



# 2015 Ethics & Compliance Policy Management Benchmark Report

Findings, Analysis and Recommendations to Develop and Maintain a Strong Policy Management Program

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- I. INTRODUCTION
- II. SURVEY RESPONDENT PROFILE
- III. EXECUTIVE SUMMARY
- IV. KEY FINDINGS
  - A. The State of Policy Management Today
    - 1. Top Policy Management Program Challenges
    - 2. Type and Number of Documents Organizations are Managing
    - 3. Ownership of Policy Management
    - 4. Resources Assigned to Policy Management
    - 5. Customizing Policies for Languages or Regions
  - B. Processes and Tools for Policy Management
    - 1. Approach to Policy Management
    - 2. Assessment of Key Aspects of Policy Management Program
    - 3. Technologies Used to Manage Policy-Related Tasks
    - 4. Determining Policy Comprehension
    - 5. Measuring Policy Management Program Effectiveness
    - 6. Guidelines for New Policies
    - 7. Policy Review
  - C. Addressing Legal and Regulatory Policy-Related Risks
    - 1. Legal Review of Policies
    - 2. Legal Actions and Costs Related to Policies
    - 3. Record Keeping
    - 4. Policy Review and Attestation
  - D. ROI of Automated Policy Management
- V. CONCLUSION AND KEY TAKEAWAYS
- VI. POLICY MANAGEMENT RESOURCES
- VII. ABOUT THE AUTHORS
- VIII. ABOUT NAVEX GLOBAL

In 2015, NAVEX Global partnered with an independent research firm to survey professionals from a wide range of industries about their approach to policy management. The purpose of the survey was to provide ethics and compliance leaders with benchmark data on the emerging and increasingly significant practice of policy management.

The findings represent responses from 879 key decision-makers and individuals involved in managing policies, procedures, employee handbooks and codes of conduct at their organizations. (See the respondent profile in the next section for additional details.)

This report provides insights and analysis of questions such as:

- What are organizations doing to address policy management today?
- What are E&C leaders' top policy management challenges?
- What level of resources do organizations assign to policy management programs?
- Are organizations satisfied with their approach to policy management?
- How is the effectiveness of policy management being measured?
- How will policy management programs evolve in the future?

## How To Use This Report

When your policy management program is less than optimal, your organization's E&C risk increases. This report will help you:

- Determine whether your policy management practices are protecting your organization—or putting it at risk
- Benchmark your policy management program against peers, industry norms and best practices
- Leverage our data and recommendations to improve your program effectiveness

We hope the insights presented here will provide the inspiration, justification and direction necessary to make key decisions about the future of your organization's policy management approach.

### What is Policy Management?

Simply put, a policy management program consists of all the practices and stages of policy "life cycle" management associated with managing your organization's policies, including drafting, editing, approving, distributing, storing, updating and documenting policies. Policy management software (or a policy management system) refers to the technology that enables the program.

While we refer to policy management throughout this report, we recognize that many organizations manage many kinds of documents within their policy management programs, including procedures, forms, HR documentation, memos and more.

Best-practice policy management programs deliver significant business value and are a foundational element of a strong ethics and compliance program. Strong policy management practices not only help organizations create and communicate an organization's standards for ethical conduct, they also help protect against legal and reputational risk and enhance organizational culture.



# SURVEY RESPONDENT PROFILE

= 879



## Job Function

Ethics & Compliance	27%
Human Resources/Employee Relations	19%
Legal/Risk	12%
Quality Control/Safety	6%
Adult	5%
Information Technology	3%
Other	28%



## Job Level

C-Level	10%
Senior Management/Director	44%
Management	29%
Non-Management	14%
Other	3%



## Company Size

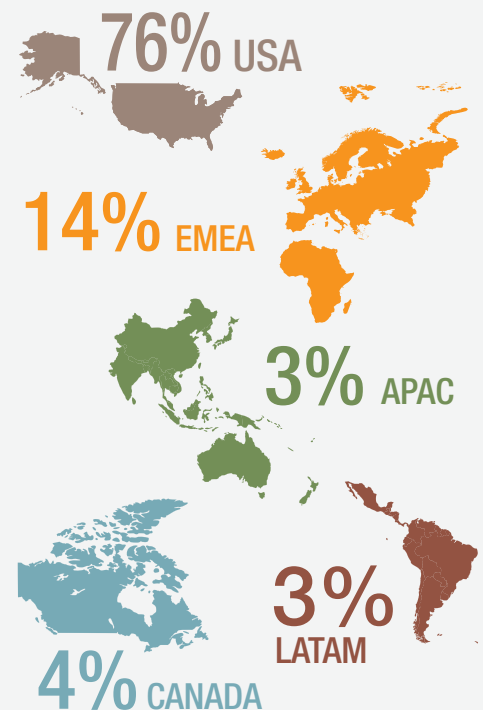
Small: < 500 Employees	32%
Medium: 500-5,000 Employees	35%
Large: 5,000+ Employees	33%



