



2020 Global Leader Insights

# **PASSING THE COVID-19 STRESS-TEST:**

Best Practices for Ethics and Compliance Programs

# Welcome to SAI Global's first Global Leader Insights report on *Best Practices for Ethics and Compliance Programs*

The challenges that our community is facing in an increasingly complex risk and compliance environment led us to launch an independent research initiative. Our team set out to identify and examine the ethics and compliance program goals organizations aspire to achieve and what's stopping them from doing so while ensuring a strategic balance of risk, culture, and value.

Our goals were to better understand how global compliance teams are managing their programs and investing their time and money, to ensure you can accomplish your goals around risk mitigation, culture building and regulatory expectations. What we found was mostly in line with what we have been seeing in the market over the past 12 months; a mixed bag of business as usual, surprisingly outdated behaviors and encouragement for the future modernization of this industry.

What we could never have expected are the circumstances 2020 has presented us with, a global pandemic changing the landscape of our societal and economic health and wellness. We're all experiencing the impact of COVID-19 together and hope, first and foremost, that you, your family and your friends are safe.

The nature of our business revolves around risks, some known and familiar, and some new and frightening. With any risk, how you plan, react and respond can make all the difference. The data and findings in our report are particularly interesting and even more essential to consider when observed through the lens of our current environment. Massive adoption of remote work and working from home come with new pressures and dilemmas members of your team will have to confront and overcome.

For example, a poll of attendees at our March 2020 Ethics and Compliance Learning Content Summit revealed that data privacy (including GDPR and CCPA) was the number one risk priority for the rest of the year, followed by the Code of Conduct. When we originally collected similar data from our survey throughout 2019, data privacy ranked as the third-highest priority for this year and the Code of Conduct at the top. Both are essential, but their priority can change in an instant based on the circumstances we're presented with, leading E&C teams to be more flexible than ever.

From our perspective, these new conditions place an even greater emphasis on training your employees and engaging them virtually through online experiences, collaborative tools and human conversations.

This new crisis will test all our values and ability to understand and comply with changing rules and policies. The behavioral shifts we experience over the coming months will leave a lasting impact, even beyond our time as remote workers in makeshift home offices. We do not claim to offer definitive solutions to the challenges that ethics and compliance teams face; indeed, our research is ongoing with a view to publishing more definitive findings later this year.

We hope our assessment provides valuable insights into the current state of ethics and compliance and that it may inform your perspective around the time and money your organization invests in ethics and compliance programs. What we do next will shape our cultures for years to come.

## FOREWORD BY REBECCA TURCO, SVP LEARNING & CONTENT AT SAI GLOBAL

As an executive at SAI Global, there are a few guiding principles that I use to frame any big decisions I make; they're especially true today, as we continue to navigate the direct and indirect effects of this pandemic. Will this help our business today, will it make a positive impact down the road, what are the consequences of not pursuing this option and is it worth the investment of our time, money, energy and attention?

Research conducted on the "Ethics Premium" by our industry peers at Ethisphere, as well as our own philosophy, suggests that time spent on training is not a "sunk cost" or a necessary evil. The data shows that investing in ethics and compliance creates a healthier culture and workforce that will operate in a way that improves the bottom line.

It helps people do the right thing, avoids regulatory failures that damage your brand and reputation – and come with hefty fines – helps your business operate with a more risk-conscious mindset, and builds stronger and happier teams. Enabling people make to the right decisions and creating a trusted environment where they feel like they can speak up to report something wrong is always essential, but it feels even more so now.

There are several decisions that compliance leaders seem to have historically deferred based on the data in this survey, which we've long believed will become the new standard or baseline for best practices. The COVID-19 pandemic has abruptly changed the timeline for their adoption, including more flexible training formats, mobile and tablet-ready learning experiences, and manager-led exercises that build trust, connectivity, and relationships.

The questions for executives and leaders are how do we emphasize the importance of ethical decision making, how do we continue to cultivate a culture of doing the right thing, and how do we continue to connect employees with our missions and values when we face uncertainty? Now more than ever, we as leaders must continue to build resilient ethical organizations.



