



TenStep Supplemental Paper

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An Ounce of Training is Worth a Pound of Cure

Compliance training blunders can be avoided

Years ago all organizations had to worry about was staying in business. Today, the rising specter of compliance-related issues haunts organizations. Those that enjoy the competitive advantage of attracting customers and potential employees have a solid compliance foundation and a backup ethics program. Caring about things like an employee's self worth has become a rule rather than the exception.

This is not necessarily because it is the right thing but because complying with the 'ethical' encourages bottom line results. As Frank D. Walker, chairman of a marketing research firm asks, "Who would you want to work for, work with and buy from? If everything were equal and you had a choice, wouldn't you pick the firm that you believed was the most ethical?" Or in other words, a firm that offered compliance training.

Why should I comply?

Compliance training aims at preventing and reducing risks and exposure, promoting high ethical and compliance standards and strengthening employee trust, integrity and openness. Effective compliance training would also serve to strengthen the customer's confidence in how an organization conducts its business. And in a litigious society where practically everyone gets sued, compliance training minimizes lawsuits.

The more educated the workforce, the less the probability exists of an employee inadvertently violating a law or regulation. Compliance training often doubles as a defense to many lawsuits. A recent court judgment held that the employer was not liable for an employee who had misbehaved with a female co-worker. The employer, in his defense, was able to show that he had effectively trained all employees on preventing workplace harassment. Moreover, as training increased the awareness among the staff, they were able to respond to the situation appropriately. Compliance training thus saved the employer thousands of dollars in litigation costs.

A lesson to learn

With so much at stake it's shocking when employers slash their training budgets to save a few dollars. A small investment in compliance training can help organizations adhere to the increasing number of employment laws.

Training blunders

The first blunder

Employers assume that their responsibility ends once they distribute employment policies. To create a safe and law abiding workplace, every organization has to meet the legal obligation of training employees. Be it line managers or those instrumental in making daily employment decisions, it is important to train the managerial staff to spot the problem and refer it to HR to prevent a violation.



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The next one

A high turnover in certain departments and absenteeism undermines training efforts. Hence, an organization might give up on something as compliance training. But to use training as legal defense, organizations would have to testify that each and every employee received training. A common training scenario is that the training manager knows the training was conducted and that it is likely that a particular employee has attended. But in a lawsuit, a lack of documentation weakens the defense.

To bolster an organization's defense in legal battles, training verifications should be audited regularly. Also, compliance training loses its significance if an organization cannot keep track of the employees who have received training.

Blunder number three

The purpose of training is defeated if the organization isn't serious about the quality and effectiveness of training programs and trainers. An in-house trainer usually lacks the expertise or the credibility. Senior executives or outside professionals have a better chance of gaining the respect and attention of trainees. A qualified trainer comes with testimonials. In the event of a legal challenge, such training holds good.

Another one!

In-person training costs an organization \$40 to \$50 per person without accounting for ancillary expenditure. While blended learning solutions (in-person and web-based programs) are the most effective, stand-alone web-based programs can be sufficient. In addition, these programs also provide legal protection from claims.

And finally...

Web-based training costs as little as \$20 per person without any hidden costs. Considering the legal cover, more and more organizations are implementing this, but at the cost of compromising on quality. This has created legal challenges of a different dimension. Lawyers are now scrutinizing the effectiveness of training.

Does training keep the trainees engaged? Does it actually educate trainees? Does it increase retention? These questions lay the basis of lawsuits. Organizations would now have to look for programs that are more than just cost-effective.

Rules of thumb

While avoiding blunders would definitely create a lawful workplace, organizations need to take some proactive steps. Some rules of thumb to keep in mind when designing the organizational training strategy are:

Internet technology maximizes learning. The advent of the Internet has transformed the learning process, but Internet technology is just a tool, not a strategy or goal. For instance, the editorial team for a newspaper uses good word processing software. This doesn't mean that they are all good writers! The Internet by itself cannot improve or update online learning content. To maximize learning and retention, organizations have to combine technology with effective high-quality learning.



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Traditional classrooms are important too. There are two misplaced beliefs doing the rounds - first, that the Internet is a passing fad, and second, that technology will replace teachers who conduct classes for highly motivated students. The most comprehensive learning solution - a mixture of web-based and classroom learning - is here to stay.

Learning is a continuous process. A recent study concluded that employees retain only 50 to 60 percent of what is taught in formal training workshops. On average, within two months of the workshop an employee forgets what he or she has learned. Organizational learning would therefore have to focus on learning that takes place beyond the formal workshops. Access and opportunities to learn and reinforce what is learned should be available to employees at all times and any place.

Change is constant. Businesses today are more dynamic than before. With new technological options, skills and knowledge levels have to be redefined constantly. New development strategies would have to be implemented to keep the business vision-mission in alignment with emerging technologies and regulations.

Regulators are looking for organizations that err. Even though organizations may outsource certain processes, the thread connecting them to the outsourcers is enough reason to hold organizations responsible. Hence, it makes perfect sense to pay close attention to compliance training blunders.