## Company Annual Revenue

\$0 < \$50M	28%
\$50M - \$999M	24%
\$1B+	27%
Don't Know	21%

## Geography of Headquarters



## Top 10 Industries



18  
INDUSTRIES  
REPRESENTED



The stakes are high when it comes to creating, implementing, maintaining, distributing and documenting policies. Complex business operations, global expansion, employee litigation and the continuous expansion of legal and regulatory requirements create a variety of risks. As a result, organizations need to take a thoughtful approach to policy life-cycle management.

The survey data highlights current strategies and challenges with policy management programs across many industries. The following key themes emerged:

- **Policy management is a maturing business function.** Twenty percent of survey respondents do not have a centralized approach to policy management, and 48 percent have no automated processes for tasks such as authoring, reviewing and publishing policies. The majority of respondents are still handling policies within departmental silos, thereby limiting access to policies, creating unnecessary re-work and exposing their organizations to significant risk.
- **Organizations dedicate few resources to policy management.** Many respondents note that their organizations have very limited funding and staff dedicated to policy management. This is true even for organizations managing hundreds—or even thousands—of policies. However, there is some evidence that policy management is becoming a higher priority, with almost a third of respondents saying they expect their policy management budget to increase over the next year.
- **Policy management effectiveness is a blind spot.** 58 percent of respondents indicate that they track no metrics related to the use or effectiveness of their policies. Respondents that do use metrics most commonly track only the accessibility of policies (24 percent). This indicates that many organizations have little or no information about the impact, accessibility or awareness of their policies.
- **Training is practitioners' biggest policy-related challenge.** "Training employees on policies" was the top challenge cited by respondents, followed by aligning policies with regulations and improving version control. These challenges are even more difficult to overcome for organizations who have not centralized policy management.
- **Very few organizations have guidelines for policy creation.** Nearly 60 percent of survey respondents reported that they do not have documented guidelines (sometimes called a "policy on policies" or a "meta-policy") for creating and distributing new policies. Without these guidelines in place, organizations face serious operational and legal risks and may suffer misalignment between governance, strategy and execution.
- **Organizations that use automated policy management software report dramatically better policy-related outcomes.** Twenty-five percent of the survey respondents report that they use policy management software. These respondents are far more likely to rate key aspects of their policy management program as very good or excellent than respondents without automated software. Of particular note:
  - Access to policies: Respondents with software rated their effectiveness as twice as high than respondents without (56 percent versus 28 percent).
  - Compliance with policies: Respondents with software rated their effectiveness nearly three times as high than respondents without (52 percent versus 15 percent).

### III. EXECUTIVE SUMMARY

- Defensibility of policies: Respondents with software rated their effectiveness nearly three times as high than respondents without (29 percent versus 10 percent).
- Workflow between writers and approvers: Respondents with software rated their effectiveness nearly three times as high than respondents without (30 percent versus 10 percent).

A strong policy management program results in improved performance and enhanced corporate culture. It also empowers employees, vendors and executives with the tools and knowledge they need to support an organization's standards for individual and business conduct.

A high-functioning policy management program does not have to be complex. Overall, the data presented here underscores the importance of having a centralized approach to policy management. It also reveals that leveraging policy management software for authoring, implementing and maintaining your organization's policies can yield substantial benefits and business value.