A handwritten signature in white ink that reads "Rebecca Turco".

**Rebecca Turco**

SVP Learning & Content at SAI Global



## Our findings

By delving deep into the real-world experiences of organizations like yours, we uncovered some interesting findings. We've used this data as a springboard to explore the components of the **who, what, when, where, why, and how** of it all, while also considering the impact of the COVID-19 pandemic.

### WHO: Know and Respect Your Audience

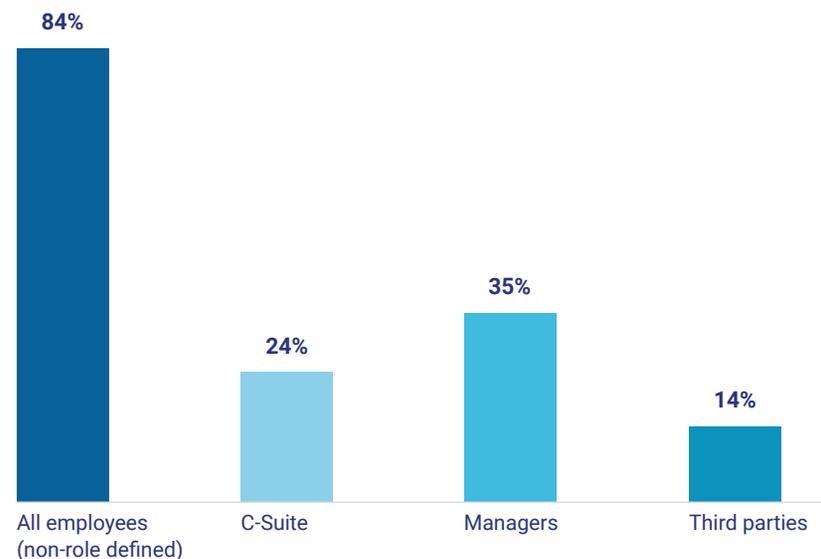
**THE FACTS:** 84% of organizations surveyed will train all of their employees with learning experiences that are not specific to the roles and responsibilities of each individual, 35% deliver manager specific training, 24% deliver c-suite and board-specific training, and only 14% train their third parties, vendors, and consultants.

**SAI EXPERT PERSPECTIVE:** Use adaptive learning capabilities like "profiling" to personalize training based on region, seniority, or responsibility, to ensure people get what they need and feel like they're spending their time on something useful to them. Managers and c-suite leaders play a crucial role in setting the tone for the entire organization, so enabling them with purpose-built training can go a long way in the overall health of an organization's culture and compliance mindset. Third-party misconduct is a risk for any organization, so if you have the budget, extend some training to those external vendors to proactively demonstrate an effort to mitigate the risks aligned with their role in your business.

**PANDEMIC PERSPECTIVE:** Managers and leaders have an even greater role to play during this pandemic. Equip them with ethics and compliance resources to share with their teams and set them up for success as they convey values, policies, and expectations while

people work remote or reacclimate to the office. Global organizations with offices around the world will be resuming business activity at different times; the ability to identify that audience and deliver tailored content to those regions, or teams within those regions who may be even more directly impacted by COVID-19, will help your ethics and compliance program be more successful. If you do train your vendors and third parties, consider that not all of them may be resuming operations on the same timeline.

