

**BUSINESS ETHICS  
LEADERSHIP  
ALLIANCE**

**ETHISPHERE**  
GOOD. SMART. BUSINESS. PROFIT.

# The State of Compliance Training

## Current Practices from the Business Ethics Leadership Alliance

### Inside:

- No Compliance Officer is an Island: Structuring Your Training Program and Utilizing Other Departments
- Reaching the Learner: Scope and Approach of Training Programs
- Continued Training: Supporting Materials
- Technology Challenges: Love your LMS?
- Global Reach: Training Your Third Parties

# Table of Contents

INTRODUCTION . . . . .	2
NO COMPLIANCE OFFICER IS AN ISLAND: STRUCTURING YOUR TRAINING PROGRAM AND UTILIZING OTHER DEPARTMENTS . . . . .	4
REACHING THE LEARNER: SCOPE AND APPROACH OF TRAINING PROGRAMS . . . . .	8
CONTINUED TRAINING: SUPPORTING MATERIALS. . . . .	17
TECHNOLOGY CHALLENGES: LOVE YOUR LMS? . . . . .	18
GLOBAL REACH: TRAINING YOUR THIRD PARTIES . . . . .	19
METHODOLOGY & DEMOGRAPHICS . . . . .	22

## Introduction

Back in January, we convened a roundtable of Business Ethics Leadership Alliance members for an open discussion; many of you may have read our write-up of the event, which was hosted by GE, or perhaps the LinkedIn post on the conversation from GE’s general counsel, Alex Dimitrief. Much of the discussion centered around training, and conversation around the table was frank and, at times, frustrated that we’re still grappling with this topic. Several BELA members in attendance asked us to survey the community to get the beginnings of a data set on training practices, including who is training on what, in which languages, Learning Management System (LMS) practices, training modalities and more.

After several weeks of drafting, we arrived at a set of questions we were pleased with. We launched our inaugural Training Efficacy and Perceptions Survey in March after our Global Ethics Summit to the full community of BELA companies, and 61 BELA members took the survey over the course of the next eight weeks. Their insights, contrasted with data from our broader World’s Most Ethical Companies® data set, make up the body of this report. Our thanks to those who took the time to participate, as it is your willingness to engage that makes us - and the broader BELA community - a robust and inspired group of forward-thinking companies.

This report is divided into 5 main areas, and where appropriate compares the BELA results with our overall World's Most Ethical Companies data set:

### No Compliance Officer is an Island: Structuring Your Training Program and Utilizing Other Departments

This section covers budget, headcount and the extent to which other departments are leveraged in both creating training and deploying messaging. Not surprisingly, there was a significant difference in size and spend between those companies that rely on a training vendor and those who build training themselves; that difference disappeared on the question of whether other departments play a role in the content and deployment of training.

### Reaching the Learner: Scope and Approach of Training Programs

While every organization is unique to some extent, there are trends in the average length of training, the ways in which courses are assigned, the extent to which translations are maintained and the size of the library in place, and those are covered in this section. We found a solid majority of companies that are regularly deploying training to managers on their specific responsibilities leading to a small increase in the total amount of time a manager spent in training.

### Continued Training: Supporting Materials

Recognizing that retention of information is key, we asked a series of questions about the supporting materials companies maintained that aligned with training and offered employees a resource to answer questions or continue learning. Many companies reported that they maintained some form of learning aid, although the type varied dramatically.

### Technology Challenges: Love Your LMS?

Training and tracking go hand in hand, and most companies did not give their learning management systems glowing marks. In fact, most compliance departments are not responsible for their LMS; that honor most often went to Human Resources or Learning and Development.

### Global Reach: Training Your Third Parties

Third party risk is a tremendous topic of conversation, especially when an organization seeks to walk the fine line between taking responsibility for a third party and making sure that they understand what is expected of them. More and more companies are answering that challenge with training, although not universally across the respondent pool.

We hope you find the data in this inaugural report helpful as you seek to structure your training program effectively, efficiently and in line with peer practices.

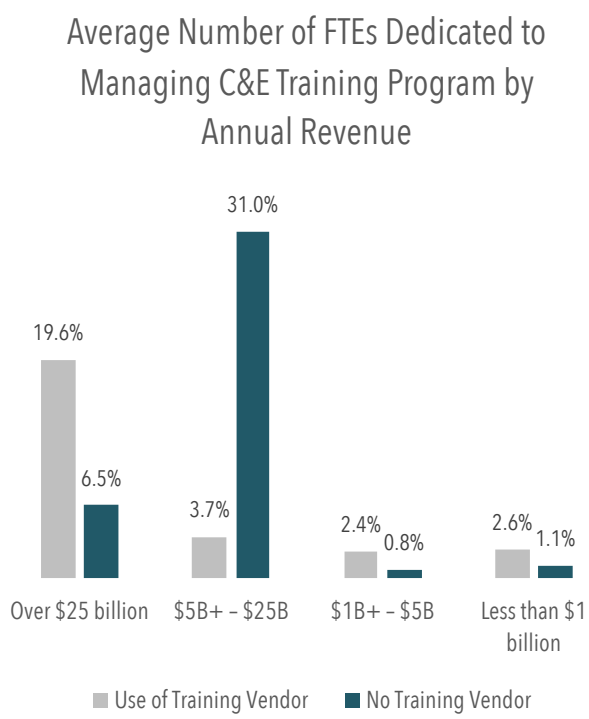


# No Compliance Officer is an Island: Structuring Your Training Program and Utilizing Other Departments

Budget and headcount are questions we get whenever benchmarking a program. In this case, a clear division emerged between two groups responding to our survey: those who build everything in house (25 percent of the respondents), and those who leverage an outside vendor (75 percent). There was a difference in size of department, with those who build in house leveraging an average of 11 Full-time Equivalents (FTEs) for training and those who use a vendor leveraging an average of 7.7 FTEs for training. Some of the companies in the data set reported very large training staffs, so when we discard the high and low number, the median number of FTEs reported was 2.

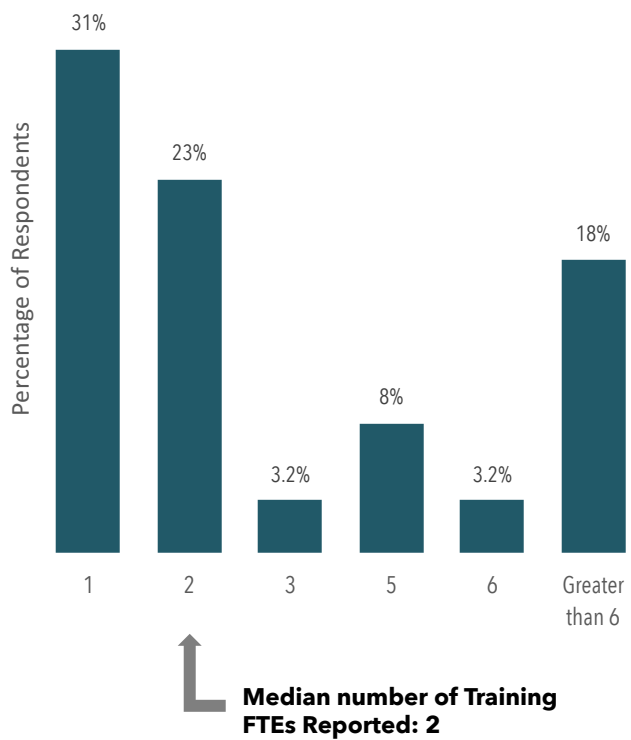
**Fig. 1**

Companies that develop training in house use an average of 11.0 FTEs assigned exclusively to training, while those using a vendor employ on average 7.7 FTEs specifically for training.



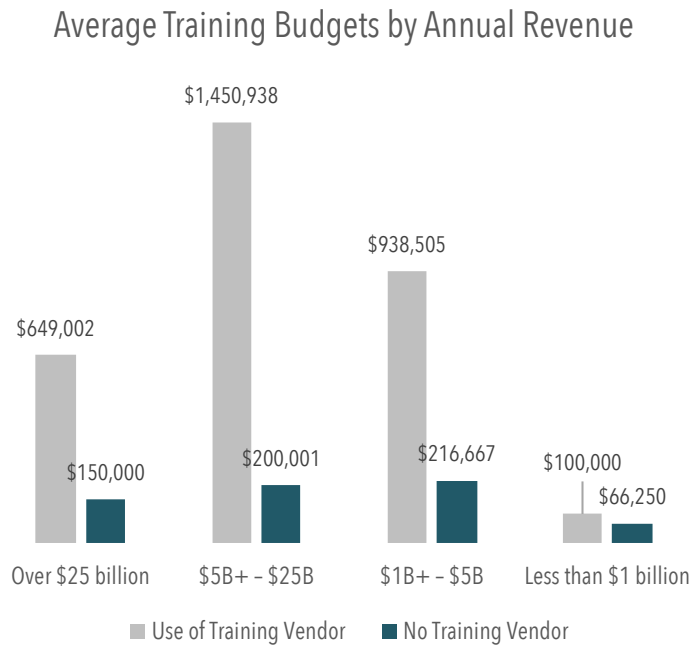
**Fig. 2**

How many full-time equivalent employees are dedicated to managing your company's compliance and ethics training program?



