



WHITE PAPER

# Why Compliance Training is More Than a Checkbox

## Executive Summary

Several news events, including accusations against Harvey Weinstein and others, TIME magazine's choice of The Silence Breakers as their 2017 Person of the Year, and the #MeToo movement on social media, all have put workplace harassment into the spotlight... and created a renewed interest in compliance training across the board.

Compliance training refers to the process of educating employees on laws, regulations, and company policies around their activities and behavior at the workplace. Harassment, discrimination, and workplace safety tend to be the three biggest areas of compliance training.

Compliance training is the most important responsibility of a training department/professional. As outlined below, this kind of training is not simply about minimizing legal responsibility—it is key to creating an environment that is safe, productive, and

ethical. The headlines us with an uncomfortable truth: Compliance training is often treated as an afterthought.

We can do better. Our workplaces can be safer and more inclusive, which will make them more inviting for everyone—and more productive. To achieve such a workplace, organizations will need many things: Clear, well-communicated policies, fair discipline, discussion, and more. It is clear to us that these rest on a solid foundation of good compliance training. Not necessarily the compliance training handed to us from decades gone by, but modern, well-designed training. In other words, best practices recommend compliance training with more measurement, better instructional design, more follow-up, and more discussion to really change corporate culture for the better. This is what modern organizations should want to be: safer, more ethical, and more caring about their people.

**Compliance training is one of the most important kinds of training an organization can offer and there is ample evidence that, collectively, we have an opportunity to be better at it.**

**Anti-harassment, anti-discrimination, and safety training have many outstanding benefits beyond controlling costs and maintaining compliance with the law.**

**Compliance training content can be complemented with other training measures such as strong instructional design, blended learning, and proper follow-up to have maximum impact and change corporate cultures for the better.**

## Sobering Statistics

Even if your organization is fully in compliance with state, local, and federal laws, and even if your training program addresses issues such as harassment, discrimination, and workplace safety well, the fact remains: All organizations could do better, and those that take positive steps are better places to work.

### Several studies reveal just how much better:

As much as **70% of harassment goes unreported**. When it is reported, the victim faces **retaliation of some form in 75% of cases**. [1]

**5,190 workers were killed on the job** in 2016, at a rate of 3.6 per 100,000 full-time equivalent workers—on average, more than 99 a week, or more than 14 deaths every day. [6]

The Equal Employment Opportunity Commission (EEOC) alone **collected \$164.5 million** for workers alleging harassment in 2016. [2]

Workplace discrimination against employees based on race, gender, and sexual orientation has cost U.S. businesses somewhere around an **estimated \$64 billion annually**. [7]

Workplace bullying is costing U.S. businesses **up to \$360 billion annually** in lost productivity, absenteeism, and turnover, as well as in increased medical costs. [3]

**31% of chief compliance officers** do not know, or do not communicate, conduct and culture lessons across their organizations. **Only 29% of organizations** report that they assess compliance proficiencies and skills of their staff on an ongoing basis. [8]

**48% of employees** who are the target of bullying at work end up quitting their job. [4]

**Only 12% of organizations** have an advanced compliance and ethics training program. Nearly **40% of organizations** rate their programs as basic or reactive. **23% of companies** do not have a formal compliance training plan in place at all. [9]

The median judgment in discrimination lawsuits is roughly **\$200,000**, and **1 in 4 judgments are in excess of \$500,000**. [5]

These numbers are not all bad news; they simply show the extent and urgency of the current problem. We argue that investing in compliance training—and training done well—is a positive, healthy way to build the kinds of organizations we want...and that we should want. Doing compliance training well requires going beyond the one annual training and checking the box.

# Putting the "Human" Back in Human Resources

Many of the arguments for compliance training (especially for harassment, discrimination, and safety) have traditionally revolved around saving the organization money and avoiding lawsuits. The reasons for doing compliance training and doing it well goes far beyond those costs, however. Creating the right environment better attracts and retains talent, achieves corporate goals and vision, and builds a more ethical company overall.

## Proper training and engagement create a safer environment.

Workplace safety rules can create an environment that is more physically safe. Building a culture that does not tolerate harassment, bullying, or discrimination also creates an environment in which people feel safe. When we expand our notion of what "safety" means, we can see how organizational culture can play a wider role. For example:

Is the workplace a safe place where women can expect not to be harassed? (And men, for that matter?)

Is the workplace safe for a Muslim woman to wear the hijab and not be threatened, bullied, or verbally or physically attacked?