### ROLES THAT RECEIVE SPECIFIC COMPLIANCE TRAINING



## WHAT: The Right Balance is Everything

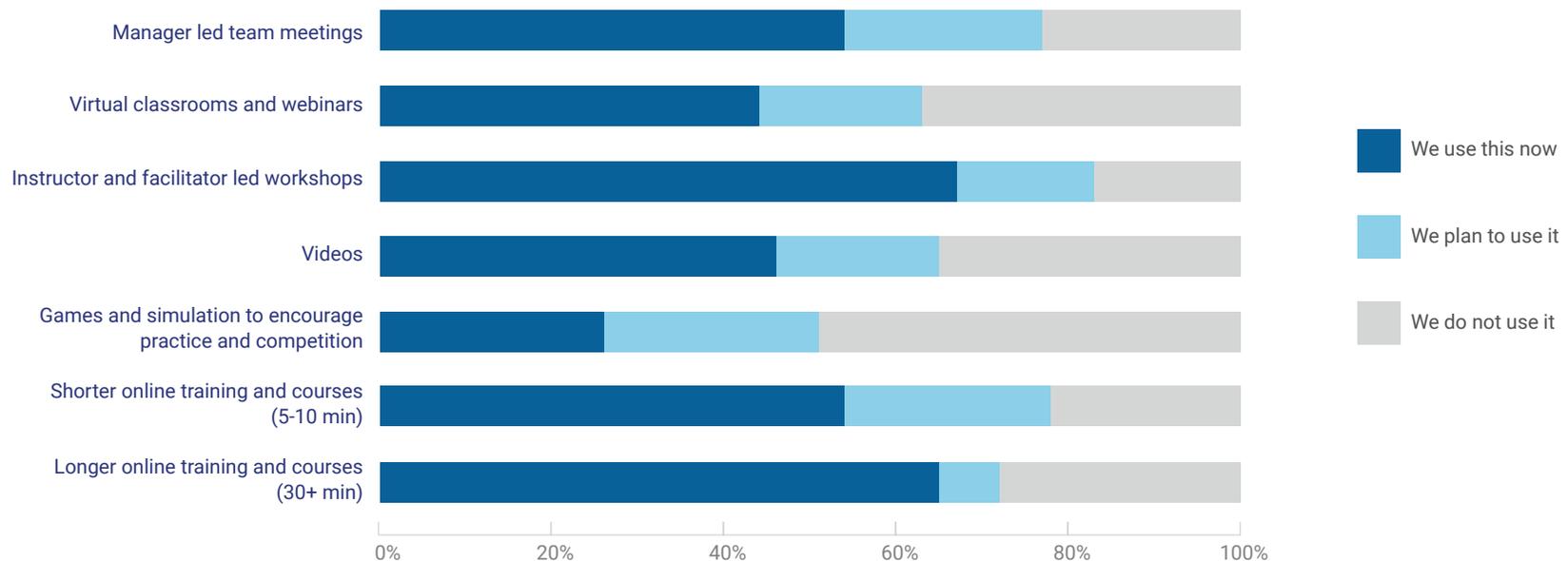
**THE FACTS:** The five most commonly used methods in global ethics and compliance training programs in 2019-2020 are instructor and facilitator-led workshops, 30-45 minute online courses, online hubs of resources and reference tools, 5-10 minute online courses, and manager-led team meetings. The majority of organizations use all of these approaches, blending online and offline experiences and individual and group-based activities. In the future, games and simulations, more 5-10 minute online courses and manager-led team meetings, performance support tools, and videos are high priorities for investment to add to the tool-chest of a best-practice compliance program.

