NAVEX®

Definitive Guide to Ethics & Compliance Training

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Overview

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

A strong E&C training program is the foundation of an open, ethical and productive culture. It can help prevent misconduct, improve employee engagement and trust, strengthen alignment around a set of core values, mitigate risk and promote adherence to compliance objectives. It also offers a strong return on investment by helping organizations establish key legal defenses and avoid litigation. Beyond the economic benefits of avoiding legal issues, strong ethics and compliance training programs are fundamental in building an ethical culture. Organizations with a cultural foundation of ethics and compliance tend to have higher employee morale, lower turnover, and a more positive reputation.

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 program goals, address your most pressing risks, and measure, evaluate and improve your training effectiveness.

Introduction

Why is Ethics & Compliance Training Important?

In today's environment, compliance programs of all sizes need to demonstrate the value of every dollar they spend. Unfortunately, the return on investment for some compliance initiatives – such as training – can be difficult to measure. As a result, some executives may not understand the value that a well-run training program 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 program is critical to running a productive, reputable and successful organization. With complex regulations and a legal environment that is constantly shifting, few have mastery of this content, yet all need to protect their organizations. 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 Organization Can Achieve with Training

- Create a culture of ethics and respect
- Provide employees with information they need to do their job
- Prevent misconduct
- Establish a legal defense in the event of a misstep
- Protect and manage reputation
- Avoid litigation

The Value of a Culture of Ethics & Respect

A strong ethics and compliance training program is tied to improvements in organizational culture. An E&C training program built around a well-defined code of conduct and other key policies, and fine-tuned to the organization's values and risk profile, can help articulate what the organization stands for, define its best version of itself and bind stakeholders to that vision. Ethics and compliance training also encompass Human Resources (HR) topics that are essential to defining the organizational culture. When board members, executives, management and all other employees receive E&C training, the entire organization can appreciate the commitment to its culture of ethics and respect.

Organizational pride and buy-in to an ethical culture often radiates beyond the physical barriers of the workplace and extends deeply into employee communities, across the organization'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, cybersecurity 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 Defense

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 and human resources departments are feeling the pressure.

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 increasingly acknowledge that training is necessary to help reduce the likelihood of legal violations and to educate employees about what is expected of them. Training is also an essential part of being a good corporate citizen – it is incumbent on employers to ensure that employees know what they need to know to do their job without running afoul of the law.

Employers with effective programs (not just those that "check the box") find that implementing a well-run, properly funded training program helps them not only avoid compliance violations, but also build critical legal defenses, limit damages and in some instances avoid criminal prosecution.

Think Twice About "Check-the-Box" Training
Some courts have made clear that poor-quality training—such as canned, generic videotaped harassment training—does not establish an employer's good-faith efforts to comply with federal anti-discrimination laws. Meaningful training can help to establish good-faith defenses for employers.

The Value of Good Faith

While legal standards vary, there are common strategies that organizations can use to build a compliance-based defense. Courts, juries and enforcement agencies look to reward organizations 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 program features that are generally required to establish legal defenses include:

- Robust, organization-specific policies and a clear, easy-to-understand code of conduct
- Policies that are distributed to everyone in the organization on a regular basis, with employee attestation
- Periodic and effective training that is topic specific and covers the organization'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 program regularly
- Evaluating the impact of employee behavior and operations

Eliminating even one of these critical program features can be highly problematic for an organization.

Training Helps Build Important Legal Defenses

Lowers or Eliminates Damages

Under the defense commonly known as the "Faragher and Ellerth" doctrine, employers may improve their chances of avoiding some or all potential liability in harassment claims if they periodically train managers and employees on the employer's policies, employee's rights, and the employer's obligations, under the law.

Lowers or Eliminates Punitive Damages

In the "Kolstad" case, the U.S. Supreme Court held that employers can avoid punitive damages in discrimination actions if they can show that the discriminatory or harassing conduct at issue was contrary to the employer's "good-faith efforts to comply with Title VII."