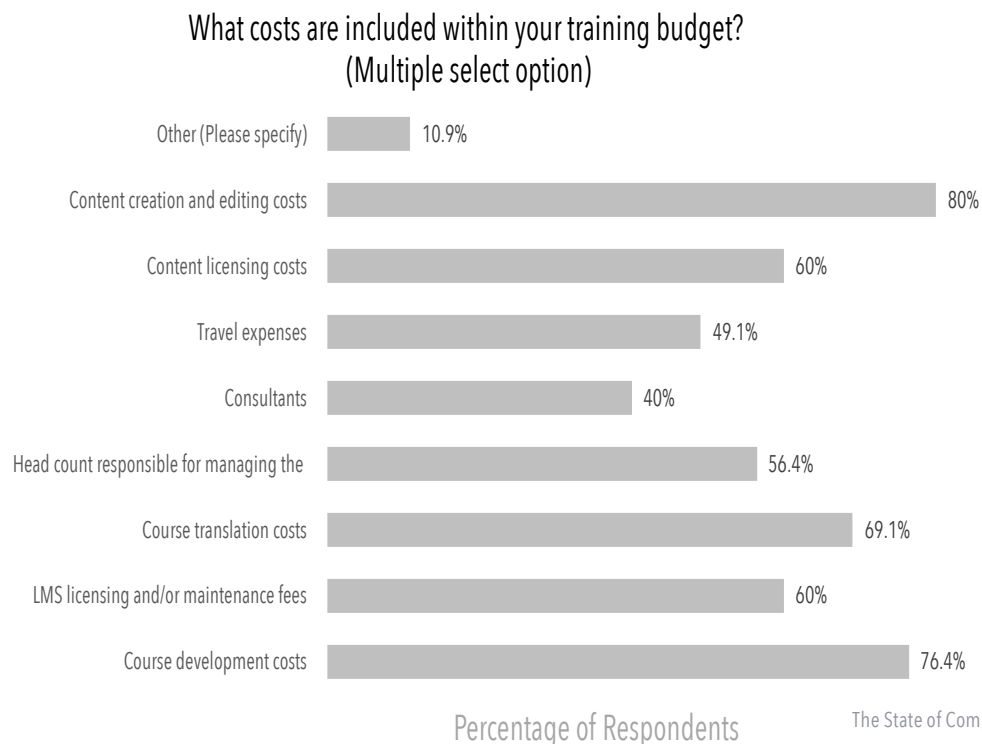
**Fig. 3**

Companies that develop training in house have an average training budget of \$155,000, while those using a vendor have an average training budget of \$1.03 million.



As one would expect, the budget numbers were the inverse of the staffing numbers with those who develop training in house reporting a budget of \$155,000 and those who use a vendor a budget of \$1.03 million. Budgeted costs varied by company, but the most likely costs to fall in a training budget were course licensing costs, translation costs, LMS costs and course development costs. Some companies reported extremely large budgets, as Fig. 5 reflects. When we discard the high and the low, the median budget reported (regardless of approach to training) was \$200,000.

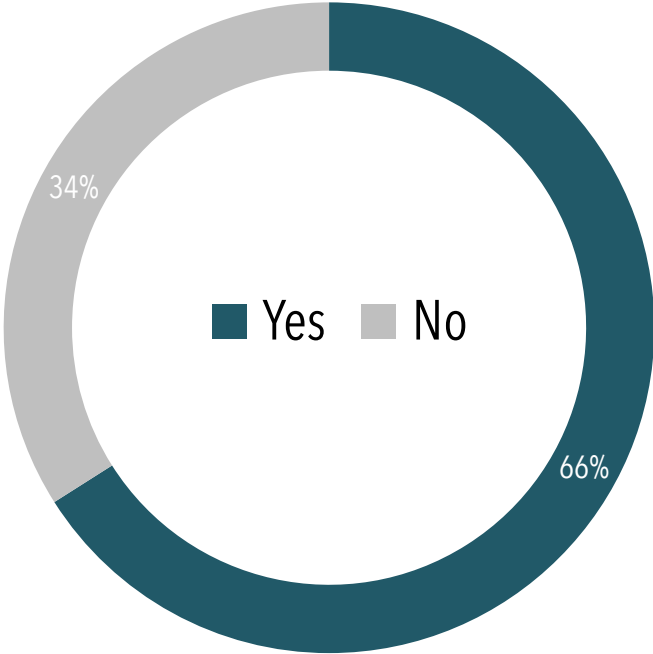
**Fig. 4**



That said, all companies - whether they are using a vendor or not - are involving many other departments to provide input into training development. Ninety-one percent are leveraging Human Resources to provide support, along with functional area owners (84 percent) and Learning and Development (80 percent). Some respondents also cited Legal (when compliance sits separately), Enterprise Risk Management and Communications as sources of support. In addition, companies are leveraging other training to provide compliance messaging with 66 percent indicating they embed messaging in other training.

**Fig. 5**

Does your company build compliance- and ethics-related messaging or content into other company training, such as safety training or training on operations or systems?



Some of that cross-pollination happens organically due to the involvement of other departments in developing training. Other respondents indicated a deliberate effort to incorporate specific messaging, largely around the importance of speaking up and following the company's values, into relevant training. The most commonly cited examples were EH&S, quality and HR training (when conducted separately from Compliance).

Of course, the ultimate question with any training program is whether the efforts are working. Companies are utilizing a variety of metrics to evaluate effectiveness that go well beyond completion rates including tracking trends of misconduct reported against training administered (44 percent).

**Fig. 6**

What compliance and ethics training metrics do you track?  
(Multiple select option)



In addition, 80 percent of respondents are tracking misconduct allegations and analyzing whether a lack of training was a contributing factor to the root cause.



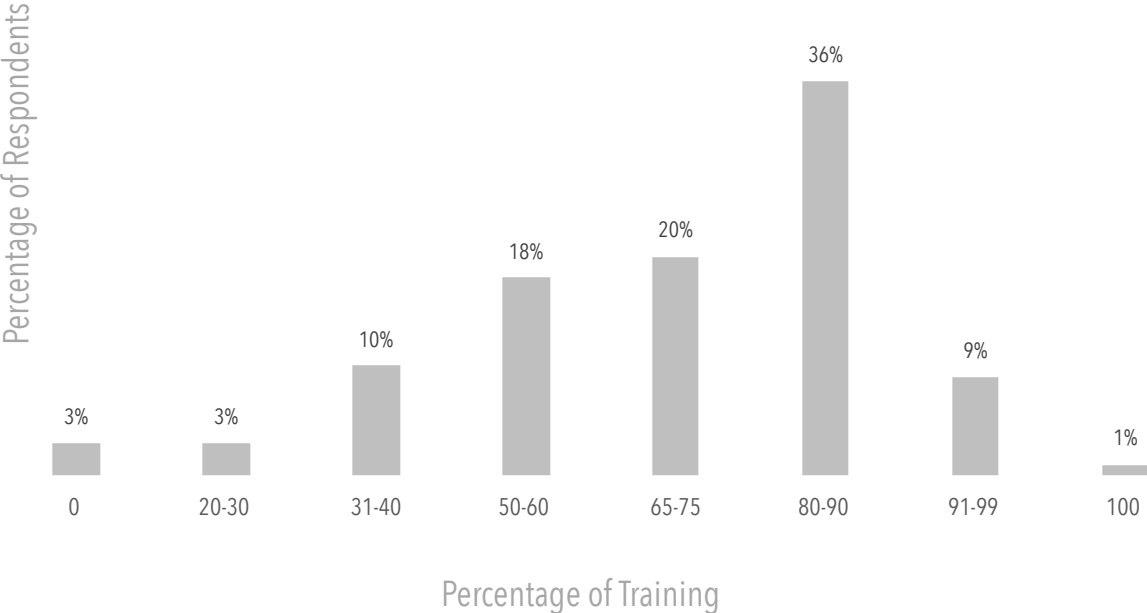


# Reaching the Learner: Scope and Approach of Training Programs

The majority of respondents deliver at least half their training online; the most common response chosen was 80 percent online, 20 percent live.

**Fig. 7**

What percent of your overall training is delivered in a web-based, online format?