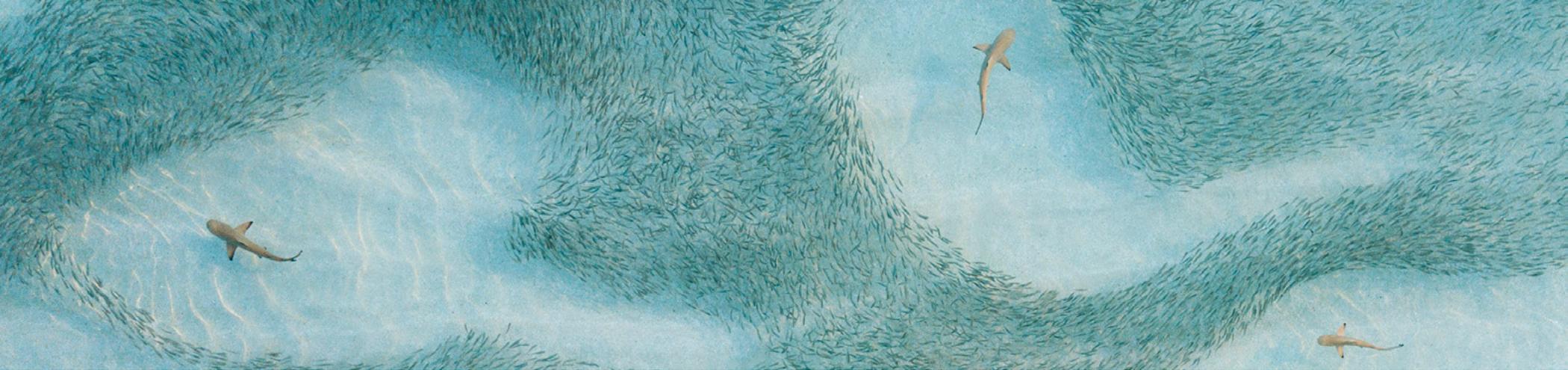
**SAI EXPERT PERSPECTIVE:** It's essential to provide a mix of different experiences, not just to provide learners with a diverse variety of training styles to keep them engaged, but to accomplish different goals your organization may have. Online courses are great for satisfying regulatory requirements, raising employee awareness, and laying a strong foundation of knowledge and risk-readiness. Offline workshops and conversations give those online experiences

more credibility and attention, reinforce the culture your organization aspires to build, creates trust between employees and managers, and can bring potential red flags to the forefront. Incorporating different innovations and styles of short content are smart ways to fill in the blank space between major training roll-outs but can be expensive and challenging to build in-house. Hence, it's crucial to partner with someone you can rely on to deliver new and fresh options to consider each year.

**PANDEMIC PERSPECTIVE:** We believe it is important to keep communications consistent, especially as people may feel more disconnected as remote workers, but the format and purpose of those communications will vary. Because the landscape of COVID-19 is changing so rapidly, relying on guidance from health professionals and communicating that through your teams is more practical than formal training experiences specific to COVID-19, but certain risks that already exist may be elevated as a result, so consider what those may be for your organization and find ways to keep those top of mind without feeling insensitive.

WHAT APPROACHES, METHODS AND MEDIA DO YOU USE IN YOUR COMPLIANCE TRAINING PROGRAM





## WHEN: There's No Time Like the Present

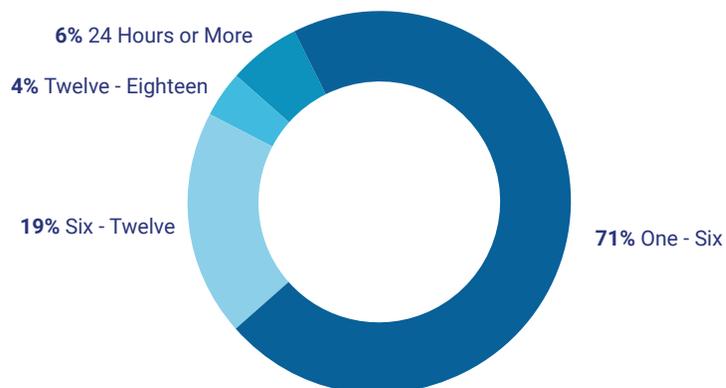
**THE FACTS:** 71% of survey participants will spend up to six hours per year, per employee, on ethics and compliance training and related initiatives, and 19% will go up to 12 hours. The majority (63%) of our participants have deviated away from long singular experiences focused around “annual training” and migrated towards a more strategic approach of quarterly (28%), semi-annual (18%), and monthly (17%) initiatives.