Is the workplace safe for a transgendered employee to use a restroom without controversy? Or for a new mom to have space to pump for breastfeeding?

**Safer workplaces tend to have more highly engaged employees, less stress, and more productivity.**

## Better environments attract and retain talent.

When the culture of a company is negative, talented individuals look elsewhere for work. 48% of employees who are the target of bullying at work end up quitting their job. With estimates of between 25% and 50% of the workforce having been subject to some form of bullying in the workplace, that's a lot of lost talent. [10]

The talent leak does not stop with the victims or targets. According to one study, witnesses to bullying often come to believe they'll be the next victim and dissociate from their colleagues. As workplace bullies look for an audience, this causes the effects of the bullying to spread. [11]

On the other hand, workplaces that are more inclusive and more inviting not only retain needed talent—they are better able to get it in the first place. A company's policies and stances on issues of diversity, sexual orientation, and gender equality are of increasing importance for job seekers, especially millennials.

For example, a recent survey from Deloitte found that the majority of millennials agree it is important for businesses to behave in an ethical manner. [12] A separate study by Deloitte and the Billie Jean King Leadership Initiative found that 83% of millennials are actively engaged when they believe their organization fosters an inclusive culture. [13]

## Achieving corporate goals and vision require the right culture.

Company culture is not just a problem to worry about after the financials have been studied. Corporate culture is a tool, and like any tool, it can build wonderful things when used with skill and intention.

All successful businesses are able to articulate their vision, mission, and values. Achieving these requires that the right culture is in place. For example, Zappos.com is known for their vision, "Delivering happiness to customers, employees, and vendors."

One can argue that they've achieved this, becoming the textbook example of stellar customer service from an online merchant.

Having a safe, inclusive environment for their service employees is critical to realizing that vision.



## It's the right thing to do.

At the end of the day, employees are not just resources. They are people. The current flood of headlines about harassment, bullying, and the like show that large organizations sometimes forget this.

Compliance training, done right, puts the "human" back in human resources.

One handy way to think about this aspect of the corporate culture is to ask: "Is this the sort of place where I would want my loved ones to work?" If you would cringe at the thought of your daughter or sister working in a sexually charged environment, it might be time to change that aspect of the culture. If your heart sinks at the thought of your son working in an unsafe environment, safety should be your new priority. If you would be embarrassed by a neighbor working in a place that was intolerant, address that.

## And yes, you avoid cost and risk, too.

There is a cost to having a toxic workplace, whether it be from unsafe conditions, discrimination, bullying, harassment, or any combination of those. These costs stem from absenteeism, loss of employee engagement and productivity, loss of talent, and even lawsuits and medical costs.

Cost should not be the main reason one tries to build a better corporate culture. Rather, it should be a reminder that the issue is not an abstract one. It involves real situations and real people. The effects can be felt and measured.

## Why Take a More Holistic Approach to Compliance?

Earlier we noted that creating a safer workplace environment is simply the right thing to do. Compliance training, then, is not just about the law. Done right, it's also a kind of ethics training.

Ethics is notoriously hard to teach. Some skeptics even claim that ethical training for businesses is a waste of time.[14] This only tells us that training alone, when done in a "check the box" manner, is not enough.

Consider: Most compliance training focuses on clarifying the law and corporate policies with regard to the law. Laws about workplace harassment, discrimination, and safety represent the bare minimum of what companies should be doing to create safe, productive environments. Such laws are designed around what is measurable and enforceable by government agencies.

This means that they represent the bare minimum of what companies should do. If training focuses solely on being in compliance with the law, it will likewise have a minimal effect.

Our research shows that the more effective, comprehensive compliance training incorporates five elements.



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# 1. It considers the target audience and tailors.

While there are some basics that all compliance training should cover, best practices are to tailor training depending on role.

For example, managers—those expected to act as role models or enforce discipline—are responsible for a large share of workplace misconduct, according to the 2013 National Business Ethics Survey.[15] In fact, 60% of workplace misconduct stems from those in

management positions, with senior managers more likely to break rules or policies. This means that compliance training aimed at managers should discourage such behavior, and address their role in trying to stop such behavior on their teams. By contrast, employees may need more training on how to spot harassment, bullying, safety violations, etc., along with how to report them.