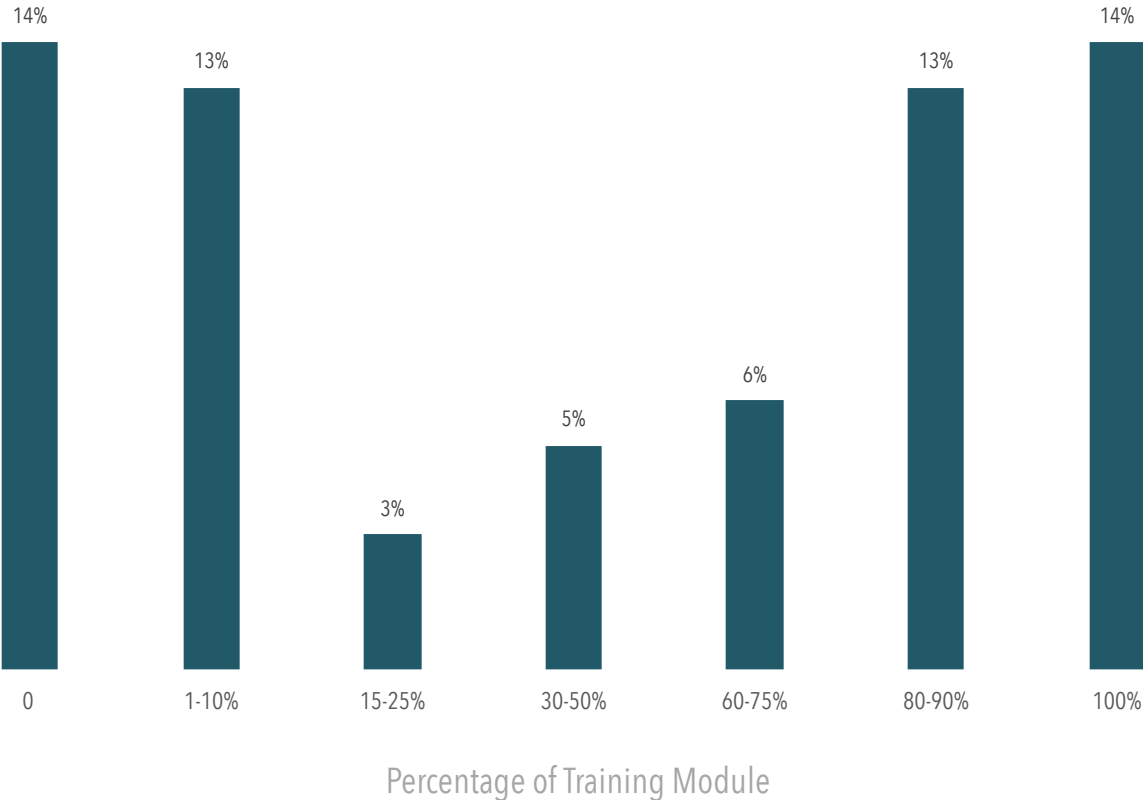
The library of courses being maintained and offered is broad, with 80 percent of respondents indicating they maintain between 10 and 30 courses at a time; 10 percent indicated they maintain less than 10, but half of those wrote in to say that they were not including HR-related topics like harassment and discrimination in “their” library. Ten percent indicated they maintain more than 30, with the range topping out at 130 different courses (one respondent).



The number of languages maintained is also broad. Nine respondents indicated that they translate 100 percent of their training; the remainder, for the most part, translate some portion of their training but not all. Overall, although we know how costly translations can be, the majority of respondents indicated they spend 20 percent or less of their overall training budget on translations.

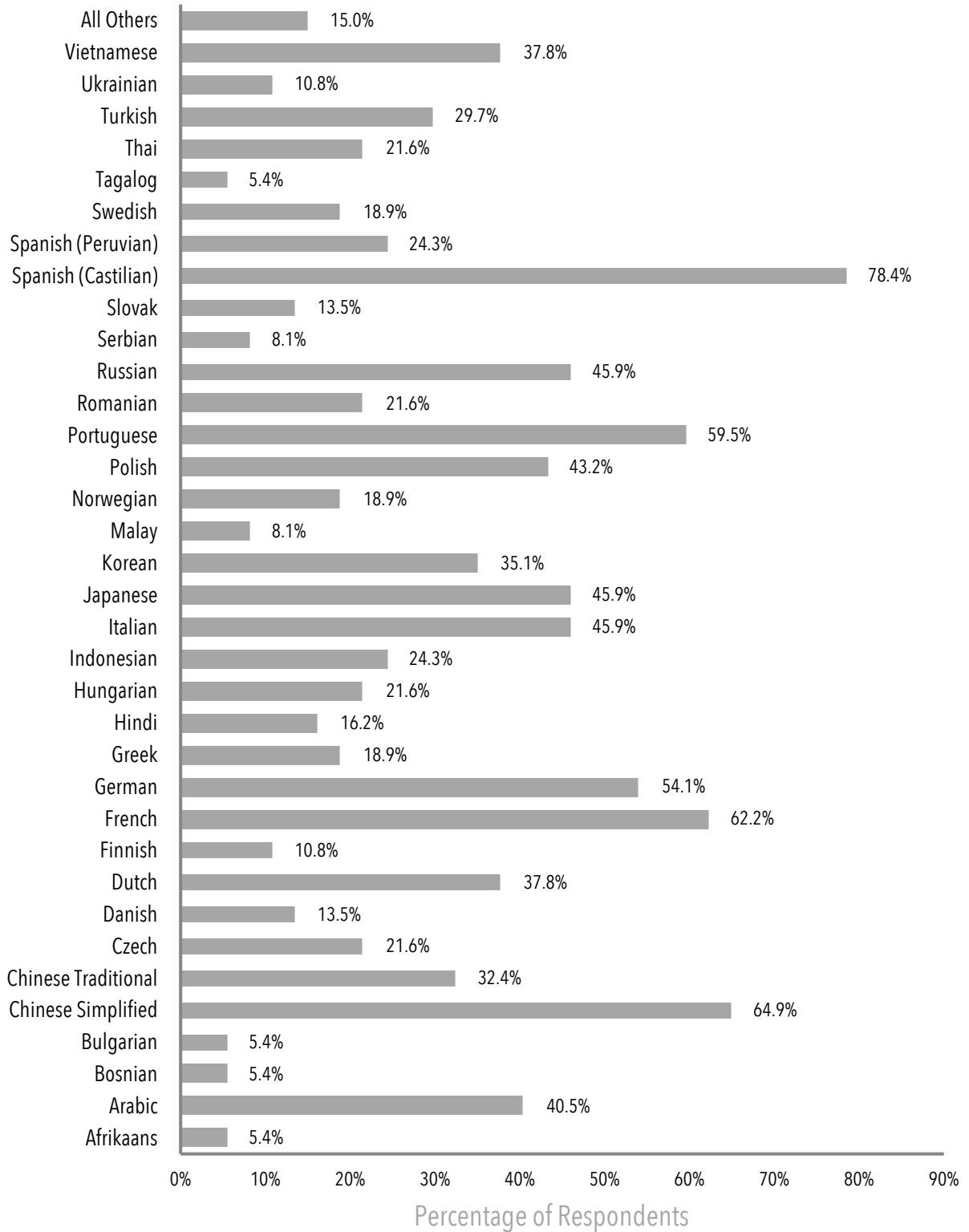
**Fig. 8**

What is the approximate percentage of training modules administered across your organization that are translated into another language?



