



REPORT ON

Compliance and Ethics Training Survey Findings

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Executive Summary

This report analyzes OCEG's recent survey on compliance and ethics training practices across various industries and organization sizes. The survey, which gathered responses from 375 professionals involved in compliance and ethics training, reveals significant insights into how organizations approach this critical aspect of corporate governance.

Key findings include:

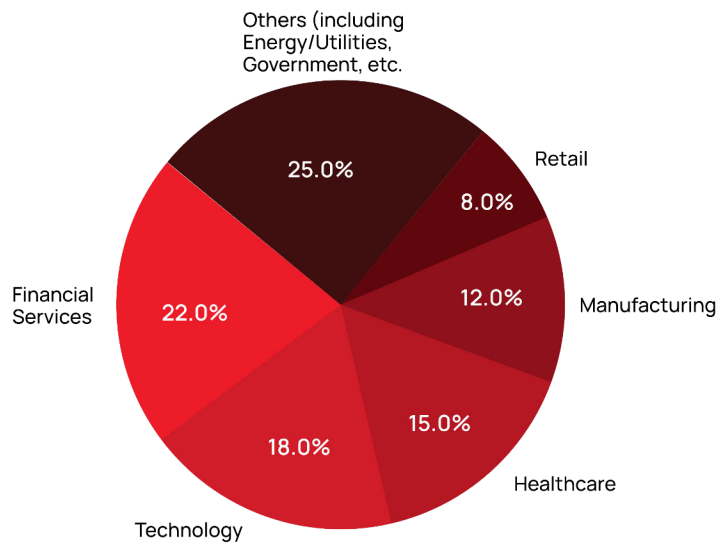
- 1. Regulatory pressure significantly shapes training approaches*, with highly regulated industries demonstrating more sophisticated and resource-intensive programs.
- 2. Organization size strongly correlates with training sophistication*, suggesting a potential capability gap between large and small organizations.
- 3. Ensuring engagement and participation in training is a universal challenge*, though addressed differently based on resources and regulatory pressures.
- 4. Training methods and content customization vary widely*, influenced by both industry regulation levels and organization size.
- 5. Budget allocation and willingness to invest in innovative learning solutions vary considerably*, potentially creating an ethics gap in preparedness for future challenges.

These findings have important implications for organizations, regulators, and training solution providers in enhancing the effectiveness of compliance and ethics training programs. They suggest a field in transition, grappling with how to make ethics and compliance training more effective, engaging, and relevant across diverse organizational contexts.

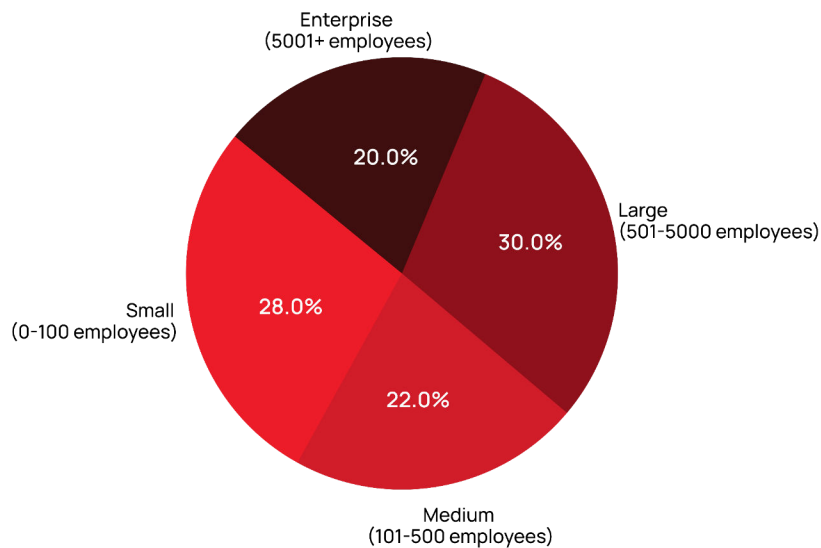
Survey Demographics: A Reflection of the Corporate Landscape

The survey gathered responses from 375 professionals across various industries and organization sizes, providing a snapshot of the current corporate landscape and its approach to compliance and ethics.