## How these topics are approached will also vary depending on the audience:

### Senior Leaders

- Will want to know the value of having the right company culture
- Need to implement quality compliance training
- Will need to consider risk, liability, and cost
- Will need to set the tone for the rest of the company

### Managers

- Will want clear expectations for themselves and teams
- Need to understand compliance culture as a way to engage employees
- Must act as role models
- Must enforce discipline
- Must understand that they are not exceptions

### Employees

- Will want clear expectations
- Will need to know the complaints and/or reporting process
- Will need to be assured there is no retaliation for reporting
- Should mesh well with company culture

## 2. It creates and develops resources according to proven instructional design methodologies.

If your organization is truly going to build a safer culture, rather than merely present a video or class and “check the box” when the compliance training is done, you will need the right tools to make sure the training sticks over time.

For example, people are better at absorbing information when it comes in smaller blocks. Much research has shown that the ideal amount of engagement and retention comes with presentations that are about 7 minutes to 11 minutes long. [16]

Along with length, design matters, too. Visually engaging training content, for example, will be easier to remember and better engage your audience. This includes having live actors, concise bullet points, and other interesting design elements. These design elements must be current with the times, however. If your actors are wearing fashions from two decades ago (for example), it’s all too easy for employees to see the content as outdated as well—and they won’t take it as seriously.



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### 3. It uses blended learning to full effect.

Many topics are better discussed than delivered. This is especially true when it comes to workplace harassment and diversity. Discussion allows employees space to share their concerns and frustrations, and build empathy with their fellow workers. It also allows managers to set the right tone in the workplace. All of these things will help magnify the effects of your training.

This fact explains why blended learning has been found to be more effective when it comes to compliance training. [17] In a blended learning environment, core topics can be taught using an online component, with discussion, case studies, and Q&A handled by a live instructor. Then, the instructor can assume some basic knowledge when employees enter the classroom environment, and is therefore able to dive into more engaging activities that are more likely to stick with trainees over time.



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## 4. It makes use of climate surveys.

Best practices suggest that leadership assess their workplaces for risk factors surrounding compliance areas such as harassment, safety, etc. Without assessment, it is impossible to know how to minimize risks.

Climate surveys are one way to do this. A well-executed climate survey is anonymous and confidential and asks about company culture and workplace disparity in many different ways in order to see if there is fertile ground for future issues. Each organization has its own blind spots and areas for improvement, so the climate survey should be able to unearth what those are, creating a springboard for further conversation and training.



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## 5. It incorporates a lot of follow-up.

People are more likely to remember information that they must use to answer a question or figure out a problem. That kind of engaging with the information is a great way to boost recall, especially when the questions pertain to applying that information to a scenario the learner will see in the workplace.

A good way to incorporate this kind of follow-up in your training is to purchase or try a Learning Management System (LMS) that has these features built in. For example, you may find an LMS that allows training directors to schedule follow-up quizzes for employees and track how well they are retaining the information they learned. They can also be assigned refresher videos if they need a little extra help.



Follow-Up Quizzes



Employer Tracking



Refresher Videos



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## 6. Policies matter, too.

Training is just one part of the learning ecosystem. Organizations that build safe environments also need other things in place:

**Communicating the goal of a more inclusive, safer workplace**

**Prompt and proportional discipline**

**Consistent application of policies and discipline**

**Safeguards to prevent retaliation**

**Ways to measure and ensure accountability**

**Budget set aside for diversity, inclusion, safety, and harassment prevention**

Training is, and must be, the basis for these things. Without good compliance training, there will never be buy-in from managers and employees, let alone a shift in the culture.

Training as it is done today is often not enough. We can do better. It is worth our while to do better. It's people that grow our business, and so it is the job of the business to give them an environment where they can grow.

### **In Summary:**

Many companies have some form of anti-harassment, diversity, and safety compliance training in place. This is a positive step in the right direction. That said, watching a few videos once a year and "checking the box" is clearly not enough.

There are so many benefits to being proactive vs. reactive in this regard. We would all like to work in a place that is safe, inviting, and inclusive. Those sorts of workplaces do not happen by accident, and they do not happen overnight.

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16. See our post "Not All Microlearning is Created Equal." For a more in-depth look, download our white paper, The Science of Microlearning.
17. See our posts, "What is Blended Learning, and Why is it Important?" and "5 Blended-Learning Benefits for Corporate Trainers."



## Further Reading:

**For stats on workplace safety (from OSHA):**

["Census of Fatal Occupational Injuries Summary 2020"](#)

**More on microlearning formats:**

["Not All Microlearning is Created Equal"](#)

["The Science of Microlearning"](#)

**For a list of important compliance topics for employees:**

["HSI Compliance Training Topics"](#)

## About HSI

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