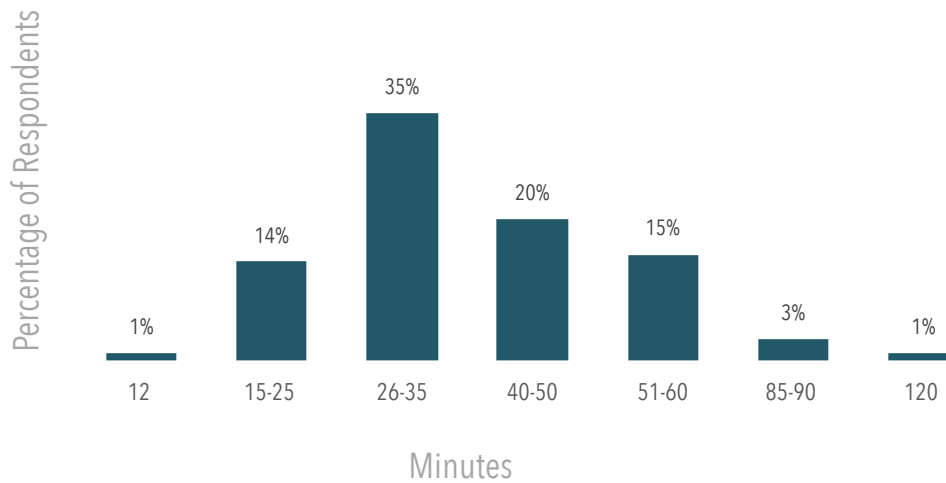
**Fig. 9**

Which of the following languages are currently being used in at least one training module within your organization? (Multiple select option)



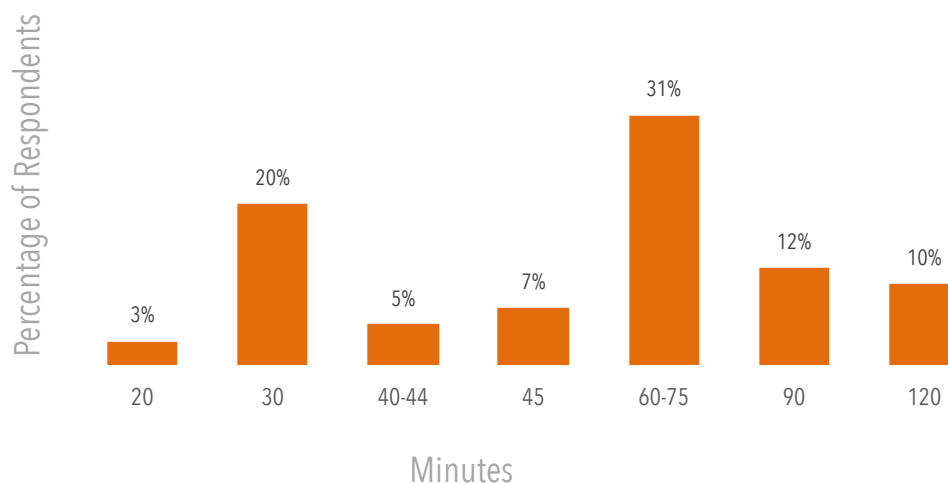
The total time spent taking training is decreasing, but not as much as anecdotal evidence led us to expect. The majority of respondents indicated that their average online course is running between 30-45 minutes; only one respondent indicated they are averaging courses of 12 minutes or less. Live training is trending longer, with a large percentage saying 30-60 minutes, but 20 percent of respondents indicating 75 minutes or longer.

**Fig. 10** How long, on average, are your web-based, online compliance and ethics training courses (in minutes)?

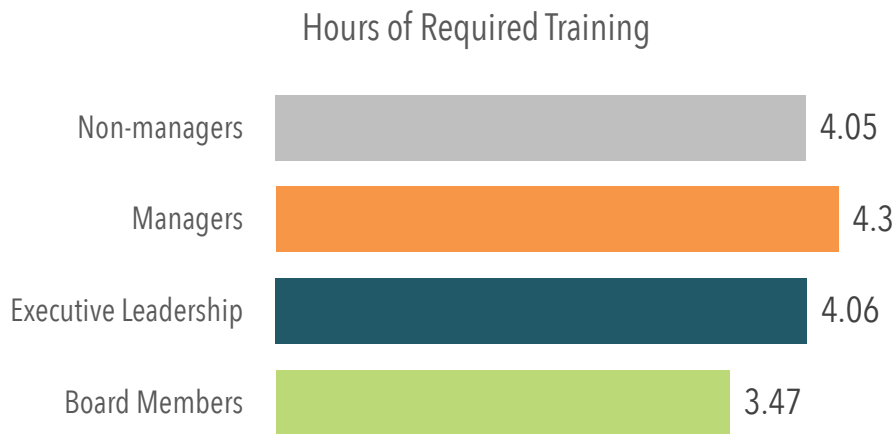


Only 11 percent of respondents indicated they are given a specific “seat time” budget for time spent in training. That said, average time spent in training held fairly steady at approximately four hours, with managers spending on average slightly more (4.30 hours) and the Board slightly less (3.45 hours).

**Fig. 11** How long, on average, are your live, in-person compliance and ethics training courses (in minutes)?



**Fig. 12**



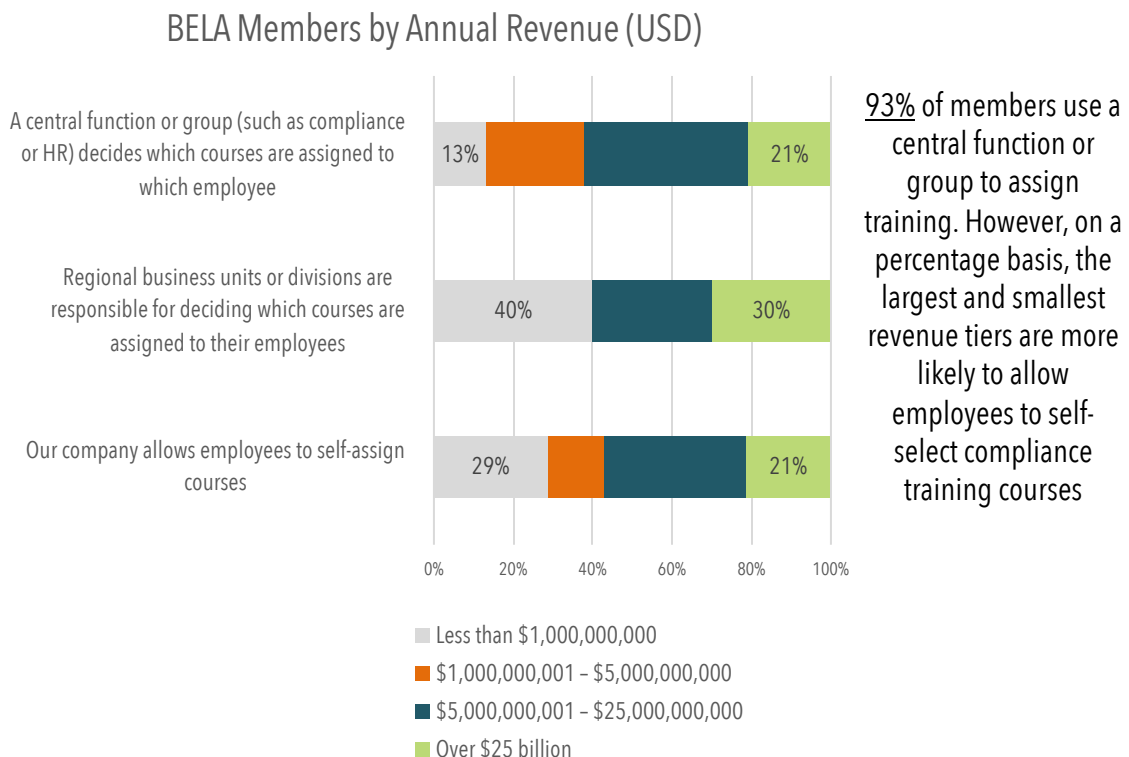
### Targeting the Learner

As reflected in our overall data set, a lot of effort goes in to targeting learning amongst the BELA community.

Ninety-three percent of respondents have centralized their training determinations with 19 percent indicating their employees can self-assign courses in addition. A job change triggers new training at the majority of BELA respondents regardless of size, either right away or at a specific time, indicating that job function is a major assignment criteria at approximately half of responding companies.

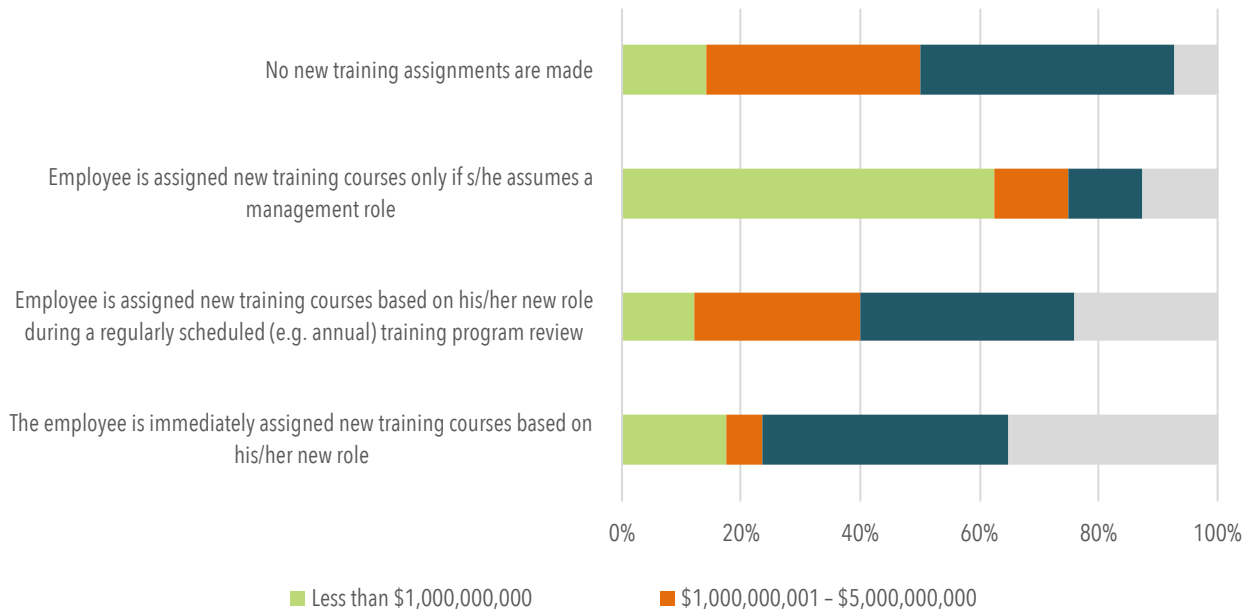
**Fig. 13**

### How are employee training assignments primarily determined?



**Fig. 14**

If an employee changes roles or business units during the year, what are the compliance and ethics training implications?