Industry Distribution



Organization Size



The distribution of respondents provides valuable insights into the current approach to compliance and ethics training:

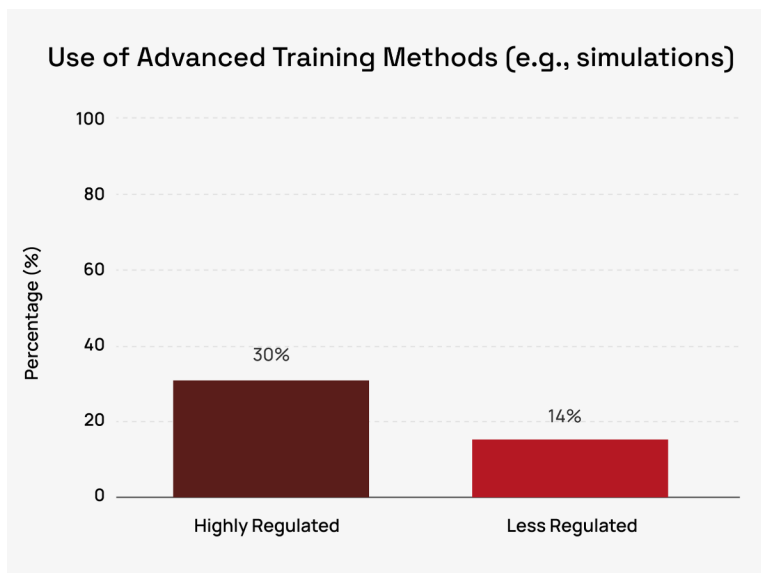
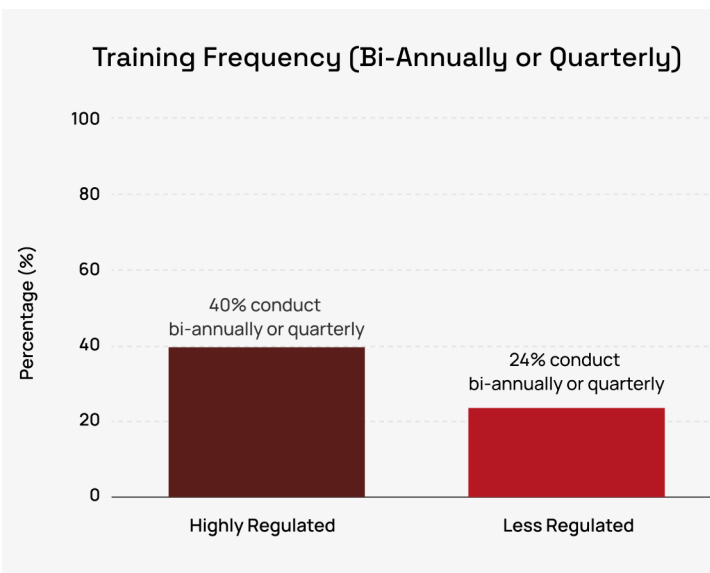
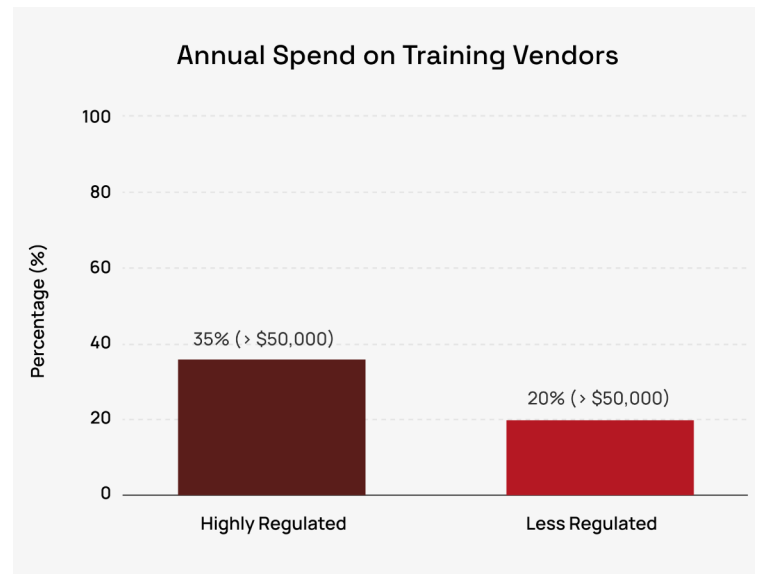
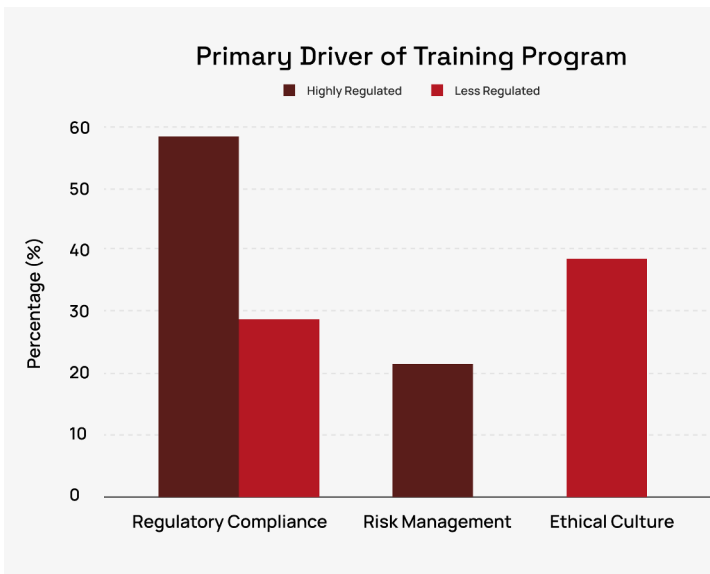
- The significant representation from Financial Services (22%) and Healthcare (15%) reflects the historically high regulatory scrutiny these industries face. Their prominence suggests a greater emphasis on compliance and ethics training in these sectors.
- The strong showing from Technology (18%) and Manufacturing (12%) indicates the growing importance of ethics and compliance in these sectors, possibly due to increasing regulation in data privacy and environmental standards, respectively.
- The substantial representation of both small (28%) and large/enterprise organizations (50% combined) allows for meaningful comparisons across organization sizes, reflecting the diverse nature of the business ecosystem.

