NAVEX GLOBAL®
The Ethics and Compliance Experts

DEFINITIVE GUIDE SERIES

DEFINITIVE GUIDE TO

ETHICS & COMPLIANCE TRAINING

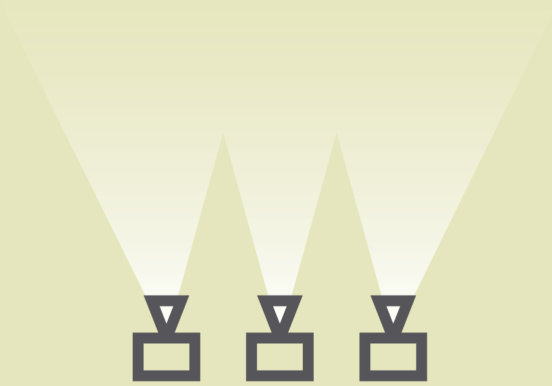
How to get measurable value through your ethics and compliance training programme

OVERVIEW

The *Definitive Guide to Ethics & Compliance Training* is a comprehensive resource full of tips, advice and examples to help organisations develop cost-effective, high-value, engaging and successful ethics and compliance (E&C) training programmes.

A strong E&C training programme is the foundation of an open, ethical and productive culture. It offers a strong return on investment by helping organisations establish key legal defences and avoid litigation. It can also help prevent misconduct, improve employee engagement and trust, strengthen alignment around a set of core values, mitigate risk and promote adherence to compliance objectives.

This guide is divided into three main sections: PLAN, IMPLEMENT and MEASURE. You'll find the tools and information you need to develop a strong E&C training strategy, implement a multiyear education plan, deploy training to advance your programme goals, address your most pressing risks, and measure, evaluate and improve your training effectiveness.



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INTRODUCTION

Why Is Ethics & Compliance Training Important?

In today's business environment, compliance programmes of all sizes need to demonstrate the value of every dollar they spend. Unfortunately, the return on some compliance initiatives—such as training—is difficult to measure. As a result, executives may not understand the value that a well-run training programme delivers and conclude that it should be scaled back or, worse, eliminated entirely.

Contrary to being a "nice to have," an effective E&C training programme is critical to running a productive, reputable and successful organisation. With complex regulations and a legal environment that is constantly shifting, few have mastery of this content, yet all need to protect their organisations. So it can be a challenge for compliance professionals to articulate the magnitude of legal, financial and reputational risk that exists without effective training.

5 Objectives Your Organisation Can Achieve with Training.

- Create a culture of ethics and respect
- Prevent misconduct
- Establish a legal defence in the event of a misstep
- Manage reputation
- Avoid litigation

The Value of a Culture of Ethics & Respect

A strong ethics and compliance training programme is tied to improvements in organisational culture. An E&C training programme built around a well-defined code of conduct and fine-tuned to the organisation's values and risk profile can help articulate who the organisation is, define its best version of itself and bind stakeholders to that vision. When board members, executives, management and all other employees receive E&C training, the entire organisation can appreciate the commitment to its culture of ethics and respect.

In each of the three annual E&C training benchmark reports that NAVEX Global has published, the top objective for compliance professionals pursuing an effective training solution has been creating a culture of ethics and respect.

Organisational pride and buy-in to an ethical culture often radiates beyond the physical barriers of the office and extends deeply into employee communities, across the organisation's market and industry and into positive press and regulatory relationships. Recognition as an ethical place to work tends to be self-fulfilling by attracting and retaining high-quality executives, employees, partners and customers.

What Is Ethics & Compliance Training?

For the purposes of this guide, E&C training includes conduct, compliance, employment law and information security training. This broad definition includes topics as diverse as workplace harassment, wage and hour, code of conduct, cyber security and anti-bribery and corruption. Further, all forms of training on E&C topics—including eLearning, email, in-person, virtual, blended and instructor-led—are also included.

The Value of a Solid Legal Defence

Today's enforcement environment is intense and very active on all fronts. Whether it is new regulations, new interpretations or simply stepped-up enforcement of existing laws, compliance departments are feeling the pressure.

In fact, 48 per cent of respondents to NAVEX Global's 2015 Ethics & Compliance Benchmark Report said that their training programme had been used as part of a defence for their organisation in a lawsuit or agency action—or to help secure a better position in a settlement. On average, survey respondents noted that their training programme had been used in a defence setting four times in the past three years.

Training mandates—whether in laws and regulations or incorporated into settlement terms presented by government enforcement agencies—have become commonplace. Enforcement agencies around the globe

$23.1 billion	The US Department of Justice (DOJ) collected more than $23 billion in fines, penalties and settlements in 2015.[1]
5%	A typical organisation loses 5 percent of its annual revenue to fraud, an average of $150 million per organisation. Applied to the estimated 2016 gross world product, this figure translates to a global fraud loss of nearly $6.3 billion.[2]
$1.5 billion	Claims under the Foreign Corrupt Practices Act (FCPA) are showing continued highs, with more than $1.5 billion collected in fines and penalties in fiscal 2016.[3]
8,954	Fair Labor Standards Act (FLSA) in the US cases hit a record high in fiscal 2015, with 8,954 filings.[4]
$51M	In 2016 a whistleblower received $51 million for sounding the alarm to the DOJ about improper gifts and grants at a technology company that had retaliated against him for his reporting.[5]
$246M	The US Department of Labor's Wage and Hour Division (WHD) collected and distributed nearly $250 million in unpaid back wages. In fiscal 2015 WHD found violations in 79 percent of agency-initiated investigations.[6]

1. U.S. Department of Justice Office of Public Affairs (3 December 2015). *"Justice Department Collects More Than $23 Billion in Civil and Criminal Cases in Fiscal Year 2015."* https://www.justice.gov/opa/pr/justice-department-collects-more-23-billion-civil-and-criminal-cases-fiscal-year-2015.
2. Association of Certified Fraud Examiners (2016). *"2014 Global Fraud Study."* http://www.acfe.com/rttn2016/about/executive-summary.aspx.
3. U.S. Securities and Exchange Commission (2015). *"SEC Enforcement Actions: FCPA Cases."* https://www.sec.gov/spotlight/fcpa/fcpa-cases.shtml.
4. Law360.com (12 January 2016). *"FLSA Class Actions to Hit a Record High in 2016."* http://www.law360.com/articles/745603/flsa-class-actions-to-hit-record-high-in-2016.
5. Chris Isidore (2 March 2016). *"Whistleblower Wins $51 Million in Kickback and Bribery Case,"* http://money.cnn.com/2016/03/02/news/companies/whistleblower-olympus-medical-equipment.
6. U.S. Department of Labor, Wage and Hour Division (2016). *"Wage and Hour Division Statistics."* https://www.dol.gov/whd/data/index.htm.