Can Substantially Reduce Fines

Employers can potentially avoid or reduce significantly fines and penalties for violations of federal laws – including laws like the FCPA and the Dodd-Frank Wall Street Reform and Consumer Protection Act – if they can show that they had an effective ethics and conduct program in place.

Can Result in a Deferred Prosecution Agreement or Declination to Prosecute

The U.S. Securities and Exchange Commission (SEC) is less likely to prosecute employers for potential violations of the FCPA if the employer has a strong ethics and conduct program in place. An employer's efforts to self-police and openly pursue a culture of ethics and compliance may help to convince the SEC or DOJ to either not pursue legal action, or it may reduce the likelihood they will impose penalties.

Essential for Federal Contractors

The Federal Acquisition Regulations require most organizations doing business directly or indirectly with the federal government to adopt a code of business ethics and conduct and to train all employees on its provisions. Contractors that fail to comply with these requirements could face withheld payments, loss of a fee award or even debarment, suspension or other disciplinary action.

Create Value with Effective Training

Effective, risk-based, high-quality employee compliance training can dramatically reduce the likelihood of wrongful conduct taking place, and it can help an organization 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, organizations can avoid such costs as:

- Legal fees required to defend the organization
- Damage to reputation or brand
- Loss of business
- Loss of trust, both internal and external
- Loss of productivity in the form of time spent by managers and employees who are affected or involved
- Negative impact on culture
- Higher employee turnover
- Negative impact on recruitment

In order to get top-down support to establish and mature E&C training programs, it is important to educate business leaders about how this initiative will help protect the organization from legal, financial and reputational risk.

> "Increased enforcement has cost unprepared employers not only substantial amounts of money, but also, damage to their reputations that is difficult to repair. Investing in high-quality compliance training programs now will help save your organization 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."
>
> **–Scott Nelson**
> **Partner**
> *Hunton Andrews Kurth LLP*

Plan

Create Your Training Program Strategy

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

Determine Your Training Program's Maturity

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

For the purposes of this Definitive Guide, we'll first discuss E&C program maturity holistically, and subsequently move to how this impacts compliance training program maturity.

5 Stages of Ethics & Compliance Program Maturity

NAVEX aligns with the Ethics & Compliance Initiative (ECI) on their High-Quality Program (HQP) maturity model for ethics and compliance programs. High-Quality E&C programs include the following elements:

- **Strategy:** viewing E&C as central to business strategy
- **Risk management:** risks are identified, owned, managed and mitigated
- **Culture:** leaders at all levels build and sustain a culture of integrity
- **Speaking up:** the organization encourages, protects and values the reporting of concerns and suspected wrongdoing
- **Accountability:** The organization acts and holds itself accountable when wrongdoing occurs

The ECI High-Quality Program assesses E&C program maturity in each elements as follows:

	Strategy	Risk	Culture	Speaking Up	Accountability
Underdeveloped	Ethics and Compliance program activities do not exist or are not foundational to the organization; where programs do exist, they are decentralized	A formal risk assessment program is not fully established or does not yet exist	Leadership does not promote ethics and compliance, or does so on an individual, ad hoc, basis	A formal employee speaking-up/ reporting structure is NOT established; employee reporting occurs on an infrequent, ad hoc, basis	No established formal structures or communicated regarding consequences for violations or for escalation, tracking, investigation & accountability for misconduct
Defining	Ethics and Compliance program is established, but is not embraced by the organization and operates tactically	A formal risk assessment structure is established and operating in a few departments or functions, but operates tactically	The organization has in place a code of conduct and related policies, but only senior leadership makes the effort to promote ethics and compliance	A formal employee speaking – up/ reporting structure IS established and operating in a few departments, but operates tactically and inconsistently	The organization has policies addressing standards and consequences; escalation, tracking and investigative protocols apply, but lack consistency and with little root cause assessment or trend reporting to business
Adapting	Ethics and Compliance program is beginning to embed with accountability assigned for key ethics and compliance risks; consistency is lacking	A formal risk assessment process is in place with accountability assigned for ethics and compliance risk management, but is not consistently performed	Leaders are beginning to embed E&C program with accountability assigned for key ethics and compliance risks	A formal employee speaking up/ reporting structure is partially embedded but more progress is needed	The organization communicates applicable standards and out - comes to employees and has established escalation, tracking and investigative protocols, including measures to ensure consistency of consequences and basic root cause analysis
Managing	Ethics and Compliance is embedded with program controls and procedures operating as an integral part of business processes	Formal risk assessment process is developed and embedded as an integral part of business processes	Leaders are engaged in promoting E&C with program controls and procedures operating as an integral part of business processes	Formal employee speaking up/ reporting structure is established and operates as an integral part of business processes	Organization maintains communication of standards and outcomes to employees reinforcing value placed on reporting; embedded escalation, tracking and investigative protocols exist
Optimizing	Program activities follow best practice in Ethics and Compliance program management, and externally exhibits leadership in the field	Risk assessment follows best practices and includes all aspects of a leading risk management program	Organizational leadership is committed to best practice in E&C program management and leading the field externally	A formal employee speaking-up/ reporting structure is used by employees to report concerns and by management to identify systemic issues	The organization demonstrates the value placed on reporting and accountability and employs best practices in escalation, tracking, investigation, and risk mitigation

As the overall program maturity progresses, it delivers better performance and provides a stronger return on investment. Comprehensive and well-designed compliance training is an integral piece to a mature and optimized E&C program and helps to solidify a culture of ethics and compliance within the organization.

Organizations with optimized training programs:

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

- Address organizational risk profiles and long-term objectives

- Train on important topics covering a broad spectrum of risks

- Deliver meaningful and relevant educational experiences

- Improve learner engagement and reduce learner fatigue with dynamic and adaptive programs

- Optimize limited seat time for individual audiences within the organization

- Embrace practices that enable frequent reinforcement of key messages

- Measure for insights, outcomes and program improvements

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

NAVEX survey data from 2022 indicates that the top three performing areas of compliance training programs are:

- Training offered in the form and language appropriate for the audience

- Offering a process by which employees can ask questions arising out of the trainings

- Testing employees on what they've learned

However, it is important to note that the points above are table stakes for any training program. Looking at the findings that are rated lower in the table indicate many programs have opportunities for growth and improvement. For example, 43 percent of respondents indicate their performance in, "addressing employees who fail all or a part of testing" as poor or fair. Further, nearly half (46 percent) report poor or fair performance in measuring the effectiveness of training programs.

These findings indicate that there is still work to be done to mature training programs. Addressing those that do not pass training and measuring effectiveness are essential components of a mature training program.

How would you rate your organization's performance in the following aspects of ethics and compliance training?

Optimized programs tend to see far better results on key indicators such as increased employee morale, positive behavior change, trust in leaders, increase in speaking up and when needed, the use of training as a legal defense to help protect the organization.

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

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

Establish Program Objectives

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

Ask yourself and other key stakeholders, "What do we hope to achieve with our organization's training program?"

And the data shows this is a key area for improvement. NAVEX survey data from 2022 indicates only 62 percent of organizations actually have a risk and compliance training plan, with 29 percent reporting they do not have one, and 10 percent of respondents indicating they do not know.

Does Your Organization Have a Risk & Compliance Training Plan?"

■ Yes ■ No ■ Don't Know
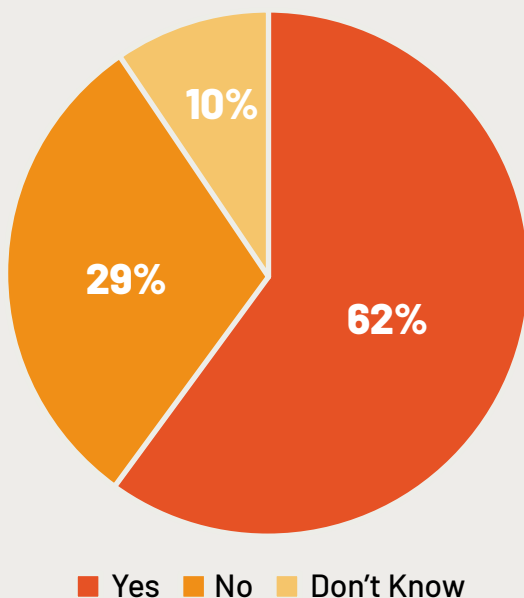
Be realistic about your objectives and make changes that will help you achieve them – but most importantly, **develop a plan, stick to it, and adjust as needed.**