Implications:

- The varied industry representation suggests that compliance and ethics training is becoming a cross-sector priority, not just a concern for traditionally regulated industries.
- The balanced distribution across organization sizes indicates that ethical concerns are relevant regardless of company scale, though approaches may differ significantly.
- This diverse representation provides a comprehensive view of the ethics and compliance training landscape, allowing for insights that can be applied across various corporate contexts.

Impact of Regulatory Pressure on Training Approaches

One of the most significant findings is how regulatory pressure shapes an organization's approach to compliance and ethics training. The stark differences in training approaches between highly regulated and less regulated industries reveal the profound impact of regulatory pressure.



These differences highlight how regulatory requirements drive investment and innovation in training programs.

Key Observations:

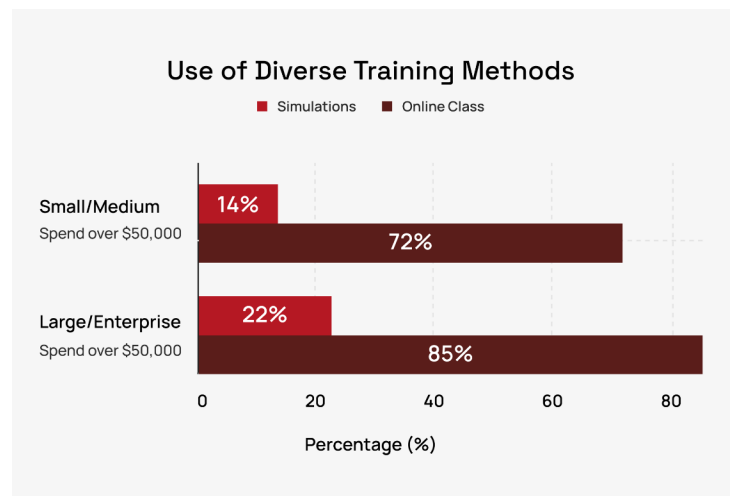
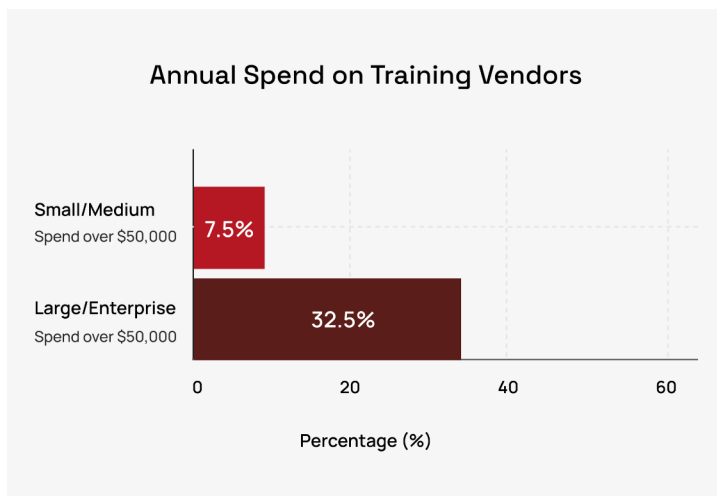
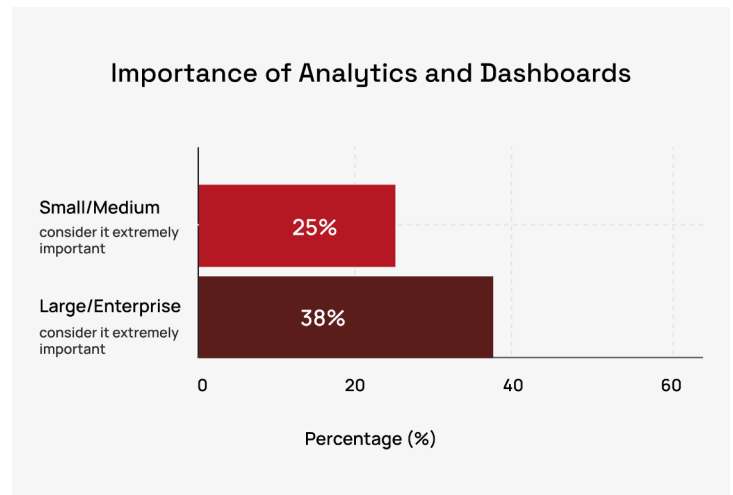
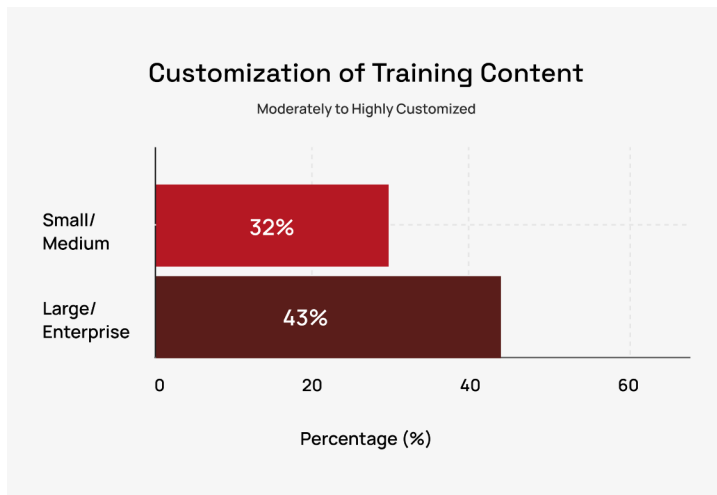
- The focus on regulatory compliance (59%) in highly regulated industries suggests a reactive approach, potentially at the expense of proactive ethical culture-building.
- Higher spending and more frequent training in regulated industries might indicate a compliance premium—the additional cost of doing business in heavily regulated sectors.
- The greater use of advanced training methods (e.g., simulations) in regulated industries (30% vs 14%) could reflect a need for a more nuanced understanding of complex regulatory requirements.