Think Twice About "Tick-the-Box" Training

In EEOC v. Management Hospitality of Racine, the court let stand a jury verdict of $5,000 in compensatory damages and $100,000 in punitive damages in part because the employer used canned, generic videotaped harassment training. The court made clear that poor-quality training does not qualify as a good-faith defence under federal law.

increasingly acknowledge that training is necessary to help reduce the likelihood of legal violations and to educate employees about what is expected of them.

Employers with effective programmes (not just those that "tick the box") find that implementing a well-run, properly funded training programme helps them build critical legal defences, limit damages and in some instances avoid criminal prosecution.

The Value of Good Faith

While legal standards vary, there are common strategies that organisations can use to build a compliance-based defence. Courts, juries and enforcement agencies are looking to reward organisations that make a substantial, good-faith effort to comply with the laws and get their employees to do the same. Good faith is not a onetime training exercise—it's about long-term value gained through training, engagement and then training again.

Some of the programme features that are generally required to establish legal defences include:

- Robust, organisation-specific policies and a clear, easy-to-understand code of conduct
- Policies that are distributed to everyone in the organisation on a regular basis, with employee attestation
- Periodic and effective training that is topic specific and covers the organisation's most pressing risks
- A clear reporting mechanism that generally includes an anonymous hotline
- Consistently and fairly enforced rules
- A system to monitor for and prevent retaliation
- Monitoring, auditing and improving the programme regularly

Eliminating even one of these critical programme features can be highly problematic for an organisation.

Create Value with Effective Training

Effective, high-quality employee compliance training can dramatically reduce the likelihood of wrongful conduct taking place, and it can help an organisation show that it has taken deliberate steps to educate its workforce and protect itself from ethical failures across key legal risk areas.

When properly trained employees make good decisions, organisations can avoid such costs as:

- Legal fees required to defend the organisation
- Damage to reputation or brand
- Loss of business
- Loss of trust, both internal and external

- Loss of productivity (time spent by managers and employees who are affected or involved)
- Negative impact on culture
- Higher employee turnover
- Negative impact on recruitment

The money saved—and costs avoided—can add up quickly. It is important to educate business leaders about how E&C training can help protect their organisations from legal, financial and reputational risk.

"Increased enforcement has cost unprepared employers not only substantial amounts of money but also irreparable damage to their reputations. Investing in high-quality compliance training programmes now will help save your organisation from costly litigation, lost management time and harmful publicity later. The costs associated with just one major litigated enforcement effort could fund your compliance efforts for a quarter century."

Garry G. Mathiason
Senior Shareholder, Littler Mendelson

PLAN

Create Your Training Programme Strategy

Getting the most out of your E&C training programme requires effective planning. Your plan should be constructed around a clear understanding of where your programme stands, well-defined objectives for where you want it to go, a secured budget to get you there and the specific risks your organisation needs to be aware of to maintain compliance and reach your objectives.

Understand Your Training Programme's Maturity

Before you can decide where you want your programme to go, you must first identify where your existing programme is on a maturity spectrum. Understanding the programme's current stage of maturity will inform your programme objectives, identify weak spots and determine how much budget you will need to get to the next level of programme sophistication.

The 4 Stages of Programme Maturity

1. **Reactive:** Programmes that address issues as they arise, with no formal plan.
2. **Basic:** Training on basic topics only.
3. **Maturing:** Programmes with a basic plan for the year that covers a handful of topics with limited risk and role-based topic assignments; effectiveness measures are limited to completion rates and qualitative feedback.
4. **Advanced:** A sophisticated multiyear training plan that covers a variety of topics assigned to specific audiences based on need and risk profile. It includes live and e-learning, short- and long-form courses and a variety of engaging formats, and a disciplined approach to reporting and measuring training effectiveness that focuses on training outcomes.

Less mature programmes struggle to deliver even the most basic results. For these organisations, training efforts may backfire and drive negativity and employee cynicism. For details about these stages, see our *2016 Ethics & Compliance Training Benchmark Report.*

As programmes become more mature, they perform better and provide a much stronger return on investment. Organisations with advanced training programmes:

» Offer engaging, contemporary and legally vetted E&C training

» Address organisational risk profiles and long-term objectives

» Train on a greater number of topics across a broader spectrum of risks

» Deliver more-meaningful and relevant educational experiences

» Improve learner engagement and reduce learner fatigue with dynamic programmes

» Optimise limited seat time for individual audiences within the organisation

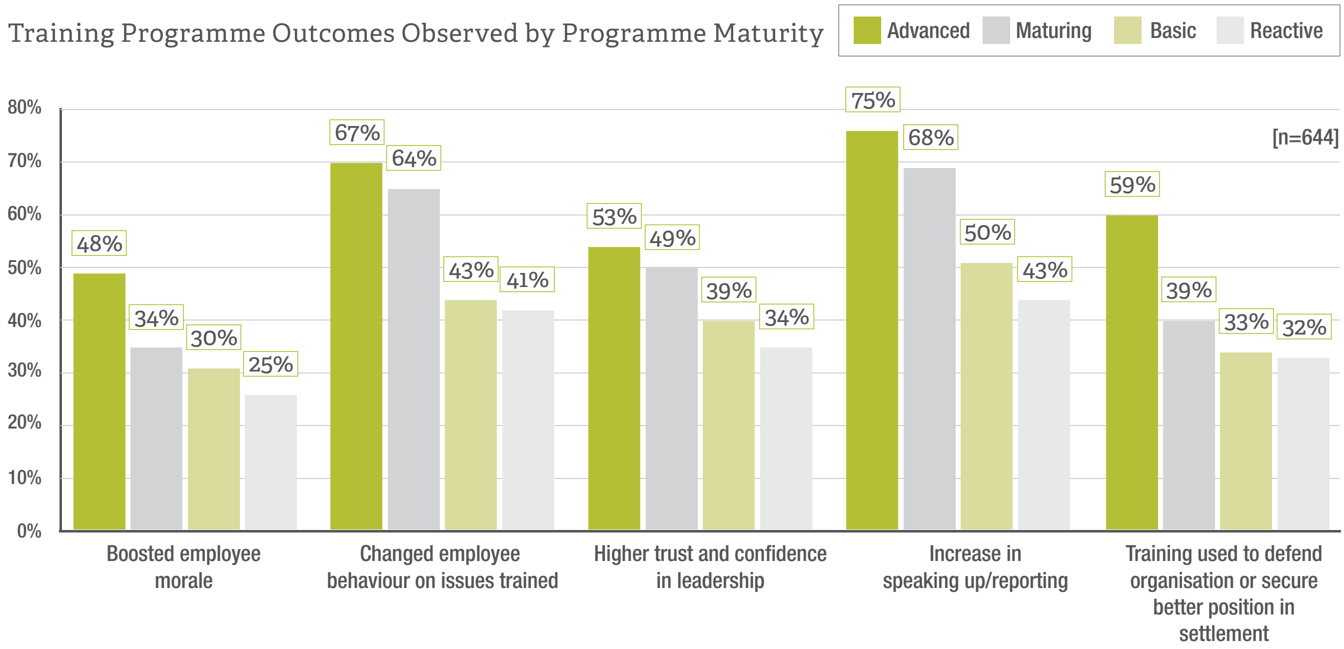
» Embrace practices that enable frequent reinforcement of key messages