Comparing this with our World’s Most Ethical Companies® (WMEC) data set, 100 percent of 2016 honorees reported that they maintain a curriculum map and 90 percent of honorees include employee function as at least one of the criteria they use to define the audience for a particular course. Planning training to make certain it is job-focused is correlated in our data set with significantly higher training completion rates, and this makes sense; if I understand how a course relates to what I do, I am considerably more likely to take it and do so quickly.

**Fig. 15**

The impact of targeted training on training completion rates, 2016

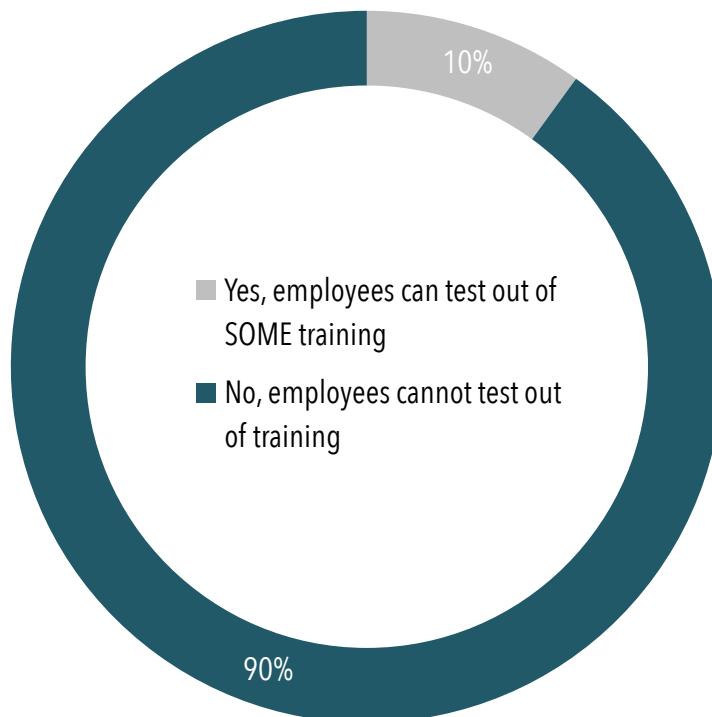
	< 90% Code Training Completion	90-100% Code Training Completion
Our plan defines target training audiences by employee job level	22%	78%
Our plan defines target training audiences by employee tenure	25%	75%
Our plan defines target training audiences by employee function	22%	78%
Our plan defines target training audiences by employee business unit	21%	79%
Our plan defines target training audiences by employee location or geography	23%	77%
Our plan defines target training audiences by another unique characteristic (please specify)	25%	75%

Half of WMEC honorees are experimenting with ways of tailoring training even further with progressive course difficulty that is triggered by an employee’s job responsibilities or tenure and, in limited cases, pretests that allow employees to test out of all or part of a training course. This is in direct response to ongoing concerns about the amount of time employees spend taking training, especially repeat training on topics to which they have already been exposed, and is a trend we anticipate continuing.

Ten percent of BELA respondents indicated they are allowing employees to test out of certain training topics (with restrictions).

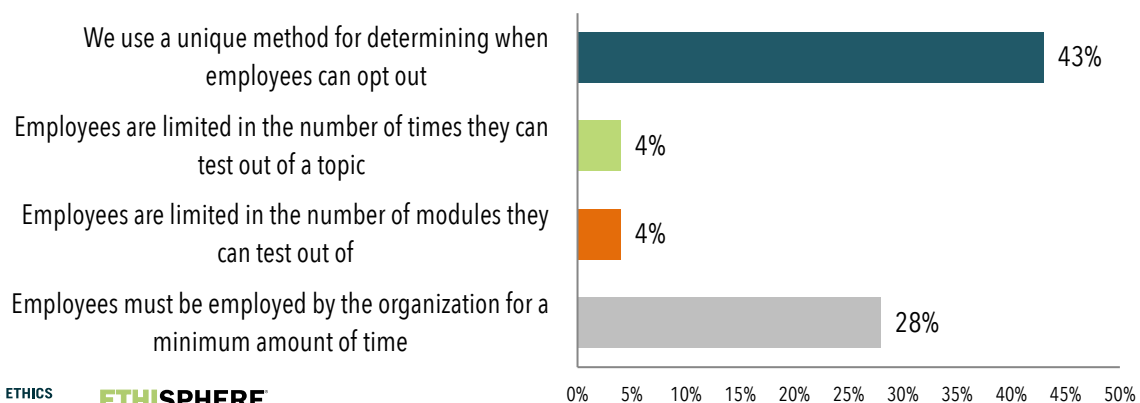
**Fig. 16**

Do you allow employees to test out of compliance and ethics training courses or modules?



**Fig. 17**

Respondents who answered, “Yes, employees can test out of SOME training” (10%):  
How do you determine whether an employee is able to test out of a particular module?  
(Multiple select option)



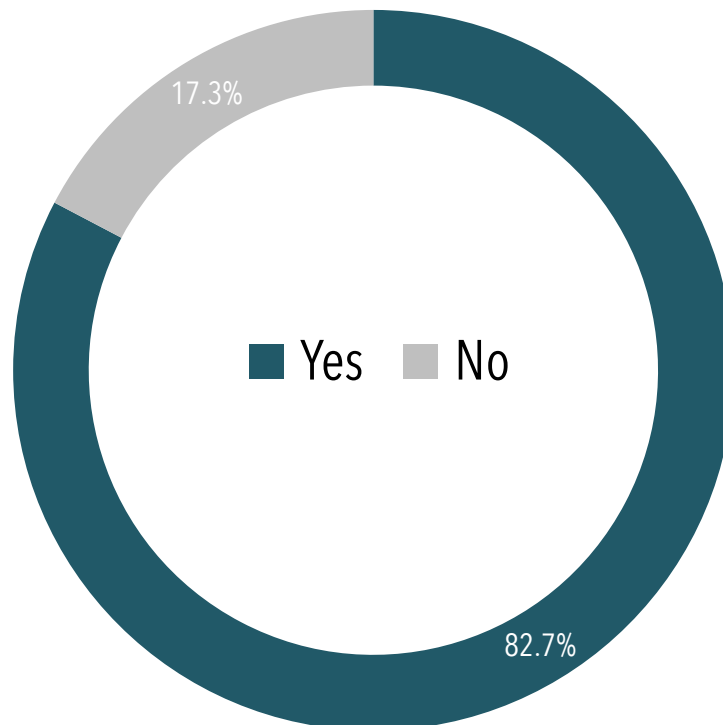
## Training Managers

As we reported for the first time in our 2015 Actionable Insights from the World's Most Ethical Companies data report, organizations have come to realize that it is critical that managers understand the importance of ethical culture and compliance with the law. These managers are integral to the creation of a transparent and open culture within an organization.

The survey results reflect the trend we have seen in our overall data set of a focus on manager training. Eighty-three percent indicate they provide specific training to managers on the special responsibilities they hold with respect to ethics and compliance.

**Fig. 18**

Do you offer targeted training to management on their compliance and ethics responsibilities?