Implications:

- While regulation drives investment in training, it may also create a tick-box mentality, prioritizing compliance over genuine ethical engagement.
- Less regulated industries, with their focus on ethical culture, might be better positioned to create sustainable, ethical practices that go beyond mere compliance.
- The disparity in approaches raises questions about the effectiveness of regulation in promoting genuine ethical behavior versus superficial compliance.
- The regulation-driven approach may lead to a two-tiered ethics landscape, where highly regulated industries have more sophisticated but potentially less culturally integrated ethics programs.

Influence of Organization Size on Training Sophistication

The survey reveals a strong correlation between organization size and the sophistication of compliance and ethics training programs. This relationship highlights a significant divide in the corporate world's approach to compliance and ethics training.



This data suggests a sophistication gap in compliance and ethics training between large and small organizations.

Key Observations:

- Larger organizations' preference for customized content (43% vs 32%) suggests a more tailored approach to ethics, potentially reflecting complex organizational structures and diverse ethical challenges.
- The emphasis on analytics in larger organizations (38% vs 25%) indicates a more data-driven approach, possibly leading to more effective and targeted training programs.
- The fourfold difference in high-budget training programs (32.5% vs 7.5% spending over \$50,000) reveals a resource gap that could lead to disparities in ethical preparedness.

Implications:

- Due to resource constraints, smaller organizations may be at a disadvantage in developing robust ethical cultures, potentially increasing their vulnerability to ethical breaches.
- The sophistication gap could create a two-tier system of ethical preparedness in the business world, with larger organizations better equipped to navigate complex ethical landscapes.
- This disparity might necessitate the development of more accessible, scalable training solutions to level the playing field for smaller organizations.
- The resource gap raises questions about smaller organizations' long-term ethical resilience and ability to compete in an increasingly ethics-conscious business environment.



Universal Challenge: Ensuring Engagement and Participation

Across all organization types, ensuring engagement and participation in compliance and ethics training emerged as a top challenge. This universal struggle reveals fundamental challenges in compliance and ethics training methodologies.



Roughly
30%

of organizations across all categories cite engagement as a primary challenge.