» Measure for insights, outcomes and programme improvements

» Openly communicate the organisation's vision and build the case for the budget necessary to execute on the plan

The *2016 Ethics & Compliance Training Benchmark Report* demonstrates significantly higher programme satisfaction and outcomes across five core programme objectives based on programme maturity.

Training Programme Outcomes Observed by Programme Maturity



Advanced and maturing programmes see far better results on key indicators such as increased employee morale, positive behaviour change, trust in leaders, increase in speaking up and the use of training as a defence to help protect the organisation.

Notably, for maturing and advanced programmes, success is not linked solely to total dollars available or employees' dedication to the programmes. Rather, organisations that are focused on programme improvements (such as education planning, risk-based training and more-accurate effectiveness measures) at higher rates report significantly stronger programme outcomes. These behaviours are at the heart of programme success.

As you evaluate your programme's maturity level, identify the features of successful programmes and the actions you need to take to advance your programme to the next level of maturity. You likely won't be able to work on all the features of highly functioning programmes right away, but by starting down the path you will have a tremendous impact on your programme's effectiveness.

Establish Your Programme's Objectives

Clear objectives are critical to the success of any important business initiative, yet most organisations do not define exactly what they hope to achieve with respect to training initiatives. When organisations define focused, measurable objectives, they can elevate their programmes to the next level of sophistication.

Ask yourself and other key stakeholders, *What do we hope to achieve with our organisation's training programme?* According to our *2016 Ethics & Compliance Training Benchmark Report*, 70 per cent of respondents said that creating a culture of ethics and respect was among their top-three objectives, while another 60 per cent identified complying with laws and regulations.

Be realistic about your objectives and make changes that will help you achieve them. If, for example, you want to improve employee morale with a training programme, a one-time training on workplace harassment is not likely to get you there, even if it addresses an urgent issue. To be successful you must adjust the way you approach training on this topic.

As you build and evolve your training programme, keep your high-level objectives in mind and ensure that others who participate in key decisions understand them, as well. Unfortunately, many programmes fail to achieve their objectives because they allow other considerations to drive programme decisions.

Common Programme Pitfalls That Undermine Efforts

» Not educating key decision-makers about programme objectives

» Not having an established budget for training-programme activities

» Not educating executives about the value delivered by training-programme efforts

» Allowing cost rather than effectiveness to drive decisions about which training to deploy

» Not assessing programme results against programme goals

» Not updating or deploying refreshed training to learners

» Not seeking additional budget if needed to improve programme effectiveness

Your programme objectives may change over time as the organisation evolves and business conditions shift. It is also important to remember that your training programme will never be "finished." Training is an ongoing commitment to your employees and your organisation; and as your organisation and the environment around you change, the programme must adapt. Periodically check and adjust your objectives against the realities of the markets in which you operate.

By staying focused on your training programme's objectives, even as new risks and training needs emerge, you are more likely to build a powerful and successful training programme.

Build to Your Unique Organisational Character

Take stock of how your training programme is currently working and meeting the needs of your employee audience.

Answer these questions to get started:

» What training methods are being used, and how successful are they?

» What training methods are most effective for your audiences?

» Is training mandatory or optional? Do you need to change this?

» How old is the current content? Who will update it?

» Are you planning any technology enhancements that could expand delivery options?

» Are current vendor relationships meeting your needs?

» Have you considered emerging trends?

Be careful to not limit yourself to what you are used to. You may find that learners are interested in receiving content in new ways (mobile versus traditional desktop), that they want more just-in-time resources or that they prefer higher-quality training. Incorporate learner feedback into your programme evaluations and use it to inform decisions about the future state of your programme.

One specific segment of the workforce that needs to be accounted for is the growing millennial population. Millennials will represent 50 per cent of the workforce by 2020 and are already influencing the environments of many organisations.

Ask employees across all generations and functions how you can improve programme elements to make a lasting impression and effectively deliver your message. This may require your willingness to experiment with new trends, such as video podcasts, microlearning or internal social media sites. By considering your employees' needs, you will ensure that training is rewarding for them and, in turn, for the organisation.

> *The 'millennial mindset' has been widely documented as preferring content that is higher quality, shorter, on-demand, self-paced, social/collaborative and mobile. Millennials will represent 50 per cent of the workforce by 2020.*
>
> PwC (2011), *Millennials at Work: Reshaping the Workplace*

Plan for Known Challenges

Part of building programme discipline is planning for regular challenges to ensure that your progress is not disrupted by preventable setbacks. The 2016 Ethics & Compliance Training Benchmark Report showed that organisations across the board face similar training-programme challenges now and potentially in the coming years:

» Limited hours available for training

» Evolving risk areas

» Demand for updated training formats and delivery methods that engage with increasingly interactive and on-the-go learners

» A fluid regulatory environment that necessitates frequent updates to training content

» Insufficient or stagnant budgets and limited programme staff adding an additional dimension to challenges

Identify the challenges and barriers that are most likely to impede the success of your initiatives. Work with stakeholders to determine how best to address and overcome these challenges.

