comprised of women (AT&T Corporate Governance, 2022). In the United States, 46% of employees are people of color and 20% of their board of directors are people of color (AT&T Corporate Governance, 2022). This statistic exceeds the average found among Fortune 500 telecommunications companies (Anthony, 2021).

Gaudiano (2019) asserts that employing diversity and inclusion practices increases shareholder value. In support thereof, I present that following: In firms where there is strong diversity and inclusion, it is found that there is a greater propensity for the genesis of new and innovative ideas. Diversity promotes the formulation of novel solutions to troublesome problems (Gaudiano, 2019). Additionally, diversity in the workforce increases the firm's ability to connect with diverse individuals. People connect better when there is commonality between them, be it cultural, or related to nationality, or even religion. The more diverse employees are, the more they can individually connect with minority members of communities that the company grows into.

## **Value to Shareholders: Corporate Social Responsibility Practices**

Corporate social responsibility (CSR) describes actions that corporations pursue to promote positive social change above and beyond any applicable government regulations (Digital Marketing Institute, 2022). Forms of CSR include charitable giving, environmentalism, diversity in hiring practices, efforts toward inclusion and equality, labor policies that favor employees, participation in fairtrade, the reduction of carbon emissions, and providing products or services for free or at-cost to the economically disadvantaged (Digital Marketing Institute, 2022). AT&T has been engaging in environmentally-conscious initiatives, promoting social equality, and reforming their governance for the past decade and has really demonstrated a long-term vision as the public has watched them implement socially responsible practices and stick to them (Kannel, 2012).

A lot of environmental CSR activities took years of monitoring to really see and document the impact they were having. In a report from a decade ago, AT&T noted that it had started many new environmental projects and it came to be recognized that those activities positively impacted the company's financials to the tune of \$42 million per year in energy savings (Kannel, 2012). AT&T reportedly engaged in a total of 4,500 different projects that were promised to promote energy-efficiency and although some projects did better and some did worse than others, the net effect turned out to be an average of \$9,300 per year in savings per project. One such example was the use of plastic comprised of 30% of plant-based material (Kannel, 2012). A second example was the deployment of approximately 3,500 alternative-fuel vehicles which saved a reported 2.5 million gallons of gasoline, which benefited the environment as a whole, but also resulted in financial benefit to the company (Kannel, 2012); both of which were equally appreciated by shareholders.

In the past decade, AT&T has engaged in numerous social CSR campaigns. One such campaign was called AT&T Aspire, which was an education initiative that sought to promote workforce readiness amongst high-schoolers (Kannel, 2012). The program lasted four years and cost the company \$100 million (Kannel, 2012). Although

quantifiable and objective metrics cannot really be produced to explain the extent to which this program benefited the youth it helped, shareholders agreed that the project was worth it and committed to extend the project after its four-year run with a renewal of \$250 million of new revenue contributions (Kannel, 2012). AT&T also contributed to many other social campaigns, such as their \$115 million commitment to a campaign against texting while driving (Kannel, 2012). This program increased shareholder value as the program succeeded in reducing the number of auto accidents that involved use of cell phones. Over years of growth and corporate changes, the company has stuck to CSR initiatives that they began long ago and has continued to add on to them, and to enhance their CSR pursuits.

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