Approaches to addressing this challenge vary:

- Highly regulated and larger organizations are more likely to use diverse methods (simulations, gamification) to boost engagement.
- Less regulated and smaller organizations focus more on in-person workshops and basic online courses.

Key Observations:

- The universality of this challenge (roughly 30% across categories) suggests that traditional training methods may not resonate with modern workforces.
- The varied approaches to addressing engagement – from high-tech simulations in larger organizations to in-person workshops in smaller ones – highlight how resource availability shapes problem-solving in this area.
- The persistence of this challenge despite varied approaches indicates that engagement in compliance and ethics training is a complex, multifaceted issue that goes beyond mere methodology.

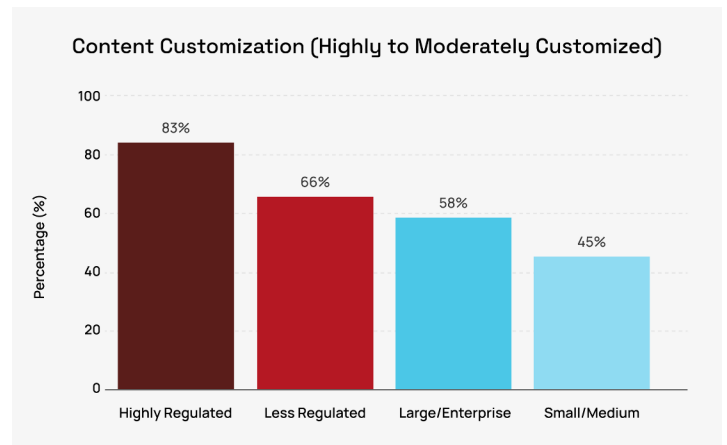
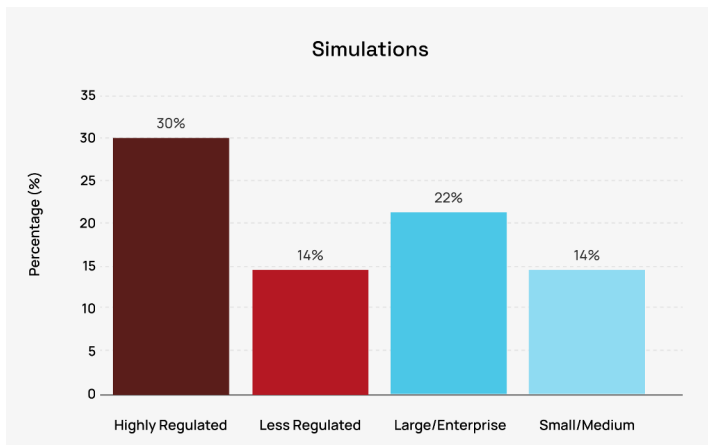
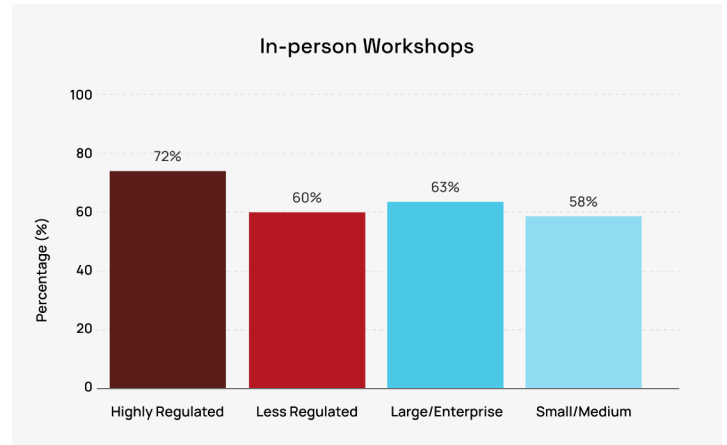
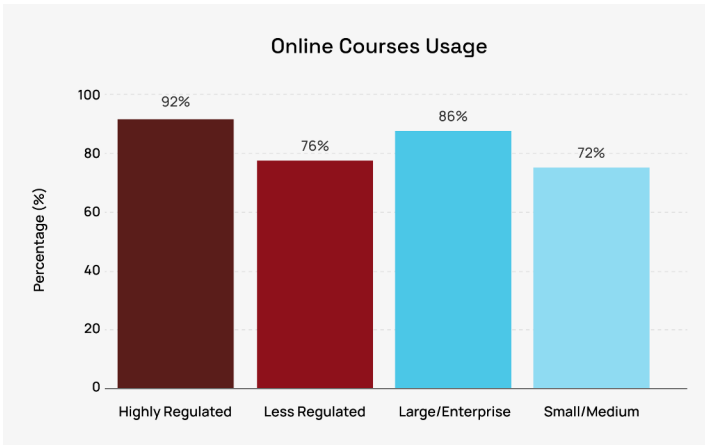
Implications:

- There may be a fundamental misalignment between how compliance and ethics training is conducted and how employees prefer to learn and engage with ethical issues.
- The challenge might reflect a broader issue of perceived relevance – employees may not see the direct application of compliance and ethics training to their daily work.
- This universal struggle presents an opportunity for innovation in training approaches that could revolutionize the field of ethics and compliance training.
- The varying approaches based on resources suggest a need for more creative, cost-effective engagement strategies that can be applied across different organizational contexts.