Secure Your Budget

Securing a dedicated budget allows you to facilitate a multiyear programme in which your risks can be best addressed. It can also help safeguard organisational buy-in for the duration of the programme. Don't put yourself in a position where you build a multiyear training programme only to have its budget slashed by people who do not understand the programme's value.

Although constructing an E&C training programme often involves many stakeholders in the organisation, it is important to align programme leadership with budget authority. As noted at the beginning of this paper, training is not a "nice to have" option but a critical element of a successful E&C programme. Therefore it is essential that those with budget control are intimately tied to the training-strategy definition and have committed to its expected outcomes.

Further, the full programme requires buy-in to reach the objectives you set. The pursuit of an effective training programme is based on courses that build on the learnings of one another and produce an attributable outcome. This requires a programme budget—not a series of budget requests for individual courses as they appear on a calendar. A training programme is not a 'one and done' single course. More often a training programme represents a recurring investment that delivers results best when maintained over multiple years. The lack of a defined multiyear budget increases the chances of programme inefficiencies.

Even if your organisation is not yet convinced of the value of a multiyear training programme, a multiyear budget estimate is a critical component of careful planning and good use of dollars. Ideally, a single team or individual owns both the programme definition and the budget; but if not, an internal programme champion can help ensure its prominence and funding in budget meetings. In some cases, a training solution vendor can work with programme administrators to showcase expected training value and the return on programme investment.

Identify & Prioritise the Risks Facing Your Organisation

When defining the scope of your training programme, it is important to identify the key E&C risks facing the organisation. This may include known regulatory or compliance risks but also extend into employee behaviours and actions not defined by laws or easily categorised within standard practices.

In many cases, organisations may be subject to regulations and vulnerable to risks about which they know little. Don't assume that you fully understand your organisation's risks. After conducting a thorough risk assessment, you are likely to discover some risks that are new or that have become more significant since the last time you completed an assessment. Here's how to get a picture of your organisation's risk profile:

- Research regulations and enforcement trends tied to your industry
- Review ethics and compliance-related benchmarking reports
- Meet with internal subject-matter experts such as your general counsel and compliance team
- Talk with key business leaders about the legal and compliance challenges they face
- Understand the legal obligations related to training (what specific topics to train on and how frequently)

It is also a good idea to consider investing in a professional risk assessment conducted by a consultant or an attorney. E&C assessments can help you identify the drivers of risk:

- Your industry
- Your location
- Your network of partners, buyers, sellers, supply chain, contractors, vendors and other third-party engagements
- The regulatory environment
- Enforcement trends
- Changes in your business (acquisitions, right-sizing)
- How you conduct business
- The education, backgrounds and diversity of your workforce
- Internal drivers (culture, local customs, leadership)
- Internal trend data (litigation, hotline data)
- Your reputation

Once you have identified your risks, you need to analyse and prioritise them. A risk profile is unique to each organisation, and not all risks are created equal. For one organisation the risk of bribery and corruption may be very high due to the nature of its business; for another that risk may be incidental. These two organisations would approach education on this topic in very different ways.

As you work to prioritise and assess your identified risks, consider the following:

- Likelihood and frequency
- Potential impact of both time of money
- The organisation's risk tolerance and objective (avoid, reduce, transfer, retain)

If you can weigh the likelihood and frequency of each risk and the impact it could have on the organisation in terms of time, money, resources and reputation, you can better align scarce training resources with the magnitude of the risk presented. A risk rating can help determine the depth and length of training, the frequency and the tools you need to develop to support your learners.

If your organisation has an existing E&C programme or you are reassessing an existing programme, be sure to review your risks and training objectives within the context of your larger organisational compliance strategies. With your priority topics in hand, you can create your risk-based compliance training programme.

Plan a Multiyear Training Programme to Fit Your Organisation

Once you have identified your programme objectives, approach, budget and risks, you are ready to build the foundational elements of your training plan.

Key Elements of an Effective Multiyear Education Plan

Topics
Identify and prioritise risks and learning objectives

Audience
Identify the groups that need to be educated about each topic

Timing
Determine the timing of communications to optimise your limited training hours

Frequency
Determine how often you will deploy training on a particular topic, guided by your organisation's risks and tolerance level

Depth & Duration
Determine how best to balance your risks and training needs against the realities of your resource limitations; prioritise training depth and duration to maximise impact

Centralise Management
Create a single resource through which your multiyear training programme can be managed and assessed

Topics

Use Your Risk Profile to Select Training Topics

The first element of your plan is to use the risk profile you developed during your risk assessment to define the topics you need to cover first. At this stage simply list the primary topic areas to address in your training programme. Many organisations find that their list is fairly robust. If you have access to peer organisations, benchmark your programme against theirs to help identify risk areas you may have missed while conducting your risk assessment. It is not uncommon for organisations in moderately regulated industries to identify 10 to 20 topic areas they need to address.

Most organisations find that they have a set of core training topics that don't change much from year to year. The *2016 NAVEX Global Ethics & Compliance Training Benchmark Report* found that the most common training topics are code of conduct, conflicts of interest and workplace harassment. Organisations generally offer training on these topics multiple times each year. On average, according to the survey, organisations train on approximately 12 topic areas during a typical two-to three-year training cycle.

Audiences

Identify, Segment & Understand Your Audiences

One of the most significant financial investments made by the ethics and compliance function in an organisation is the time employees spend training on E&C topics.

Segmenting audiences according to risk is not only a wise thing to do but also an important activity if you want a more effective training programme. Segmenting your audiences by risk will help ensure that employees receive the most appropriate and relevant training for their role. Your programme can avoid unnecessary costs (in terms of both programme costs and seat time), and your learners are likely to react positively to the experience.

Determine whether you will segment audiences and, if so, how you will proceed. If you have not segmented learners before, start with simple groupings: all employees, senior leaders, managers, non-managers, board of directors and third parties. Once that's working smoothly, consider an advanced approach—a granular segmentation within the groups to vary depth, duration and frequency on specific topics.

A more granular segmentation might include such factors as:

- Risk exposure
- Departments
- Industry and business units
- Location, region and facility
- Languages
- New hires and promotions
- Interactions with customers, government officials, third parties and the media

Always take into consideration subgroups within your audience. Some people have learning constraints, require translation or have location needs. Consider compliance training that will best reach your learners. Sometimes that means being creative and using multiple formats to get your message across.