**SAI EXPERT PERSPECTIVE:** Regardless of how much time you decide to devote to training each year, break it up into smaller chunks that are more strategically delivered around high-context internal and external events. This time-based strategy will improve the resonance

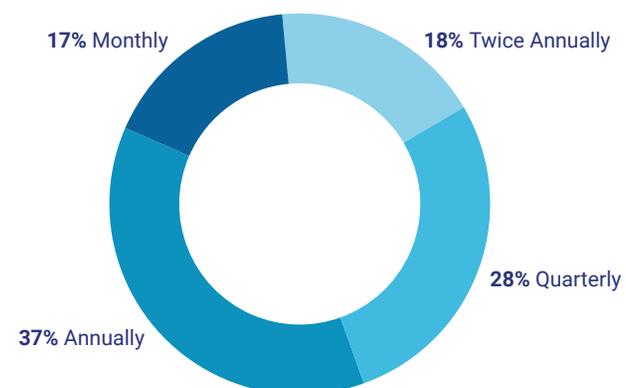
of each experience and give learners more time to process and operationalize the information they receive. It also reduces the perceived burden of time they're spending and gives your program more flexibility to align with the goals of the business.

**PANDEMIC PERSPECTIVE:** We've seen some of our customers ramping up training during this pandemic to get it done while colleagues have the time to spare, while others are cutting back on training to give people the room they need to cope with this pandemic's effects in their own way and focus on other aspects of the business. The right approach is unique to each organization, and that's never been more true.

HOURS SPENT TRAINING EACH YEAR



HOW OFTEN DO YOU RELEASE COMPLIANCE TRAINING EACH YEAR?



## WHERE: Redefining The “Out Of Office” Message

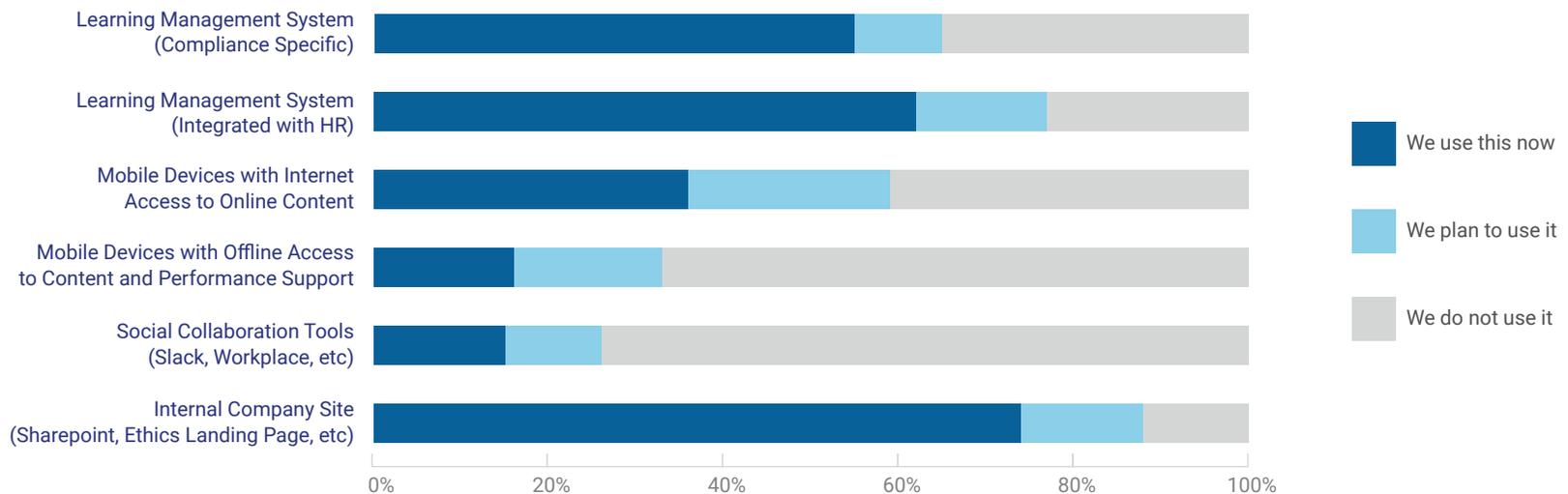
**THE FACTS:** Our data suggests that the vast majority of ethics and compliance training is still consumed on computers at desks in offices. 74% of organizations currently use an internal company site, such as Sharepoint or another dedicated webpage, combined with an LMS of some kind (62% combined with HR, 55% compliance specific) to share, host, and distribute online ethics and compliance training and related materials. Ethics and compliance programs still do not leverage social collaboration tools like Slack or Workplace (15%) or mobile devices with online (36%) or offline (16%) access to content; however, mobile is their top area for future investment among delivery options.