Training Methods and Content Customization

The survey reveals significant variations in training methods and content customization across different organization types. These differences reflect how organizations adapt their approaches based on their specific contexts and available resources.



Key Observations:

- The high adoption of online courses across all categories (76-92%) indicates a shift towards digital learning.
- The retention of in-person workshops, especially in highly regulated industries (72%), suggests a recognition of the value of face-to-face interaction in compliance and ethics training.
- The higher level of content customization in regulated industries (83% vs. 66%) and larger organizations (58% vs. 45%) suggests a recognition of the need for context-specific ethical guidance.

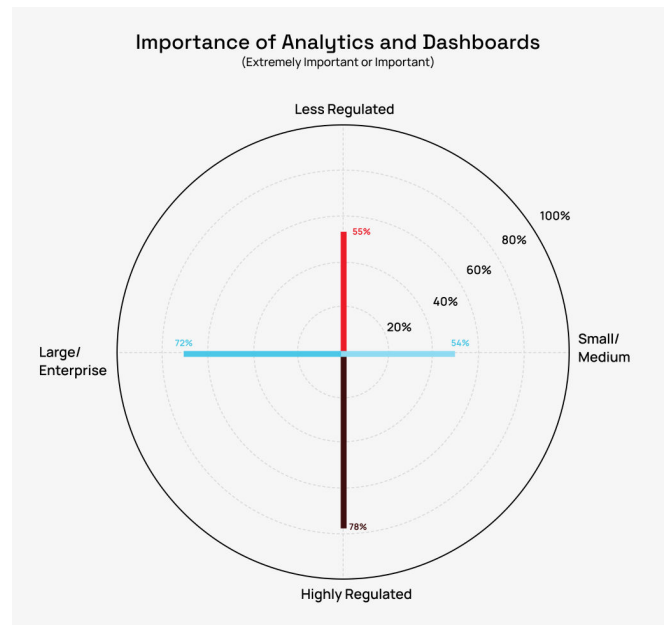
Implications:

- While offering flexibility and scalability, the trend towards online learning may risk losing the nuanced, discussion-based aspects of compliance and ethics training.
- Despite its higher cost, the persistence of in-person training suggests that organizations recognize the value of personal interaction in ethical development.
- The varying levels of customization raise questions about the effectiveness of generic compliance and ethics training in addressing organization-specific ethical challenges.
- The disparity in the use of advanced methods like simulations suggests a potential innovation gap in compliance and ethics training, which could lead to varying levels of ethical preparedness across different types of organizations.



Measurement of Training Effectiveness and Use of Analytics

The survey highlights significant disparities in how organizations measure the effectiveness of their training programs and use analytics. These differences reveal varying levels of sophistication in evaluating compliance and ethics training.



Key Observations:

- The focus on compliance audit results in regulated industries (70% vs 48%) suggests a more formal, documentation-driven approach to compliance and ethics.
- The emphasis on training completion rates in less regulated industries (75% vs 68%) might indicate a more superficial approach to measuring training outcomes.
- The higher importance placed on analytics in regulated and larger organizations (78% and 72%, respectively) points to a more systematic approach to compliance and ethics management.

Implications:

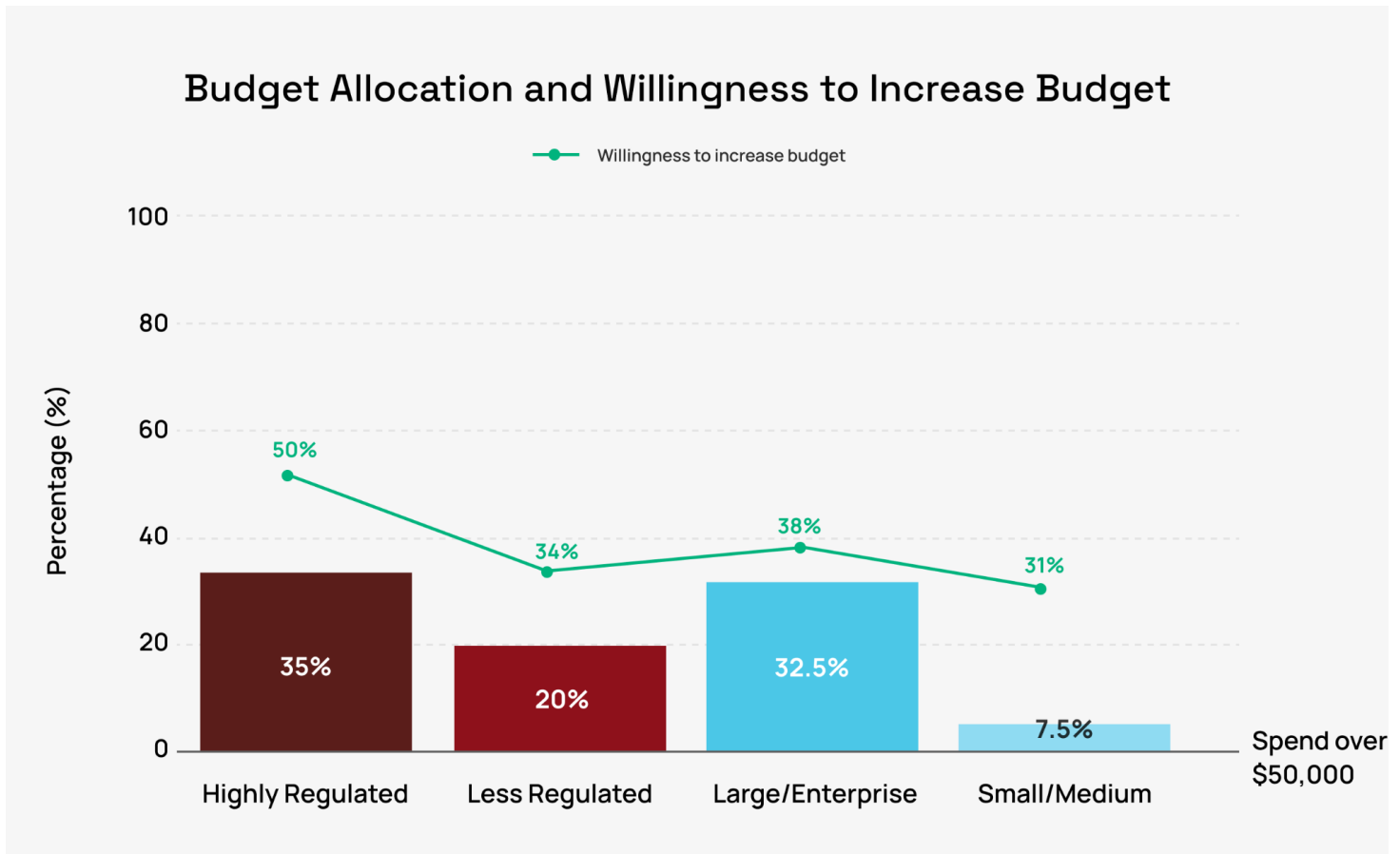
- The reliance on compliance audits in regulated industries might create a culture of 'passing the test' rather than genuine ethical engagement.
- Focusing on completion rates in less regulated sectors risks prioritizing quantity over quality in compliance and ethics training.
- The varying use of analytics suggests a potential ethics intelligence gap, where some organizations have deeper insights into their ethical climate than others.
- These disparities in measurement approaches could lead to varying levels of understanding and improvement in ethical practices across different types of organizations.



Budget Allocation and Future Investment

The survey provides insights into current budget allocation for compliance and ethics training and willingness to invest in innovative learning designs. These findings reveal an increasing focus on and investment in ethics and compliance training across various industries. This trend is driven by factors such as:

- Stricter regulatory environments
- Growing public expectations for corporate social responsibility
- Recognition of ethics as a risk management tool
- Potential for ethical practices to provide competitive advantages



Key Observations:

The higher spending in regulated industries (35% vs 20% spending over \$50,000) reflects the cost of compliance in these sectors.

- The greater willingness to increase budgets in regulated industries (50% vs 34%) suggests a recognition of ethics and compliance as an ongoing, evolving challenge.
- The lower spending and investment willingness in smaller organizations highlight these companies' resource constraints in ethics management.

Implications:

- The disparity in spending and investment willingness could lead to an ethics gap, where some organizations are better prepared for future ethical challenges than others.
- The willingness to invest in innovative learning solutions suggests a recognition that current approaches may be insufficient for future needs.
- The resource constraints in smaller organizations might necessitate more creative, cost-effective approaches to compliance and ethics training to ensure these companies aren't left behind.
- These trends suggest an emerging market for innovative, scalable compliance and ethics training solutions catering to organizations of varying sizes and regulatory environments.