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

If, for example, you want to improve employee morale with a training program, a one-time training on workplace harassment is not likely to get you there, even if it addresses an urgent issue or a legal requirement. To be successful you must adjust the way you approach training overall and make it relevant to learners and a meaningful experience for them.

Common Program Pitfalls That Undermine Efforts

- Not educating key decision-makers about program objectives
- Not having an established budget for training program activities
- Not educating executives about the value delivered by training-program efforts
- Allowing cost, rather than effectiveness, to drive decisions about which training to deploy
- Not assessing program results against program goals
- Not updating or deploying refreshed training to learners
- Not seeking additional budget if needed to improve program effectiveness

It is important to remember that your training program will never be "finished." Training is an ongoing commitment to your employees and your organization; and as your organization and the environment around you change, the program must adapt. Periodically check and adjust your objectives against the realities of the markets in which you operate.

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

Build a Training Program Tailored to Your Organization's Needs

Take stock of how your training program 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 program evaluations and use it to inform decisions about the future state of your program.

Ask employees across all roles and functions how you can improve program 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 organization.

Training Complexity – Considerations for Remote and Hybrid Work Environments

The COVID-19 pandemic altered the way many businesses operate, and also introduced many new risks that needed to be covered in training – all in an unusual and unprecedented environment.

This disruption resulted in large swathes of the workforce working in hybrid and/or remote conditions, and a shift in perception of how and where work can and should be done. NAVEX survey data from 2022 shows 56 percent of organizations experienced at least moderate disruption to ethics and compliance training programs.

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Additionally, the Benchmark Report indicates 86 percent of organizations continue to have employees working remotely as a result of COVID-19 – even after many companies that went remote due to the pandemic are able to re-establish in-person operations, and only 60 percent of organizations plan on eventually returning to pre-COVID-19 working locations.
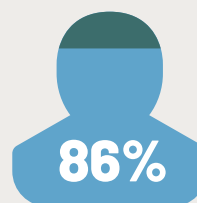
86% Percentage of organizations that continue to have employees working remotely due to COVID-19

Percentage of organizations that plan on eventually returning to pre-COVID-19 working locations. **60%**
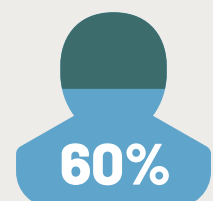
What does this mean for ethics and compliance training programs? Training in a hybrid or remote environment presents challenges that must be addressed in order to ensure program efficacy. A prime example of this was in March 2020 when many companies were underprepared with policy and IT infrastructure when they sent workforces home for an undetermined amount of time. Now, most companies have adapted to the new paradigm and have established resources to accommodate remote and hybrid work for near and long-term.

However, considerations should be made to account for how learners' access, process and retain information presented to them in remote training environments. Additionally, given the now hybrid or remote nature of many businesses, how training is completed and attested to must be managed in an organized and tracked manner.

When completing a training plan, organizations must now add work location and access to technology to their considerations. And must also ensure that the training is engaging, accessible and compliant with applicable regulations.

Plan for Known Challenges

Part of building program discipline is planning for regular challenges to ensure that your progress is not disrupted by preventable setbacks.