When constructing training groups, be sure to include your third parties. Recent high-profile third-party ethics failures have shown that third-party risk is your risk. Be sure to train your contractors, vendors and entire supply chain on key topics, including code of conduct, Foreign Corrupt Practices Act, cybersecurity and other critical topics.

E&C Training & Your Board of Directors

The U.S. Federal Sentencing Guidelines state: "The organisation shall take reasonable steps to communicate periodically [about]…aspects of the compliance and ethics programme, to board members by conducting effective training programmes and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities."

This standard applies equally to public and private organisations. Boards help set the tone at the top, and they need training on the issues that are unique to their role and relevant to their organisation. Just like employees, boards of directors should be trained on the organisation and its culture, values and programmes. According to the 2016 Ethics & Compliance Training Benchmark Report, only 58 per cent of organisations surveyed train their board members on E&C issues. Of those that do train, only 20 per cent offer training to new directors.

Training can help ensure that directors understand the exact nature of the oversight that is expected of them, which is critical as many board members lack the experience needed to confidently oversee corporate compliance and risk management. So before asking for their oversight, train them on what that oversight entails.

In-person training, usually as part of a scheduled board meeting, where directors can discuss and debate issues such as programme oversight responsibilities and culture management, can be very effective, though many organisations offer online training. It's important to note that board reporting—briefing the board on the status and success of your compliance programme—is an important part of board engagement but is not considered training.

Tips for Identifying & Accommodating Training Needs

» **Language Barriers**
When training in multiple languages, offer written or simultaneous translation or subtitles.

» **Learner Locations**
When training employees and third parties who work off-site or cannot be physically present, offer online training, remote dial-in training or recorded versions of training sessions.

» **Personal Disabilities**
Make reasonable accommodations for those who may have difficulty accessing the same content as others.

» **Lack of Computer Access**
Make training available on kiosks, PCs, tablets or mobile devices. Provide adequate time for completion and make training available anytime, anyplace, at any pace.

» **Generational Variance**
Draw on multiple training strategies to reach all audiences. Consider using methods that appeal most to your workers, and if necessary consider offering resources in multiple formats.

Timing

Determine the Right Timing for Effective Training Results

Some organisations conduct training throughout the year, whereas others deploy training in smaller windows of time. Your culture and organisational needs will dictate the plan that is right for you. Getting this critical step right will help ensure that learners have the time and capacity to complete the training you are deploying.

To determine the best time to roll out training, consider the following tips:

- Be considerate of busy periods
- Space out communications so that employees have time to digest and recharge
- Promptly and proactively address issues that arise
- Conduct gifts and gratuities training during the holiday season
- Hold code-of-conduct attestation and training at the same time each year for consistency
- Consider legal obligations

Frequency

Determine the Right Training Frequency Based on Risk & Tolerance Level

Little concrete guidance is available to inform decisions about training-topic frequency. It is widely accepted that training on a risk area should not be a one-time event; employees need to be reeducated about the risks they face in their roles.

For all the topic areas listed in the 2016 Ethics & Compliance Training survey, more than 70 per cent of employers trained on a given topic at least every two years, with most conducting training on critical topics every year.

Deciding how often you should train is not an exact science. There are best practices, anecdotal experiences and some legal guidance, including the Federal Sentencing Guidelines, as well as important federal and state employment laws.

Although there is no single universal standard, there are two simple terms—*periodic and effective*—that can be found in a wide array of regulations and guidance.

Periodic Training

Periodic refers to ongoing training on a recurring basis. It is not a one-time event. Periodic training can occur on a set cadence, or it can vary over the course a training cycle. Many organisations find that they are training on their most critical topics every 12 to 24 months, offering a refresher or burst learning in an off year. For secondary risks areas, many organisations train every 18 to 36 months but communicate regularly about these areas and offer frequent but less extensive training solutions.

It has long been the position of the Equal Employment Opportunity Commission that employers should provide employees and managers with periodic training.[8] And in Romano v. U-Haul International, punitive damages were available because the employer did not have "an active mechanism for renewing employees' awareness of the policies through...specific education programmes."[9] In fact, periodic training is becoming the norm rather than the exception in the broader compliance space.[10]

Effective Training

Effective refers to training that covers the appropriate information, improves employees' understanding of the organisation's policies and expectations and ultimately helps change culture and behaviour. "Tick the box" training—training that employees tune out and non-mandatory training that employees never take—all are hallmarks of a truly ineffective training programme.

The most important thing is delivering the right message to the right audience at the right time. Be sensitive to busy times, space out communications so that employees have time to digest the information, and promptly and proactively address every issue that arises.

8. EEOC (1999). *Enforcement Guidance on Vicarious Liability for Unlawful Harassment by Supervisors, No. 915.002.*
9. 233 F.3d 655 (2000). *Romano v. U-Haul International.*
10. Federal Sentencing Guidelines (2004). *Section 8B2.1(b)(4)(A).*

> "Moving...audiences from unawareness to action requires anywhere from seven to 15 exposures—and sometimes more."
>
> Brad Phillips, Mr. Media Training

Depth & Duration

Maximise Impact by Balancing Needs with Realities

Most programmes do not have the ability to roll out full-length training on every risk area every year. So organisations must make important decisions about the length of content they will deploy. Shorter courses will not deliver the same depth and learning experience as longer courses, so organisations should keep in mind their risk profile as they make these important decisions.

Tips for Depth & Duration

- Increase depth and duration in relation to risk exposure
- Know what training and communications resources you have available to you
- Consider seat time
- Reflect on the learning objective (foundational training, refresher, awareness, periodic reminder)
- Consider all the planned touchpoints for this audience on this topic and other topics
- Define what is realistic to expect of learners
- Identify gaps and opportunities to bridge those gaps with broad-topic education or microlearning refresher content
- Ensure alignment with larger organisational E&C initiatives

Consult with legal and compliance professionals if you have questions about establishing the appropriate duration.

BEST PRACTICE:

Frequency for critical risk areas:

- Full-course training at least every 12 to 24 months
- Augment with less formal methods of education on a regular basis
- Train a wide audience

Frequency for secondary risk areas:

- Communicate regularly
- Increase frequency and reduce intensity of solutions
- Train only those employees affected by risk areas

> *"The organisation shall...communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics programme... by conducting effective training programmes and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities."*
>
> U.S. Federal Sentencing Guidelines

Centralised Management

Manage Your Training Programme through a Single Resource

The highest-performing education programmes are centrally managed with a single asset. This allows programme owners to lay out topics, courses, audiences, target timelines and training objectives in a logical and sequential manner. Similar to a project management tool, you can design detailed schedules that optimise learner hours, note milestones and targets, create multiple pathways specific to individual roles or audiences, and set well-defined measures of success.