Recommendations

Based on the survey findings and their implications, several key recommendations emerge:



Balancing Compliance and Ethical Culture

Organizations, especially in highly regulated industries, should strive to balance compliance-driven approaches with initiatives that foster a strong ethical culture. This could involve integrating ethics discussions into regular business processes and decision-making.



Enhancing Engagement

Invest in innovative, interactive training methodologies that resonate with modern workforces. This could include gamification, scenario-based learning, or micro-learning approaches integrating ethics into daily work contexts.



Data-Driven Approach

Promote the adoption of analytics and more sophisticated measurement techniques across all organization types. This could involve developing easy-to-use analytics tools designed specifically for ethics and compliance tracking.



Addressing the Sophistication Gap

Develop and promote more accessible, scalable training solutions to help smaller and less regulated organizations enhance their ethics programs without requiring substantial resource investments.



Customization and Relevance

Prioritize the development of industry and organization-specific training content to ensure relevance and applicability. This could involve creating modular training programs that can be easily customized.



Bridging the Resource Gap

Explore collaborative approaches to compliance and ethics training, such as industry consortiums or partnerships between large and small organizations, to share resources and best practices.



Regulatory Approach

Policymakers should consider how regulations can promote genuine ethical engagement rather than just compliance. This might involve incentivizing organizations to demonstrate the effectiveness of their ethics programs beyond just completion rates or audit results.



Measuring Ethical Culture

Organizations should develop more holistic measures of ethical culture that go beyond compliance metrics. This could include regular ethical climate surveys, analysis of decision-making processes, or tracking of proactive ethical behaviors.



Innovation in Training Methods

Training solution providers should focus on developing engaging, adaptive learning technologies that can accommodate diverse organizational needs and resource levels. These could include AI-driven personalized learning paths or virtual reality simulations for ethical decision-making.



Long Term Ethical Resilience

Organizations, especially smaller ones, should view compliance and ethics training as a long-term investment in organizational resilience. This might involve integrating ethics considerations into strategic planning and risk management processes.



Conclusion: The Evolving Compliance and Ethics Training Landscape

This analysis of the compliance and ethics training survey reveals a complex, multi-faceted landscape that is continually evolving. Several key themes emerge:

The Regulatory-Cultural Balance

There's a clear tension between compliance-driven and culture-driven approaches to ethics, with highly regulated industries tending towards the former and less regulated industries towards the latter. The challenge lies in finding a balance that satisfies regulatory requirements while fostering a genuine ethical culture.

The Engagement Enigma

Engaging employees in compliance and ethics training remains a universal challenge despite varied approaches and investments. This points to a need for a fundamental rethinking of how compliance and ethics training is conceived and delivered.

The Ethics Economy:

The survey reveals an emerging 'ethics economy,' where investment in ethical development is increasingly considered a strategic necessity. This is driving innovation in training methodologies and creating new market

The Ethics Capability Gap

There is a significant disparity between large and small organizations and heavily regulated and less regulated industries in terms of resources, sophistication, and approach to compliance and ethics training. This 'ethics gap' could have far-reaching implications for overall corporate ethical standards.

The Data-Driven Ethics Movement

There's a clear trend towards more data-driven, analytics-based approaches to ethics management, particularly in larger and more regulated organizations. This represents both an opportunity for more targeted, effective training and a challenge for organizations lacking analytical capabilities.

The Customization Imperative:

The trend towards more customized training content, especially in larger and more regulated organizations, highlights the growing recognition that effective compliance and ethics training must be context-specific

opportunities for training solution providers.

and relevant to employees' daily work.

As the business landscape continues to evolve, with new ethical challenges emerging from technological advancements, changing social expectations, and global crises, the approach to ethics and compliance training will need to evolve as well. Organizations must be prepared to adapt their training programs to address emerging ethical issues, from AI ethics to environmental sustainability.

The findings of this survey provide a valuable benchmark for organizations to assess their own compliance and ethics training practices. They also offer insights for regulators on the impact of compliance requirements on organizational approaches to ethics and for training solution providers on the needs and challenges of different types of organizations.

Moving forward, the key to effective ethics and compliance training will lie in balancing regulatory compliance with cultural development, leveraging technology while maintaining human connection, and creating scalable solutions catering to organizations of all sizes and industries. By addressing the challenges and embracing the opportunities revealed in this survey, organizations can work towards creating more ethical, resilient, and sustainable business practices.

The journey towards effective ethics and compliance training is ongoing, and this survey serves as a crucial waypoint in understanding where we are and where we need to go. As we navigate the complex ethical landscapes of the modern business world, continued research, innovation, and collaboration will be essential in elevating the standard of ethical conduct across the corporate sphere.

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