

End of the Annual Compliance and Ethics Training ‘Flea Dip’

In an article in the July/August edition of the ACC Docket entitled “*Rethinking the Annual Compliance and Ethics Flea Dip*”, author James Nortz discusses the annual compliance and ethics training program that most US company’s employees receive which he calls a ‘*flea dip*’. While he believes that such annual training is well-intentioned, he states that it is “a bit implausible that these annual pilgrimages” would have their intended effect of raising overall employee aware of their company’s Code of Conduct and thereby reducing overall enterprise compliance risks.

Nortz cites two major reasons for this educational failure. The first is that “most compliance and ethics presentations anesthetize all but the most caffeinated, and are utterly unforgettable.” To drive this point home, he challenges the reader to recall “even one PowerPoint slide” of the most recent compliance and ethics training presentation that they may have attended. The second reason is to truly affect behavior and get employees to understand the relevance of company Codes of Conduct, Nortz believes that a “different approach to teaching and learning is required.” He believes that “the recently developed ‘Learning IFF Action Model’ may provide” a better method for success in compliance and ethics training.

He defines ‘IFF’ as “learning *in, from* and *for* action.” In the IFF model, teaching is rooted in “both cognitive learning theory and common sense.” Under this teaching theory, real-life experiences are incorporated into classroom training to reflect employees experiences out in the business world. Nortz believes that such training is more beneficial in the compliance and ethics arena “where old habits are difficult to change and the application of even simple rules to circumstances that arise in the workplace can present complex, difficult challenges.”

Nortz suggests moving away from a full and thorough discussion of relevant laws, whether they are your company’s internal Code of Conduct or the Foreign Corrupt Practices Act (FCPA). He also suggests that compliance and ethics training should be integrated into more routine employee training rather than stand along compliance and ethics training. The more innovative component of Nortz’s suggestions revolves around employee involvement and follow up. He believes that employees should be encouraged to share their experiences of how a company’s Code of Conduct “come into play and affect the way they do their jobs” with other employees. The second component is to require employees, at periodic intervals, meet with one another and their direct managers “to reflect and discuss how they handled particular situations in which the company Code of Conduct may have come into place”. He re-emphasizes that such discussions can be best held in a routine business meeting and not to wait for any annual compliance and ethics training.

Nortz ends by noting that the IFF approach will require “considerably more thought and energy” than the traditional training approach which involves using PowerPoint slides as the primary training materials. He ends by stating that “if you are truly interested in ridding your company of ‘fleas,’ it may be a good idea to try an approach like the IFF learning model, which provides a more reasonable prospect of actually working.”

While I would certainly urge that a full and thorough discussion of the relevant laws is useful, a training written by lawyers for lawyers will have the eyes of the business team rolled up in their collective heads within 30 minutes. You do need to do something to make the training memorable. Nortz’s suggestion of an IFF type approach is something which will make your compliance and ethics training more relevant and certainly more noteworthy.

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