A Centralised Multiyear Education Plan Sample

COURSE	AUDIENCE	TIMING											
(**red**=*higher risk;* **orange**= *medium risk;* **purple**= *lower risk)*		2017				2018				2019			*B=Bursts*
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ETHICS & CODE OF CONDUCT	All Employees		60-70			B					60-70		
			120			B					120		
			30-45								30-45		
CYBER SECURITY	All Employees + Manager	30			B			30				B	
BRIBERY & CORRUPTION	Limited Audience				45					45			
CONFLICTS OF INTEREST	All Employees		30				30						
TOTAL BY QUARTER (MINUTES)		30	90	0	45	0	30	30	0	45	60	0	0
TOTAL BY YEAR (MINUTES)		165				60				105			
TOTAL BY YEAR (HOURS)		2.75				1				1.75			

IMPLEMENT

Operationalise Your Training Programme

In the PLAN section of this guide, you defined your organisation's risk profile, prioritised your risks and determined the appropriate audiences. In this section you'll begin the process of implementing your formal education plan. Below are tips for choosing training methods and determining the format and the right approach to buying or building your training solution. As always, consult your organisation's legal counsel when finalising your training programme.

Key Elements to Implement an Effective Multiyear Education Programme

Focus
Maintain focus on your core objectives and policies, including your organisation's Code of Conduct and programme objectives

Methods
Determine which education methods (live, online, documents, multimedia) to use, as well as learner preferences

Options
Discover how to buy solutions for your training requirements

Focus

Review & Update Your Code of Conduct & Other Policies
Your training priorities should stay focused on the organisation's core policies. They should not operate in isolation. To integrate your training with larger organisational objectives, start with the policy of all policies: your organisation's Code of Conduct.

Your Code of Conduct is your organisation's constitution. It informs every other policy, procedure and rule in place for your employees. It also defines your corporate culture. It tells employees what is expected of them, reinforces your organisation's values and articulates the integrity, respect and accountability that is your cultural foundation.

Before you can map training to your Code of Conduct, you must ensure that it is accurate and up-to-date. In some cases, the first step to aligning your training with your Code is aligning your Code with your organisation's current values.

Consider these two questions when evaluating your Code of Conduct: Is it current? Is it compelling?

Is It Current?

The regulatory world is changing faster than ever. Your Code documents need to keep pace so that your training can keep pace. Consider when the last time your Code of Conduct was updated and then consider all the regulatory, legal and social issues that have surfaced since that time. Is your Code still accurate? Does it address the organisation's stance on recent and emerging issues that employees need to know?

Is It Compelling?

Your organisation has a mission and a set of values that guide that mission. Those values need to be distilled in your Code in a way that informs readers about what they are to do while also inspiring them to actually do it. This inspiration should resonate in your training to reinforce the organisation's messaging and continue cultivating its culture. Updating the look and feel of your Code and its structure is important.

Methods

Match Your Training Methods & Formats with Your Audience & Objectives

Selecting the training methods that you will use is a very important part of the process. Ideally, you will focus not only on your risks but also the needs of your learners. Ultimately, you want learners to engage with the content and retain it.

Formality and Informality

Training methods can be formal (such as live and online training sessions) or informal (group discussions or success story sharing), full length or short form. You can use a combination of formal and informal methods for individual audiences or teams. The idea is to make the most of a learner's limited time and ensure that your messages are delivered effectively.

Although training programmes are unique to each organisation, most successful training programmes share a common set of core fundamental practices.

For example, most organisations in the *2016 Ethics & Compliance Training Benchmark Report* said that they used both online training (75 per cent) and in-person training (69 per cent), suggesting that blended learning is occurring with great frequency.

Ideas for formal methods include:

- Online training
- In-person training
- Blended learning
- Video or animated training content
- Microlearning refresher or gap-filling training
- Gamification or competitions within training sessions
- Mobile accessibility
- Special training events

Ideas for informal methods include:

- Case studies
- "Did you know" fun facts
- Newsletters
- Hallway and cafeteria monitors
- Posters and brochures
- E&C programme stats
- Polling questions
- Topical articles or Q&A
- Social and collaborative learning
- Meeting-in-a-box: short PowerPoint with participant handout
- Ethics Moments learning opportunities and talking points
- Manager-led materials

An effective education programme uses many different methods

- Live and online training
- Awareness (posters, bursts, wallet, cards)
- Targeted communications (emails, newsletters)
- Documents (policies, code of conduct, materials for staff mettings)

Optimising Online Training for Learner Retention

As you select training methods, evaluate whether they will help you address two important challenges that face virtually all training programmes: knowledge retention and combatting learner fatigue. There are multiple methods for encouraging knowledge retention and addressing learner fatigue, including integrating a mix of training formats.

The 2016 Ethics & Compliance Training Benchmark Report also showed that many organisations (60 per cent) invest in and prefer a variety of training-content formats. The two most referenced formats include live video and animation, which not only allow trainers to deliver content in the format individual audience members prefer but also help drive engagement and retention.

Another formatting option is to integrate periodic microlearning, or burst learning, into the programme. Generally, microlearning experiences last two to eight minutes and focus on one or two key points, acting as a refresher for longer courses or to fill in learning gaps. Microlearning has become increasingly popular, as compliance professionals are tasked with covering more topics with limited seat time and improving retention and awareness throughout the year.

Additional Options for Engaging with Today's Learners

Recently, there has been a flurry of activity in the training world about new approaches—including everything from gamification to mobile-enabled courses. Some of these tools and strategies can enhance your training programme, but you need to be critical about the trends you incorporate and whether they make sense in the culture and context of your programme.

For example, using social media to educate learners about compliance and ethics is an emerging trend area, with organisations taking a variety of approaches:

- Using tools to set up a private social network for employees; with this kind of social tool, organisations can host conversations and present information
- Publishing an internal blog that allows employees to join the conversation or comment
- Using social media tools to connect compliance experts with employees who need help or resources
- Encouraging employees to create E&C videos (submitted to and reviewed by the compliance department) that can be shared with employees through an internal-only network

Options

Identify the Right Training Solution to Buy

When weighing your training options, remember that not all training is created equal. Training that is described as "effective and engaging" may not live up to the promise. Training that helps you "tick the box" will not build trust with your employees and will not be viewed favourably by juries, judges or enforcement agencies.