**SAI EXPERT PERSPECTIVE:** The sooner you can adopt a mobile approach to your training, the better off you’ll be. Expanding training experiences beyond computers isn’t a matter of if, but when, and it’s soon. We proactively build all of SAI Global’s training and learning content with responsive design, so it is 100% functional on any tablet or mobile device. Whether it’s adopting this approach

to accommodate an increasingly remote workforce, during the COVID-19 pandemic, make it more operational and practical in the field when people travel for work again, or to align with the media consumption habits of your current and future employees, this shift is coming. Ethics and compliance training is typically a laggard in adopting technology trends, but always does; this is a prime example of something that is easy to plan for and should be a priority for your organization moving forward.

**PANDEMIC PERSPECTIVE:** Whatever platforms and devices you use to support your compliance training program, you should review the language and messaging currently there and consider updating it to reflect the current environment if you haven’t already. Policies and basic information you convey may need to be revisited to reflect employees working from home. As employees continue to work remote, rolling out a test or pilot of mobile-training is worth exploring, as their personal mobile or tablet devices are likely serving as their second screens in their home office.

### WHICH PLATFORMS, DEVICES AND TOOLS DO YOU USE TO SUPPORT YOUR COMPLIANCE TRAINING PROGRAM

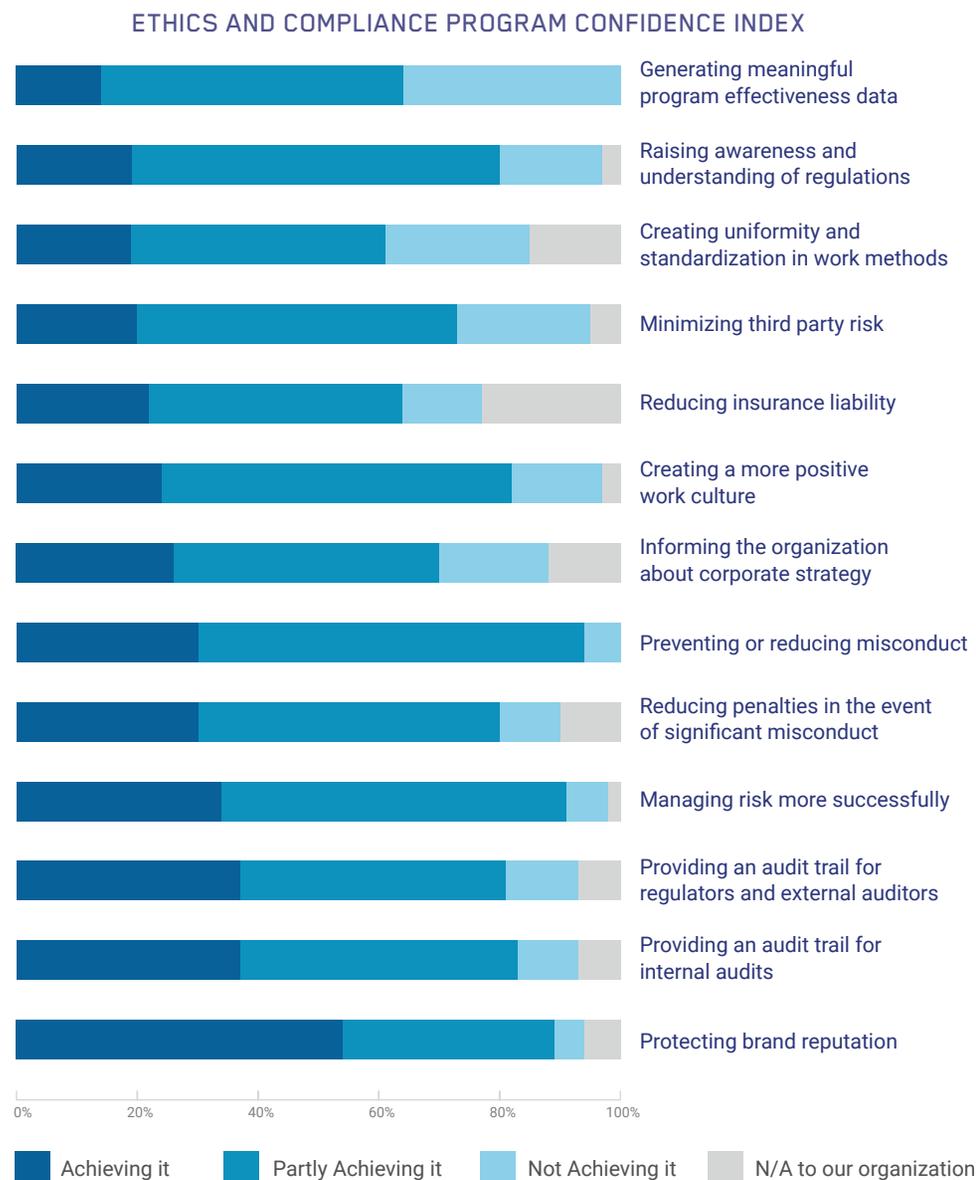


## WHY: Effectiveness is a State of Mind

**THE FACTS:** Meeting regulatory and legal requirements aren't the only reason for a compliance program, so we asked our participants why they invest in ethics and compliance and the extent to which they're achieving those desired outcomes. Surprisingly, the only outcome more than 50% of participants confidently believed they are achieving is "protecting brand reputation." The one outcome that people were least confident they achieve is the generation of meaningful program effectiveness data, representing only 15% of our participants. Over 35% of participants bluntly admitted that they currently do not generate meaningful program effectiveness data. The 5 outcomes being "partly achieved" or "achieved" to the highest degree (ranging from 81% to 94% of participants) are preventing or reducing misconduct, managing risk more successfully, protecting brand reputation, providing an audit trail, and creating a more positive work culture.