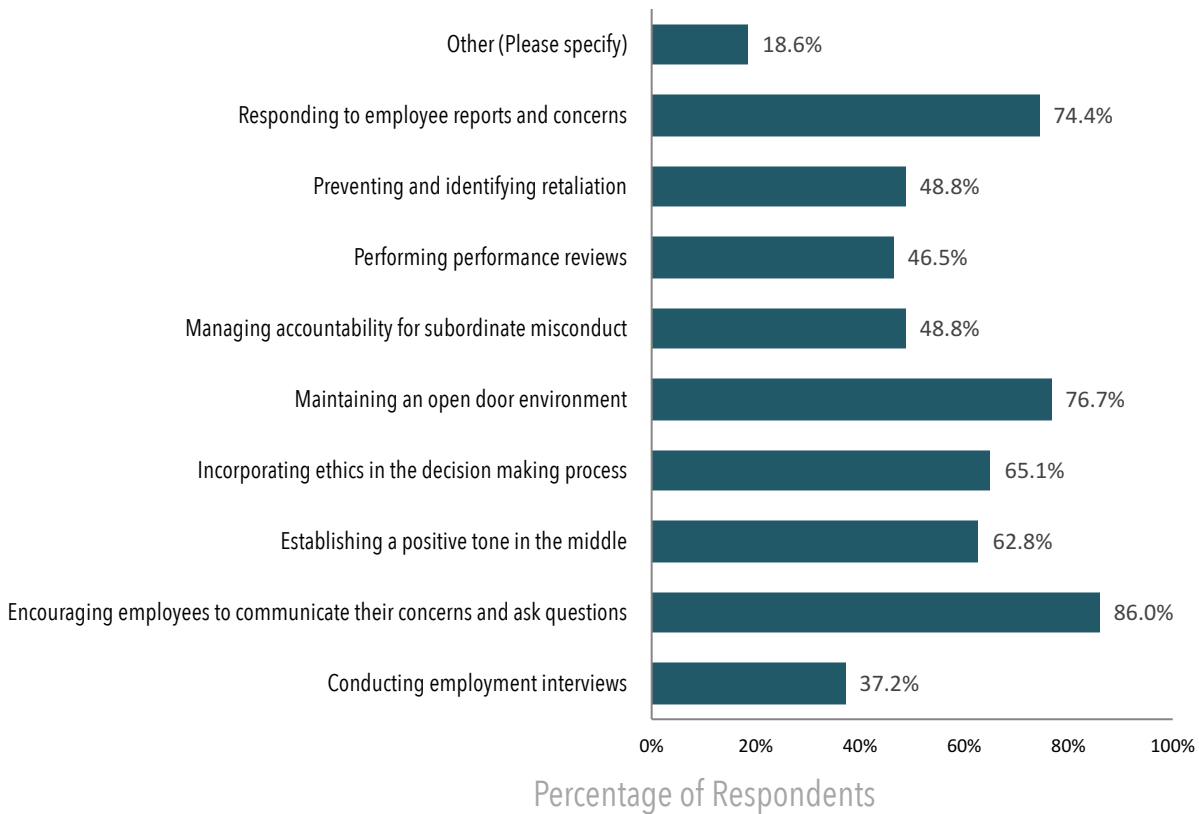
This compares well with our WMEC data, where 90 percent of honorees train their managers. On the WMEC side, this is a staggering 15% increase since 2013. In fact, in 2016 over 75% of honorees:

- Provide targeted training to their managers on these responsibilities,
- Provide the training at least every two years,
- Review and refresh according to the same timeframe; and
- Track training completion rates.

The BELA respondents train managers on a wide variety of topics, which likely accounts for the difference in total training time between managers and non-manager employees.

**Fig. 19**

What topics are included in the management-oriented compliance and ethics training?  
(Multiple select option)



Once again this matches well with our WMEC data. Almost 50% of WMEC honorees are now providing training regarding how to conduct employment interviews – a 19% gain since 2015. This is particularly important when we consider how many managers are being asked to hire without the kind of significant input other corporate functions like Human Resources once had in the process.



## Continued Training: Supporting Materials

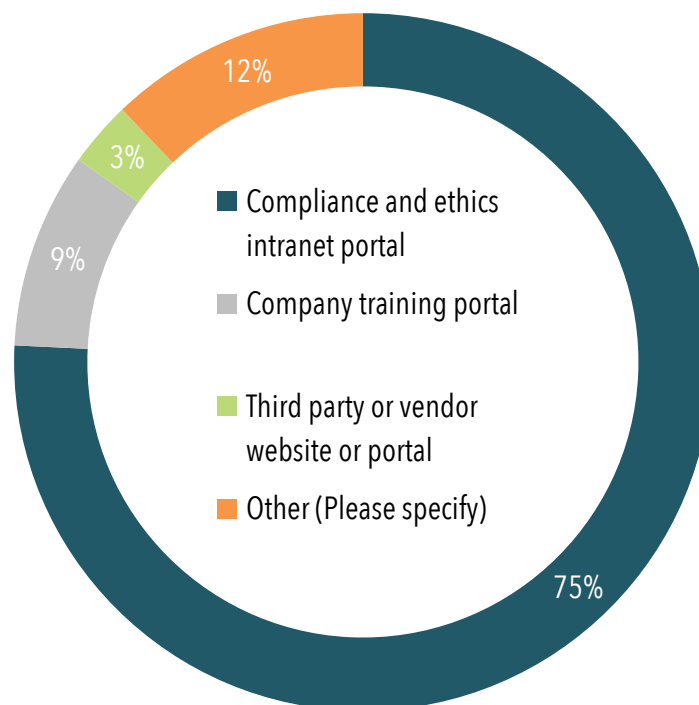
As part of the survey, we inquired about the use of job aids and other easily-accessible support materials. Seventy percent reported that they do maintain a library of job aids or learning aids that are accessible to employees to give context and support around a particular risk area. The types of learning aids varied dramatically by respondent, but included:

- FAQs or other written guidance
- Cartoons or short videos
- Case studies or stories around what happened when someone raised a specific issue
- Interviews with leadership (regional or otherwise)
- Manager toolkits or talking points
- Games or comic books
- Infographics
- Decision trees

Companies are maintaining, on average, 25-30 of these aids, although one respondent indicated they maintain 90. Twenty-seven percent are updating them quarterly, 27 percent are updating them annually, and others are updating them either biennially or on an ad hoc basis. Seventy-five percent are housing them on a compliance and ethics intranet portal.

**Fig. 20**

Where do you house your compliance and ethics job aids?



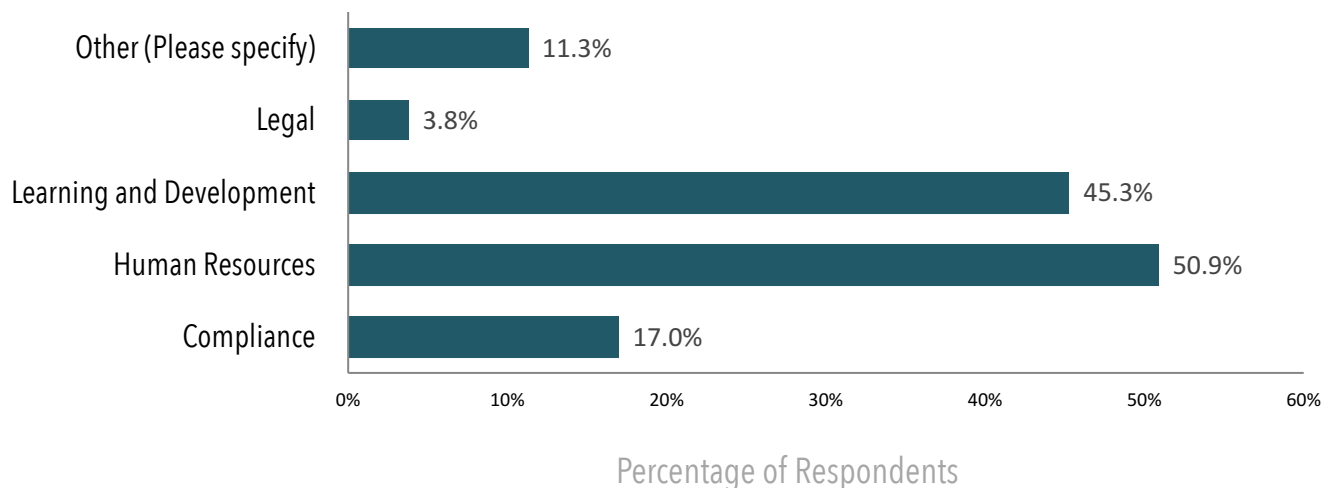


## Technology Challenges: Love your LMS?

Sixty percent of respondents include at least some Learning Management System (“LMS”) costs in their budget, yet only 17 percent reported that compliance was a primary owner of the LMS. Fifty percent of respondents indicated HR was a primary owner, and 45 percent indicated Learning and Development was a primary owner (question was multiple select). Those who answered “other” indicated the other group was either IT or Safety.