Providing a training programme is not the goal; changing behaviour is. This requires careful consideration of your industry, the nature of your work and the learning styles of your employees. Training should be specific to the risks your organisation faces while also being relevant to the situations employees encounter day to day.

Effective training solutions help you:

» **Address Specific Risks**
Along with matching training to the needs of your employees, match it to your industry. This will help your organisation stay ahead of new regulations and enforcement trends.

» **Engage Learners**
Training should match the learning preferences of your employees. The way you present the content has to fit within the consumption patterns of the employee, or the information will not be retained. This is especially important today, as there are more generations in the workforce than ever before. It is important to accommodate all learners.

» **Deliver Content Effectively**
For instance, training on cybersecurity can address anything from password protection to phishing emails, but it needs to include more than just text on a page. These threats use very tech-savvy techniques and so too should the training.

» **Evaluate Your Options for Training Solutions**
Many organisations today combine some custom content with a heavy reliance on training purchased through third-party vendors. The right vendor offers access to legally vetted, engaging, refreshed, high-quality training that helps organisations meet key programme objectives.

As you vet training providers, be critical about both their content and their process for ensuring that it delivers on the promise. Seek out training that is highly regarded by the market and is endorsed by respected E&C organisations, as well as human resources, training and legal firms. Also consider the legal foundation for course content. Are respected law firms or legal organisations or associations vetting and endorsing the content? Are recognised experts and influencers contributing to or validating the content? Do you feel confident that the courseware is current and able to remain up-to-date in a fluid regulatory environment?

Regardless of the approach you take (buy, build or some combination), consider how the training will reflect on your E&C programme, as well as your organisation's brand, culture and policies. If you are building your own training, infuse the content with these elements. If you are purchasing training, consider the options available to customise it to better reflect your brand and expectations. Top-tier E&C training vendors offer customised settings that enable you to tailor training to your organisation—for example, by referencing your organisation's policies, hotline/helpline, personnel resources and contact information.

Look for standard and advanced customisation settings that include:

» Your policies in the training, allowing for quick and easy learner access

» Preferred reporting instructions

» Your organisation's personnel resources and contact information

» An introduction or farewell from an executive

» Your logo on every screen within the training content

» Additional customised course configurations, screens, videos or questions

MEASURE

Monitor & Improve the Effectiveness of Your Training Programme

Once your training programme is launched, keep careful tabs on its performance. Are you able to mandate training for particular audiences on specific topics? Are your executives and board members receiving E&C training at adequate levels? Is the organisation getting measurable value from the programme?

A programme with a vision and a focus on measurable outcomes will perform better than a build-it-as-you-go approach. A structured programme also allows you to absorb the inevitable adjustments to business requirements and changes to topics, audiences and timelines. Keep in mind that a strong multiyear education plan is a living, breathing part of your organisation—it should evolve constantly. Continue to revisit the plan at least annually.

Periodic measurement allows you to validate your programme's effectiveness, uncover gaps in learning and reveal any training that is not engaging or effective. Setting milestones for measuring performance allows organisations to illuminate and assess their programmes; select better training tools, courses and methodologies if necessary; and review seat time and budgets for more-effective use where applicable.

There are four components of measuring the effectiveness of your multiyear compliance training plan:

1. Goal setting based on measurable outcomes
2. Deciding which metrics matter in defining whether you met your goals
3. Defining how much change in a measurement signals success
4. Selecting the tools you'll use to measure your goals

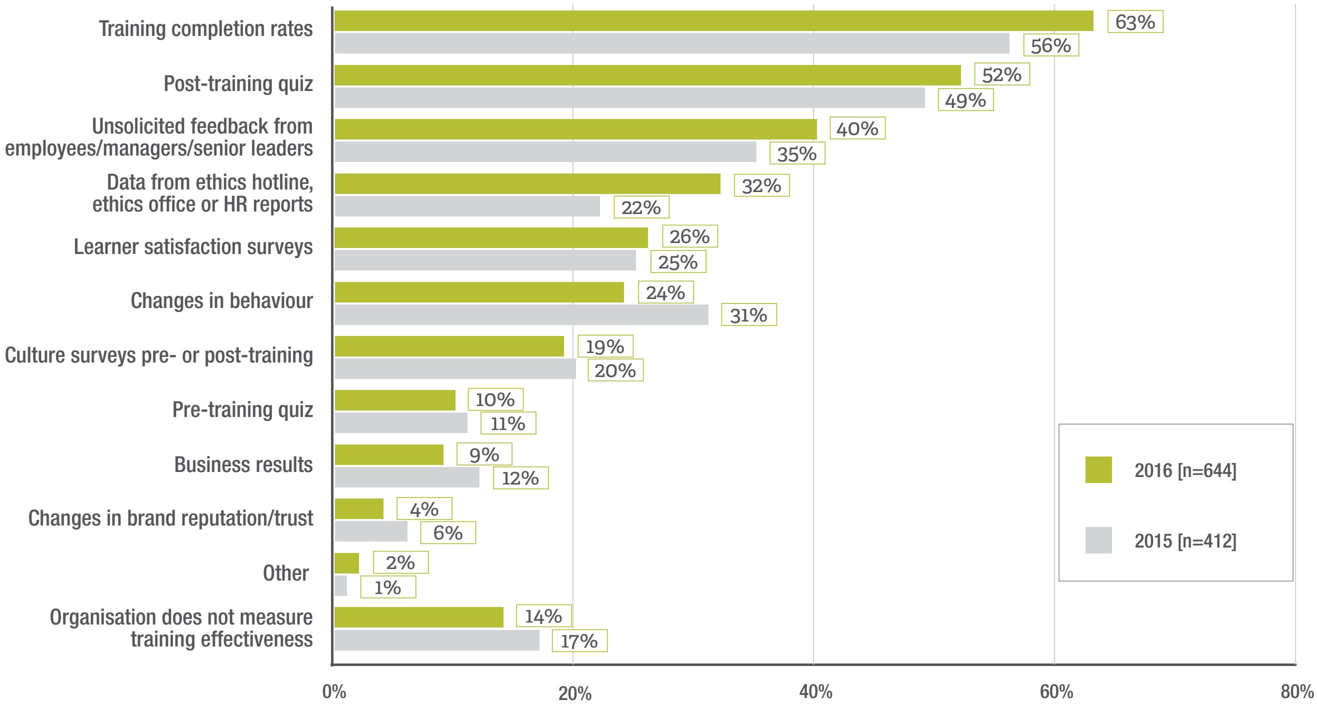
The 2016 Ethics & Compliance Training Benchmark Report revealed that most organisations (86 per cent) report undertaking some formal E&C training effectiveness measurement, with completion rate counts and post-training quizzes being the most common approaches. Unfortunately, completion rates don't measure the effectiveness of training. Ideally, learners are quizzed on the topic both before and after the training—and several months later to assess retention rates—which can show the impact of the training programme.