**SAI EXPERT PERSPECTIVE:** Regardless of why you invest in ethics and compliance, to successfully achieve your goals aligned with that investment, it is essential to align the behaviors and practices of your program and broader organization with the outcomes you aspire to achieve. One of the most significant reasons many organizations struggle with program effectiveness is because they do not define KPIs for what an effective or ineffective program looks like and then build towards them. Instead, they retroactively collect the data they have and try to find meaning in it. By spending more time reflecting on your goals and why they're essential before you pursue them, you'll be more likely to achieve them successfully.

**PANDEMIC PERSPECTIVE:** Meaningful program effectiveness is clearly a challenge, so consider using this pandemic to rethink what "meaningful" effectiveness looks like to you and your stakeholders and how this global event may have adjusted your perception of effectiveness so you can set clear goals for what you'd like to achieve when business returns to the usual.



## HOW: Managing the Message

**THE FACTS:** We asked our participants how they encourage learners to engage with the online learning and training they receive, and how they apply it to their jobs. The consensus activity, supported by 63% of participants, was to work directly with senior members of the organization, directors, and managers to have them endorse each activity. That fundamental best practice is supported by regular reminders (44%), a purposeful communication plan (41%), and an internal marketing campaign to promote the activity before being launched (41%). Lower on the list, and partially contradictory to the most widely adopted approach, was fostering employee trust in managers and senior leaders (32%), providing managers with resources to encourage the application of training (31%), and giving managers the freedom to encourage staff to make time to focus on compliance (29%).