**Fig. 21**

Which job function is the primary owner of your Learning Management System?  
(Multiple select option)



Regardless of who owns the LMS, very few respondents were thrilled with its functionality. Only 5 respondents indicated they were “extremely likely” to recommend their LMS to another, with an equal number saying they would not recommend it under any circumstances. Half of respondents gave the survey equivalent of a shoulder shrug: they would neither recommend it nor recommend against it. When asked to name the LMS their organization uses, 6 respondents could not name their system.

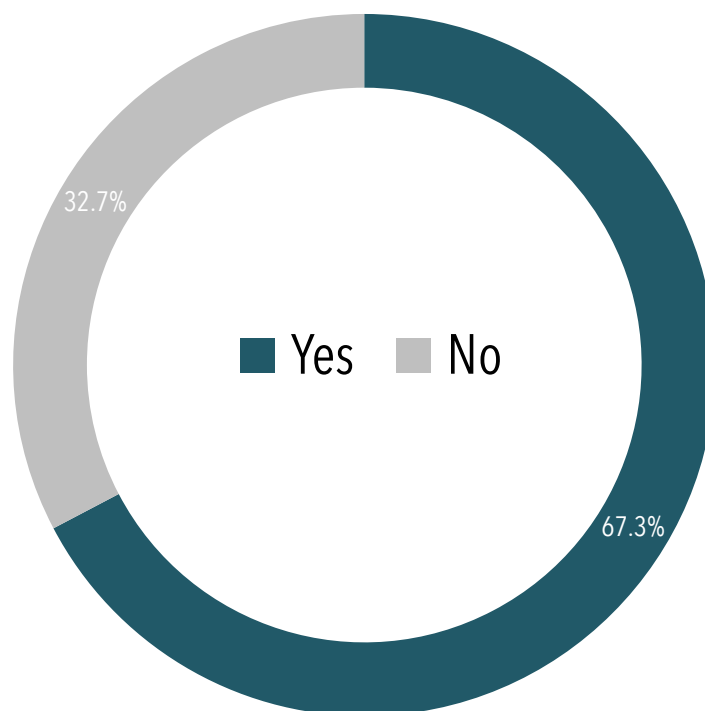


## Global Reach: Training Your Third Parties

Third-party risk management has been a topic of much discussion over the past several years, and we delved into the training of third parties in the survey. Sixty-seven percent of respondents indicated they were offering training to their third parties on compliance and ethics topics. This compares favorably with our WMEC data set where only 59 percent of honorees provide third parties with training and other compliance and ethics resources.

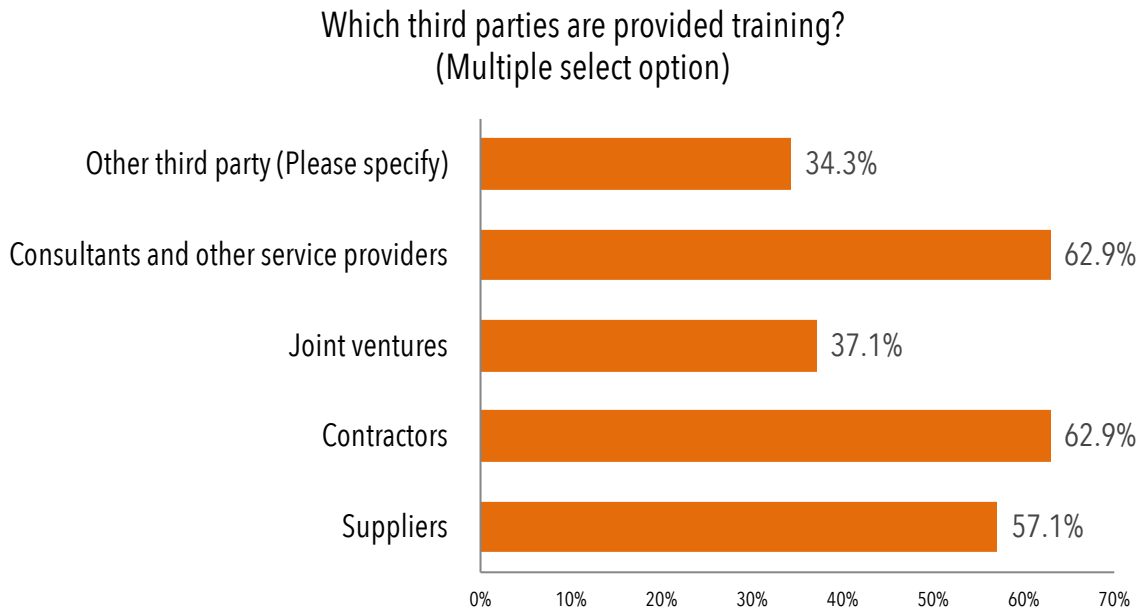
**Fig. 22**

Do you offer training to third parties on their compliance and ethics responsibilities?



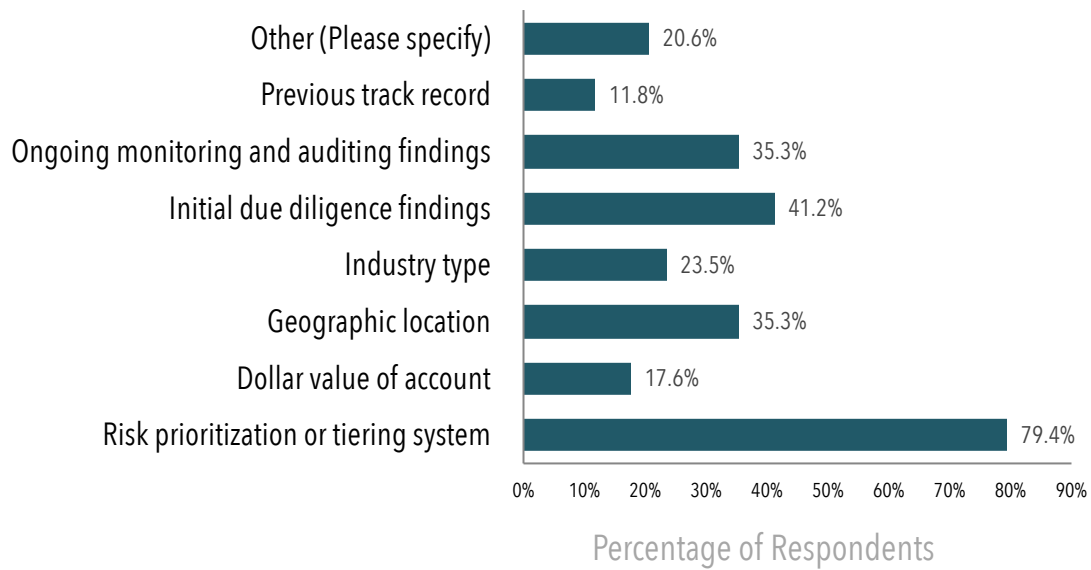
Amongst those who trained third parties, the most commonly trained groups were suppliers, contractors and consultants. Joint venture partners received less attention. Seventy-nine percent of respondents relied on risk ranking to decide who to target with training, with initial due diligence results, ongoing monitoring and geographic location each playing a smaller role.