NAVEX survey data from 2022 indicates training employees on policies is the top challenge for organizations today. Some of these challenges may stem from:

- Limited hours available for training
- No policy management solution making it difficult for employees to access policies
- Evolving risk areas and policies that are not updated
- Demand for updated training formats and delivery methods that engage with increasingly interactive and on-the-go learners
- Connecting your policies to your training
- A fluid regulatory environment that necessitates frequent updates to training content
- Insufficient or stagnant budgets and limited program staff adding an additional dimension to challenges

48%
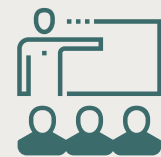
of respondents state that training employees on policies is a top policy management challenge.
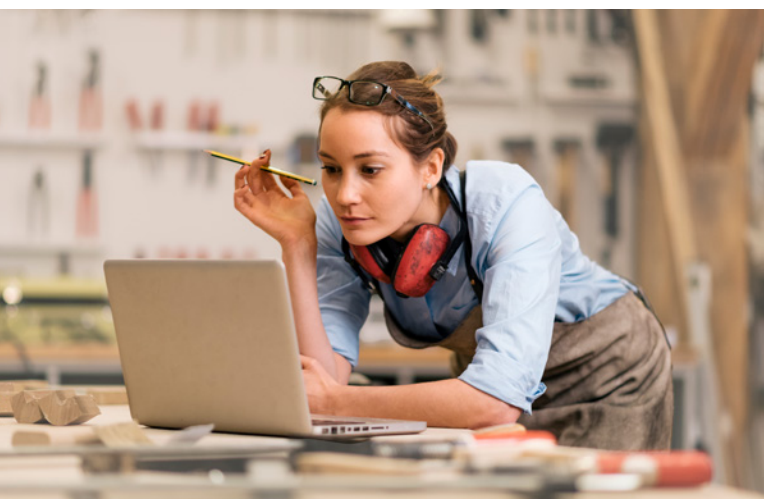
To ensure success in training programs, look for training programs that allow you to integrate your policy into the training, allow you to build a learning campaign that can include your policy with training, and that speak to policy (and not just the law) throughout the course.

Secure Your Budget

Securing a dedicated budget allows you to facilitate a multiyear program in which your risks can be best addressed. It can also help safeguard organizational buy-in for the duration of the program. Don't put yourself in a position where you build a multiyear training program only to have its budget slashed or worse yet never granted by people who do not understand the program's value.

Although constructing an E&C training program often involves many stakeholders in the organization, it is important to align program leadership with budget authority. As noted at the beginning of this guide, training is not a "nice to have" option, but a critical element of a successful E&C program. 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 program requires buy-in to reach the objectives you set.

The pursuit of an effective training program is based on courses that build on the learnings of one another and produces a measurable outcome. This requires a program budget – not a series of budget requests for individual courses as they appear on a calendar. A training program is not a "one and done" single course. More often, a training program represents a recurring investment that delivers results best when maintained over multiple years. The lack of a defined multiyear budget increases the chances of program inefficiencies.

Even if your organization is not yet convinced of the value of a multiyear training program, 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 program definition and the budget; but if not, an internal program champion can help ensure its prominence and funding in budget meetings. In some cases,

a training solution vendor can work with program administrators to showcase expected training value and the return on program investment.