**SAI EXPERT PERSPECTIVE:** These responses focus on building a trusted, supportive tone from the middle and embracing a “campaign-based approach” to your program where it’s always in the air, embedded into the culture and flow of work. We strongly believe these to be the best practices that improve effectiveness. When we dove deeper

into our data to discover what activities align with the most highly performing programs among participants, our beliefs were validated. They ranked at least 15% above the average ratings for each of the activities listed above. If you want to build more successful ethics and compliance programs, a strategic communication plan and consistent support and reinforcement from internal leadership are instrumental, inexpensive, effort-based strategies to implement.

**PANDEMIC PERSPECTIVE:** How has your ethics and compliance communication cadence changed during this pandemic, and what role are your managers, directors, and senior leaders playing? If you’ve never overly communicated about training and your corporate values before, taking that approach has an even stronger purpose and value now, so it’s a good opportunity to explore if you haven’t in the past. If you do work with managers and leaders and communicate frequently, the tone and message of those communications will need to be delicate around the circumstances people are experiencing, both personally and professionally, to ensure they don’t do more harm than good.

### HOW DO YOU ENCOURAGE LEARNERS AND MANAGERS TO ENGAGE WITH AND APPLY ONLINE LEARNING?



## OUR METHODOLOGY

This report represents our initial research findings from our 2020 Ethics and Compliance Benchmark Report Survey based on the views of 180 senior ethics and compliance leaders collected between June – December, 2019. Over 30 industries are represented by the data, with the top 10 industry participants recognized in healthcare, manufacturing, financial services, education, technology, aerospace and defense, automotive, finance, government, and professional services. Over 70% of the participants are specialized in ethics and compliance roles, with HR, legal, and audit teams sharing insights as well. 41% of organizations represented have over 5,000 employees, 27% of have 1,000 – 5,000 employees, and 32% have under 1,000 employees. 39% of participants generate over 1 billion in annual revenue, with 26% falling between 50 million and 999 million, and remaining participants split between those earning less than 50 million (22%) and non-profit and government organizations (19%). The vast majority of participants are headquartered in North America and Europe, with survey representation across six continents and multinational reach.

In addition to this data, the report also includes editorial perspectives based on SAI Global's experience working with these industries, bringing us to a set of actionable insights and data to help inform the decisions you and your peers make. Interested in a look at our raw data or an industry-specific slice of the findings? **Contact us today.**



## AN EVERCHANGING REALITY FOR ETHICS AND COMPLIANCE

From our analysis of this data – and our in-the-trenches experience helping organizations prepare for, respond to, and learn from ethics and compliance threats of all shapes and sizes – it’s clear that the future of the industry calls for a fresh approach to ethics and compliance management.

These are unprecedented times. Our abilities to comply with rules and policies and act in alignment with our values are being put to the test. And as we move through 2020, we will be faced with a new reality, one that will stress-test the bonds of our culture and community and emphasize just how essential empathy is in how we work with and treat each other. It will put regulators in unfamiliar positions and force leaders across all aspects of a business, including ethics and compliance teams, to be innovative, creative, flexible, and profoundly human.

It’s safe to say this might be the strangest year of our 25+ in business, but we’re all experiencing it together. We genuinely do not know how the rest of the year will unfold in the big picture, but we will be here, through thick and thin, and hope that you’ll look to our team for guidance and help whenever your ethics and compliance program needs it.

To schedule a conversation to discuss your ethics and compliance program with a member of SAI Global’s team, **visit our website.**



## ABOUT SAI GLOBAL

SAI Global helps risk and compliance professionals proactively manage risk to create trust and achieve business excellence, growth and sustainability for their organizations.

SAI360, our world-leading Risk platform, is the most complete integrated approach to risk management on the market including compliance management, enterprise & operational risk management, EHS & operational excellence, ethics & compliance learning and digital risk & business continuity use cases. Combining market-leading software capabilities, learning content and controls, SAI360 provides a line of sight to navigate risk and compliance management by addressing it from every perspective.

SAI Global is headquartered in Chicago, U.S., and operates across Europe, the Middle East, Africa, the Americas, Asia and the Pacific. Discover more at [www.saiglobal.com/risk](http://www.saiglobal.com/risk) or follow us on [LinkedIn](#). To see SAI360 in action, **request a demo**.