Best Practice: Capture 5 Levels of Measurement

Level 1: Reaction	Were participants pleased? Was it engaging?
Level 2: Learning	Did participants remember the training? Did skills, knowledge or attitudes change?
Level 3: Behaviour	Did training result in behaviour change? Are learners more likely to do the right thing?
Level 4: Results	Did the training create business value? Did morale, productivity and attitudes improve?
Level 5: ROI	Were costly E&C violations averted? Which of the Level 4 items can be quantified?

Download a Sample Reference Guide to Measure Your Training Effectiveness

How do you measure training effectiveness?



Several performance assessment gauges are not linked to individual courses, topics, quizzes or other quantitative measures but to fairly qualitative changes at the organisation.

The 2016 Ethics & Compliance Training Benchmark Report shows that highly structured and advanced training programmes see higher levels of desired outcomes than do more-basic programmes. These programmes see far better results on key indicators, such as increased employee morale, positive behaviour changes, trust in leadership, increases in speaking up, and the use of the training programme to defend the organisation or secure a better position in a settlement.

The key to obtaining these outcomes is not directly correlated to higher-cost programmes or those with more-dedicated employees. Rather, the organisations that reported better programmeme outcomes focused on clear programme goals, measured for insight and initiated programme improvements based on those measurements.

An E&C programme and training in particular involves many stakeholders in the organisation. When there are positive changes in employee morale, ethical behaviour, a speak-up culture and employee retention due to an effective training programme, showcase successes and celebrate wins within the organisation. Metrics are meant to be shared, and an ethical culture demands transparency.

CONCLUSION

Ethics and compliance training is one of the most important elements of an effective compliance programme. Done properly and executed with excellence, a training programme can reduce risk, drive desired compliance behaviours and improve company culture and employee morale. But executing a programme at this level takes structure, commitment and investment.

Training is also a key aspect of your organisation's broader compliance ecosystem, which includes all of its E&C activities.

While training may be viewed as a stand-alone component of the compliance ecosystem, it can complement each of the other components. As noted earlier, your Code of Conduct is the foundational policy document on which your policies and training should be based. It is important that you are confident in your Code and that you can build training around its objectives. Further, if you want to be sure that your employees understand your workplace harassment policies, a training course with real-world scenarios can add interest to your policy documents and improve understanding and awareness. Alternatively, if your incident management solution reveals emerging trends from within your workforce regarding wage and hour complaints, you can offer recurring wage and hour employment law training.

To successfully overcome the challenges that lay ahead (doing more with less, modernising training programmes, covering more risk areas and improving the quality of content), organisations must strive to advance their training programmes. A multiyear E&C education plan is a valuable roadmap for delivering the right risk- and role-based learning. Carefully planned E&C education improves audience engagement, saves money and has a positive impact on your organisation's culture, reputation and bottom line.

ADDITIONAL RESOURCES

NAVEX Global offers many valuable resources related to improving your ethics and compliance training strategies. Visit our resource center at www.navexglobal.com/resources to find these tools and more:

- **Benchmark report:** 2016 Ethics & Compliance Training Benchmark Report
- **Benchmark report:** 2015 Ethics & Compliance Training Benchmark Report
- **Online courseware library:** Browse our full library of training options and topics
- **Online training courseware catalog:** Go beyond awareness. Create the best defence—change behaviour
- **Business case:** By the Numbers: Making the Business Case for Employee Compliance Training
- **Legal brief:** Mandatory Training Laws Overview
- **White paper:** Six Lessons that Redefine Focused Compliance Training
- **Webinar:** Five Ethics & Compliance Training Stats that Will Surprise You

ABOUT NAVEX GLOBAL'S TRAINING SOLUTIONS

NAVEXEngage™, NAVEX Global's ethics and compliance online training solution, is built on decades of experience in the compliance, conduct, employment law and information security training marketplace.

We offer:

» Online training courses that feature multiple formats, lengths, means of access and audience targets

» Courseware content that is relevant, global and engaging, developed in collaboration with industry-leading law firms Baker McKenzie and Littler Mendelson

» Learning management technology and flexible course delivery options to meet the training, reporting, certification and management needs of organisations of all sizes and complexities

» Risk assessment, culture assessments and multiyear training-programme development that helps organisations ensure that their training programme is tightly aligned with their organisational risks and objectives

» In-person training designed for your organisation and delivered by our advisory and training teams, who have decades of compliance industry experience and many years of consulting on training topics that matter to you, your leadership and your board of directors

» The endorsement of the Association of Corporate Counsel, the leading professional association of more than 34,000 attorneys who work in the legal departments of corporations, as their E&C online training vendor of choice

» The exclusively endorsement of the Society for Human Resources Management and its 285,000 members since 2007

To learn more about our NAVEXEngage training solutions or to schedule a demonstration of any of our online courses, visit www.navexglobal.com/training or call us at +44 (0) 20 8939 1650.

NAVEX Global's comprehensive suite of ethics and compliance software, content and services helps organisations protect their people, reputation and bottom line. Trusted by more than 12,500 clients, our solutions are informed by the largest ethics and compliance community in the world. For more information, visit www.navexglobal.com.

NAVEX GLOBAL®
The Ethics and Compliance Experts

AMERICAS
5500 Meadows Road, Suite 500
Lake Oswego, OR 97035
United States of America
info@navexglobal.com
www.navexglobal.com
+1 (866) 297 0224

EMEA + APAC
Boston House, Little Green
Richmond, Surrey TW9 1QE
United Kingdom
info@navexglobal.com
www.navexglobal.co.uk
+44 (0) 20 8939 1650