Identify & Prioritize Risks Facing Your Organization

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

In many cases, organizations may be subject to regulations and vulnerable to risks about which they know little. Don't assume that you fully understand your organization'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. Prioritizing training topics based on your organization's specific needs and risks is an indicator of a mature program, yet 2022 NAVEX research indicates only 42 percent of organizations consider learners' exposure to particular risks in the process of creating risk and compliance training plans.
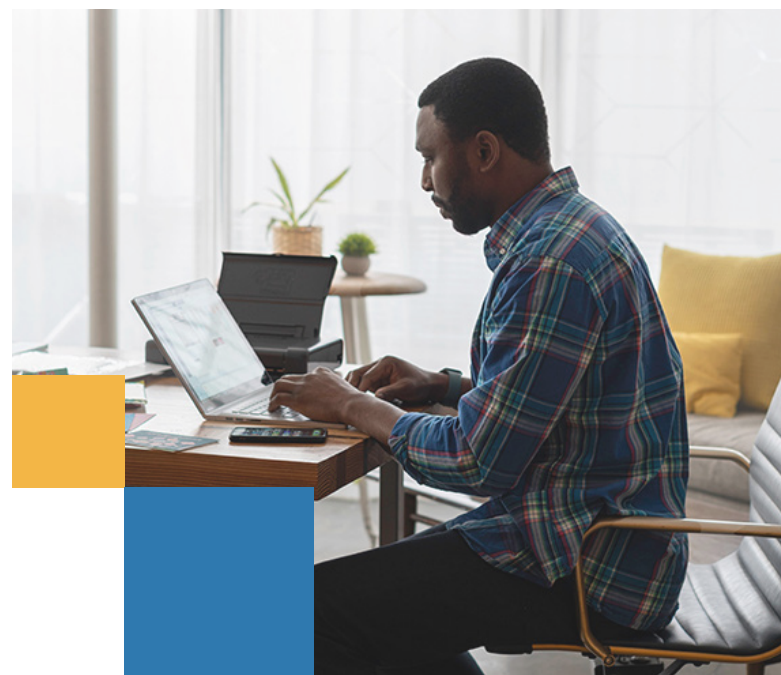
Here's how to get a picture of your organization's risk profile:

- 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
- Speak 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 based on:

- 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 risks are identified, you need to analyze and prioritize them. A risk profile is unique to each organization, and not all risks are created equal. For one organization, 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 organizations would approach education on this topic in very different ways.

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

- Likelihood and frequency
- Potential impact of both time of money
- The organization'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 organization in terms of time, money, resources and reputation, you can better align 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 organization has an existing E&C program or you are reassessing an existing program, be sure to review your risks and training objectives within the context of your larger organizational compliance strategies. With your priority topics in hand, you can create your risk-based compliance training program.

Plan a Multiyear Training Program to Fit Your Organization

Once you have identified your program 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 prioritize risks and learning objectives

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

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

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

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

Centralized Management
Create a single resource through which your multiyear training program 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 program. Many organizations find that their list is fairly robust. If you have access to peer organizations, benchmark your program against theirs to help identify risk areas you may have missed while conducting your

risk assessment. It is not uncommon for organizations in moderately regulated industries to identify 10 to 20 topic areas they need to address.

Most organizations find that they have a set of core training topics that don't change much from year to year. NAVEX survey data from 2022 found the most common training topics are ethics and code of conduct, cybersecurity, and harassment and discrimination.

While it's common for some core topics to remain important every year, an evolving risk landscape can sometimes dramatically shift training priorities. Some needs materialize quickly – the COVID-19 pandemic, which created more risk for employee health and safety and a shift to remote work, is one such example. Others emerge more predictably, such as a known date when new regulations will go into effect. When planning training topics, the best practice remains to implement requirements that directly address identified and prioritized risks for the organization looking out two-to-three years.

Audiences

Identify, Segment & Understand Your Audiences
One of the most significant financial investments made by the ethics and compliance function in an organization is the time employees spend training on E&C topics.

Akin to the risk assessment for the organization, 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 program. Segmenting your audiences by risk will help ensure employees receive the most appropriate and relevant training for their role. Your program can avoid unnecessary costs (in terms of both program 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 level of segmentation is working smoothly, consider a more 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.

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

E&C Training & Your Board of Directors

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

This standard applies equally to public and private organizations. 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 organization. Just like employees, boards of directors should be trained on the organization and its culture, values and programs.

Training helps ensure directors understand the exact nature of oversight expected of them. This is critical, as many board members lack the experience needed to confidently oversee corporate compliance and risk management.

In-person training, usually as part of a scheduled board meeting where directors can discuss and debate issues such as program oversight responsibilities and culture management, can be very effective, though many organizations offer online training. It's important to note that board reporting – briefing the board on the status and success of your compliance program – 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

If conducting training in-person, employees and third parties who work remotely 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. This is especially important for industries where the workforce may not have access to company computers or email on a regular basis.

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 organizations conduct training throughout the year, whereas others deploy training in smaller windows of time. Your culture and organizational 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

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.