**Fig. 23**



**Fig. 24**

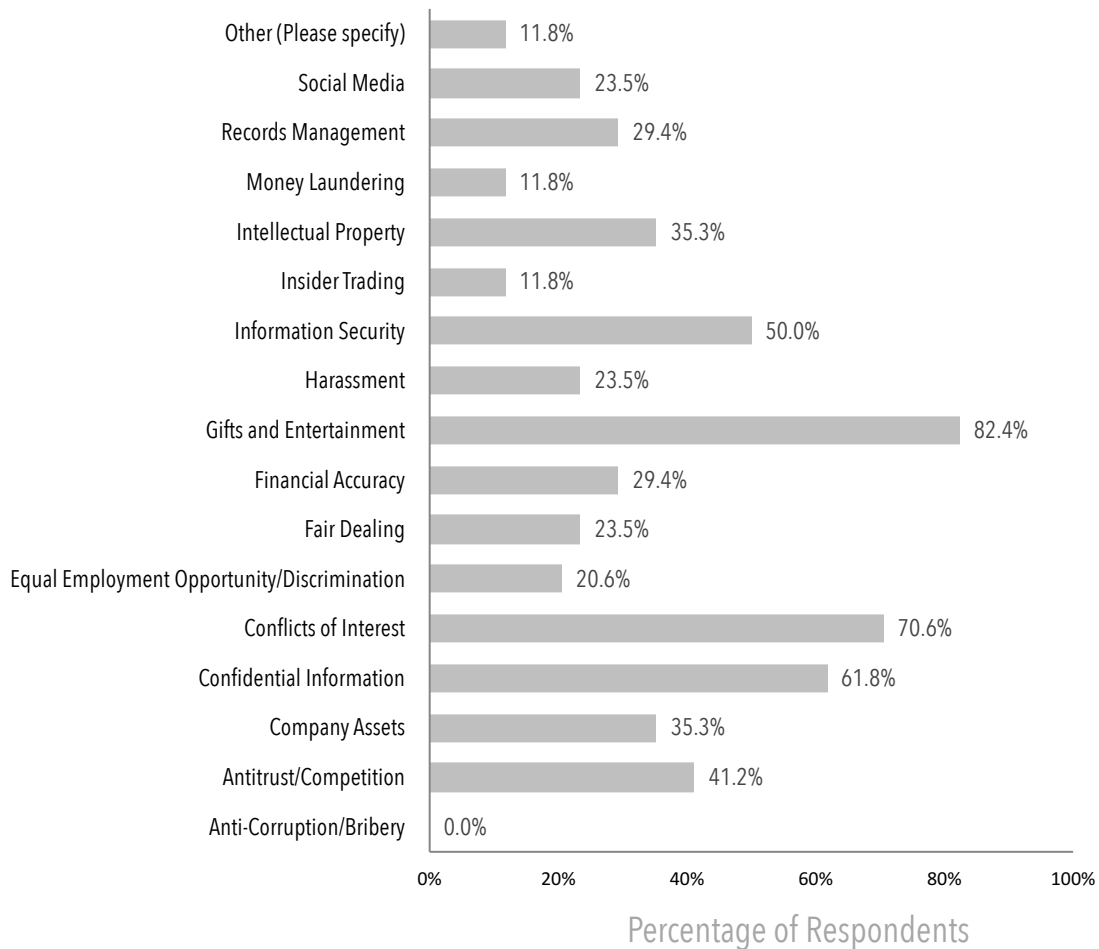
What specific criteria do you use to target third parties for compliance and ethics training?  
(Multiple select option)



Not surprisingly, anti-corruption and gifts and entertainment are by far the most common training topics provided to third parties, followed by conflicts of interest and confidential information. This makes sense, considering both who is receiving training as well as how the training is targeted. Information security is currently being provided by 50 percent of respondents; we anticipate this number will grow as data breach risk rises as a key risk for organizations and security protocols become more stable and more widely adopted.

**Fig. 25**

What topics are included in the third party compliance and ethics training?  
(Multiple select option)



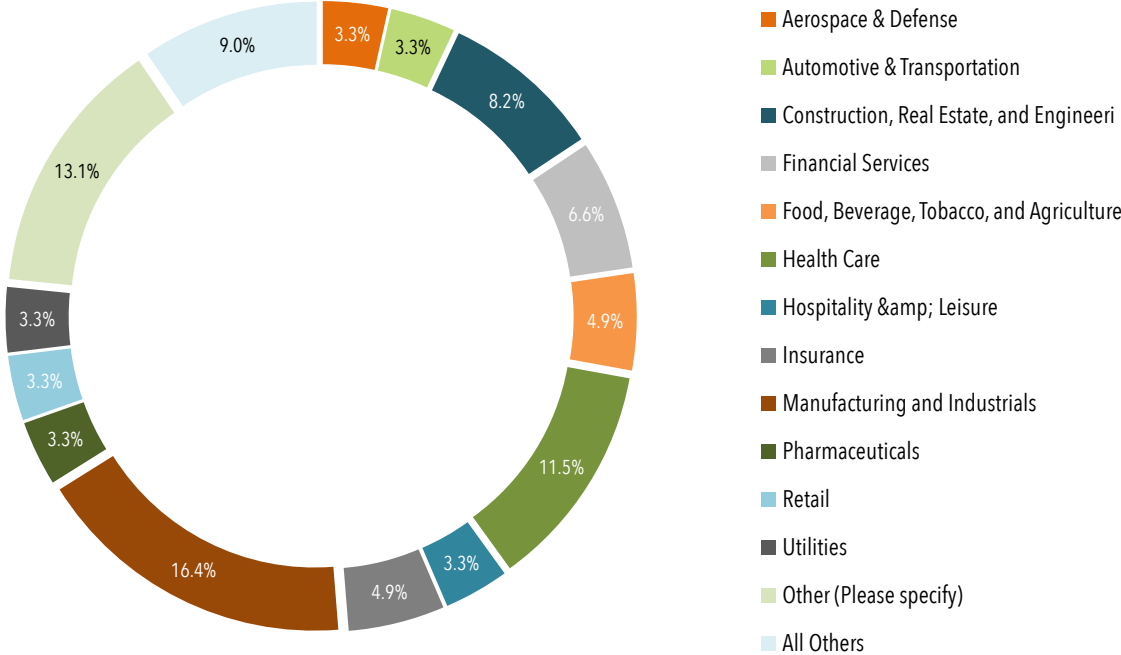


# Methodology and Demographics

Sixty-one BELA members responded to the survey, representing a range of industries as well as company sizes (headcount ranged from 11,000 to more than 250,000). Respondents were not required to answer every question in order to participate in the survey.

**Fig. 26**

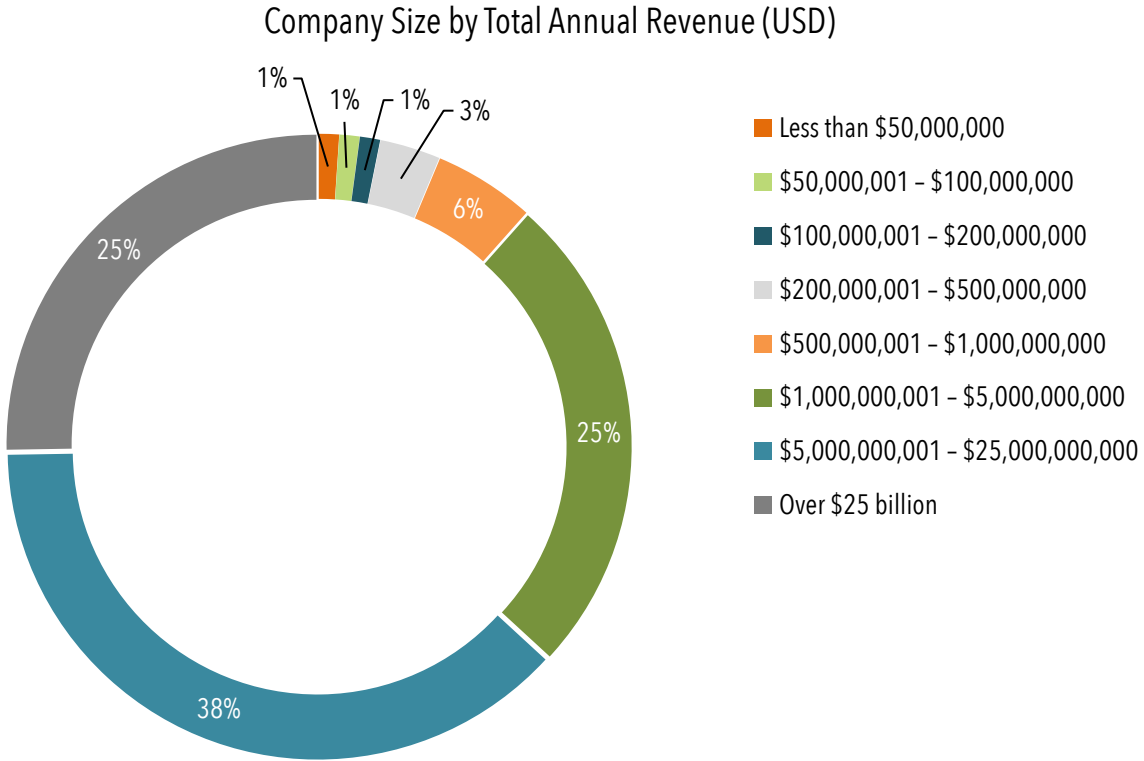
Primary Industry





The majority, at 73 percent, are publicly traded; 15 percent are privately held, and 11 percent are not for profit or public benefit entities. They conduct business all over the world, either directly or through third party partners. Company revenue also varied broadly.

**Fig. 27**



# About Ethisphere

The **Ethisphere® Institute** is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. Ethisphere has deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character. Ethisphere honors superior achievement through its World's Most Ethical Companies® recognition program, provides a community of industry experts with the Business Ethics Leadership Alliance (BELA) and showcases trends and best practices in ethics with the *Ethisphere Magazine*. Ethisphere is also the leading provider of independent verification of corporate ethics and compliance programs that include: Ethics Inside® Certification and Compliance Leader Verification™.

More information about Ethisphere can be found at: <http://www.ethisphere.com>



**ETHISPHERE®**  
GOOD. SMART. BUSINESS. PROFIT.

[www.ethisphere.com](http://www.ethisphere.com)  
p: 888.229.3207