Deciding how often you should train is not an exact science. And although there is no single universal standard, there are two simple terms – **periodic and effective** –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 of a training cycle. Many organizations find that they train on the most critical topics every 12 to 24 months, offering a refresher or burst learning in an off year. For secondary risk areas, many organizations train every 18 to 36 months but communicate regularly about these areas and offer frequent but less extensive training solutions.

Periodic training for managers is often required by law, and local authorities have levied damages on organizations that did not provide periodic training for employees and managers alike.

Effective Training

Effective refers to training that covers the appropriate information, improves employees' understanding of the organization's policies and expectations and ultimately helps change culture and behavior. "Check-the-box" training – training that employees tune out and non-mandatory training that employees are less likely to take – all are hallmarks of an ineffective training program.

Delivering the right message, to the right audience, at the right time is critical. 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.

Depth & Duration – Maximize Impact by Balancing Needs with Realities

Most programs do not have the ability to roll out full-length training on every risk area every year. Thus, organizations 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 organizations 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 time in seat
- 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 organizational 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 organization shall... communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program... by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities."

—U.S. Federal Sentencing Guidelines

Centralized Management
Manage Your Training Program through a Single Resource

The highest-performing education programs are centrally managed with a single asset. This allows program 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 optimize learner hours, note milestones and targets, create multiple pathways specific to individual roles or audiences, and set well-defined measures of success.

A Centralized Multiyear Education Plan Sample

Risk	Course	Audience	Schedule							
			Year One				Year Two			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
High	Ethics & Code of Conduct (ECOC)	All Employees	35				ML			
High	Workplace Harassment (WPH)	All Employees				60				60
Med	Conflicts of Interest (COI)	All Employees			25				ML	
Low	Ethical Leadership	All Managers		25		ML				
Low	Financial Integrity	All Managers						ML		
		All Employees in Finance		25				ML		
Low	Social Media	All Employees					25			
Med	Cyber Security	All Employees			ML			25		
Med	Bribery and Corruption	Limited Audience	25				ML			
Low	Standards of Conduct for Third Parties	Limited Audience			25				25	
Total Training by Quarter (up to mins)			60	50	55	65	30	35	30	60
Total Training by Year (up to mins)			230				155			

Implement

Operationalize Your Training Program

In the **PLAN** section of this guide, you defined your organization's risk profile, prioritized 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 organization's legal counsel when finalizing your training program.

Key Elements to Implement an Effective Multiyear Education Program

Focus
Maintain focus on your core objectives and policies, including your organization's code of conduct and program 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 and Update Your Code of Conduct and Other Policies
Your training priorities should stay focused on the organization's core policies. They should not operate in isolation. To integrate your training with larger organizational objectives, start with the foundation of all policies: your organization's code of conduct.

Your code of conduct is your organization'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 organization'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 current. In some cases, the first step to aligning your training with your code is aligning your code with your organization'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 constantly changing. Code of conduct documents need to keep pace in order for training to 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 organization's stance on recent and emerging issues that employees need to know?

Is It Compelling?

Your organization has a mission and a set of values to guide that mission. Those values need to be distilled in your code in a way that informs readers about what is expected of them, while also inspiring them to actually do it. This inspiration should resonate in your training to reinforce the organization's messaging and continue cultivating its culture.

Methods

Match Training Methods & Formats with the Audience & Objectives

Selecting the training methods 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 messages are delivered effectively.

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

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 program 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 program 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 meetings)

Optimizing 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 programs: 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 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, into the program. 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.

Adaptive Learning Advances Program Maturity & Increases Engagement

Taking a blanket approach to training often results in disengaged learners and training fatigue resulting from repetitive content. When this happens, learners may simply go through the motions in completing the training content, without really internalizing the important lessons covered in training materials.

Every employee varies in the way they learn, their baseline knowledge and risks most relevant to their role. As such, your organization must train employees on key risk areas, while bridging those knowledge gaps to provide the most efficient and effective solution that is unique to each learner.

Adaptive learning is a training methodology that can be adopted that "adapts" the content to the individual learner based on their performance throughout the training. This rewards learners who demonstrate proficiency by quickly progressing them through the content, saving time and reducing training fatigue.

Adaptive learning courses provide learners with a dynamic and tailored training experience that improves knowledge and comprehension. These courses allow learners to make the most efficient use of their time, increase engagement with the content, and reduce training fatigue often felt by learners who are tired of retraining on the same topic.

Additional Options for Engaging with Today's Learners

Over the years, the training world has adopted many new approaches – including everything from gamification to mobile-enabled courses. Some of these tools and strategies can enhance your training program, but you need to be critical about the trends you incorporate and whether they make sense in the culture and context of your program.

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

- Using tools to set up a private social network for employees; with this kind of social tool, organizations 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 "check the box" will not build trust with your employees and will not be viewed favorably by juries, judges or enforcement agencies.

Providing a training program is not the goal – changing behavior 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 organization 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 organization 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 organizations 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 organizations meet key program objectives.

As you evaluate potential 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 organizations, as well as human resources, training and legal firms. Also consider the legal foundation for course content. Are respected law firms or legal organizations or associations vetting and endorsing the content? Are recognized experts and influencers contributing to or validating the content? Do you feel confident that the courseware is current and able to remain current 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 program, as well as your organization'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 customize it to better reflect your brand and expectations. Top-tier E&C training vendors offer customized settings that enable you to tailor training to your organization–for example, by referencing your organization's policies, hotline/helpline, personnel resources and contact information.

Look for standard and advanced customization settings that include:

- Your policies in the training, allowing for quick and easy learner access
- Preferred reporting instructions
- Your organization's personnel resources and contact information
- An introduction or farewell from an executive
- Your logo on every screen within the training content
- Additional customized course configurations, screens, videos or questions

Measure

Monitor & Improve the Effectiveness of Your Training Program

Once your training program 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 organization getting measurable value from the program?

A program with a vision and a focus on measurable outcomes performs better than a build-it-as-you go approach. A structured program 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 organization – it should evolve constantly. Continue to revisit the plan at least annually.

Periodic measurement allows you to validate your program's effectiveness, uncover gaps in learning and reveal any training that is not engaging or effective. Setting milestones for measuring performance allows organizations to illuminate and assess their programs; 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

Unfortunately, completion rates alone 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 program.

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: Behavior Did training result in behavior 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?

Effective training programs see far better results on key indicators, such as increased employee morale, positive behavior changes, trust in leadership, increases in speaking up, and if needed the use of the training program to defend the organization or secure a better position in a settlement.

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

An E&C program, and training in particular, involves many stakeholders in the organization. When there are positive changes in employee morale, ethical behavior, a speak-up culture and employee retention due to an effective training program, showcase successes and celebrate wins within the organization. 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 program. Done properly and executed with excellence, a training program reduces risk, drives desired compliance behaviors and improves organizational culture and employee morale. But executing a program at this level takes structure, commitment and investment.

Training is also a key aspect of your organization'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 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, modernizing training programs, covering more risk areas and improving the quality of content), organizations must strive to advance their training programs. 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 organization's culture, reputation and bottom line.

For additional information and downloadable resources, visit the NAVEX Resource Center.

About NAVEX's Training Solutions

NAVEXEngage®, NAVEX'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 firm Baker McKenzie
- Learning management technology and flexible course delivery options to meet the training, reporting, certification and management needs of organizations of all sizes and complexities
- Risk assessment, culture assessments and multiyear training-program development that helps organizations ensure that their training program is tightly aligned with their organizational risks and objectives
- 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

To learn more about our NAVEXEngage training solutions or to schedule a demonstration of any of our online courses, visit www.navex.com/training.

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NAVEX is the recognized leader in risk and compliance management software and services, empowering thousands of customers around the world to manage and mitigate risks with confidence. NAVEX's mission is to help customers promote ethical, inclusive workplace cultures, protect their brands and preserve the environment through sustainable business practices.

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