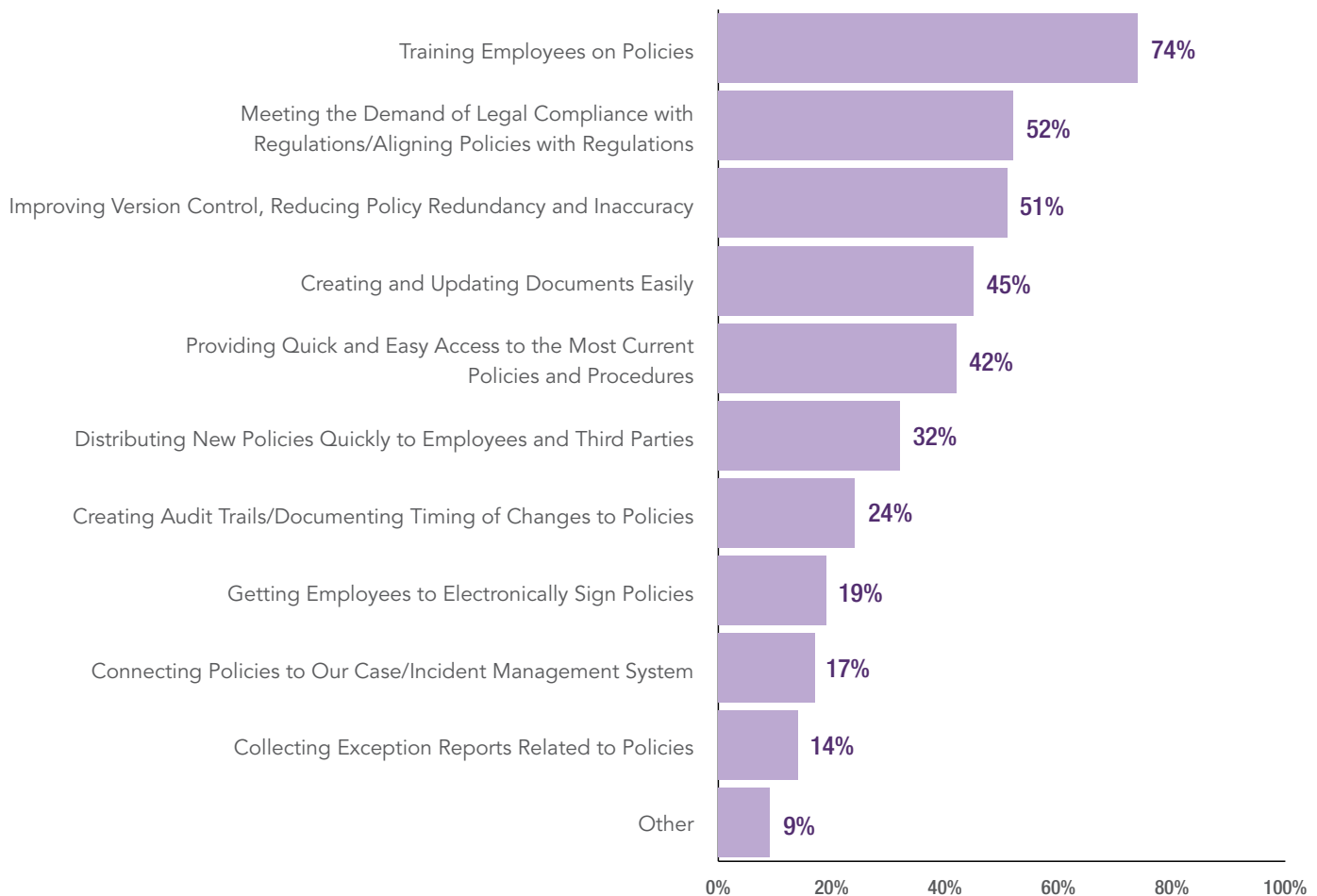
THE STATE OF POLICY MANAGEMENT TODAY



## 1) Top Policy Management Program Challenges

**FINDINGS:** Seventy-four percent of respondents indicated that their top policy management challenge is training employees on policies. Rounding out the top three challenges are meeting the demands of legal compliance with regulations (52 percent) and improving version control (51 percent).

### What Are Your Top Three Policy Management Challenges?



**ANALYSIS:** The top challenge will not be a surprise to most compliance and human resource professionals. Many organizations struggle to provide meaningful training to the employees who need it. Among the difficulties organizations face is deciding what the training should contain and how it can be delivered.

The goal is to provide training that is relatable, understandable and targeted. Relatable means that the content, scenarios, Q&A and other elements resonate with the recipient. Targeting is important because not all employees need to be trained on every policy or at the same level of detail. The most successful organizations therefore use a curriculum mapping process to identify who should be trained (which is driven by risk) and the depth of the information to be provided.



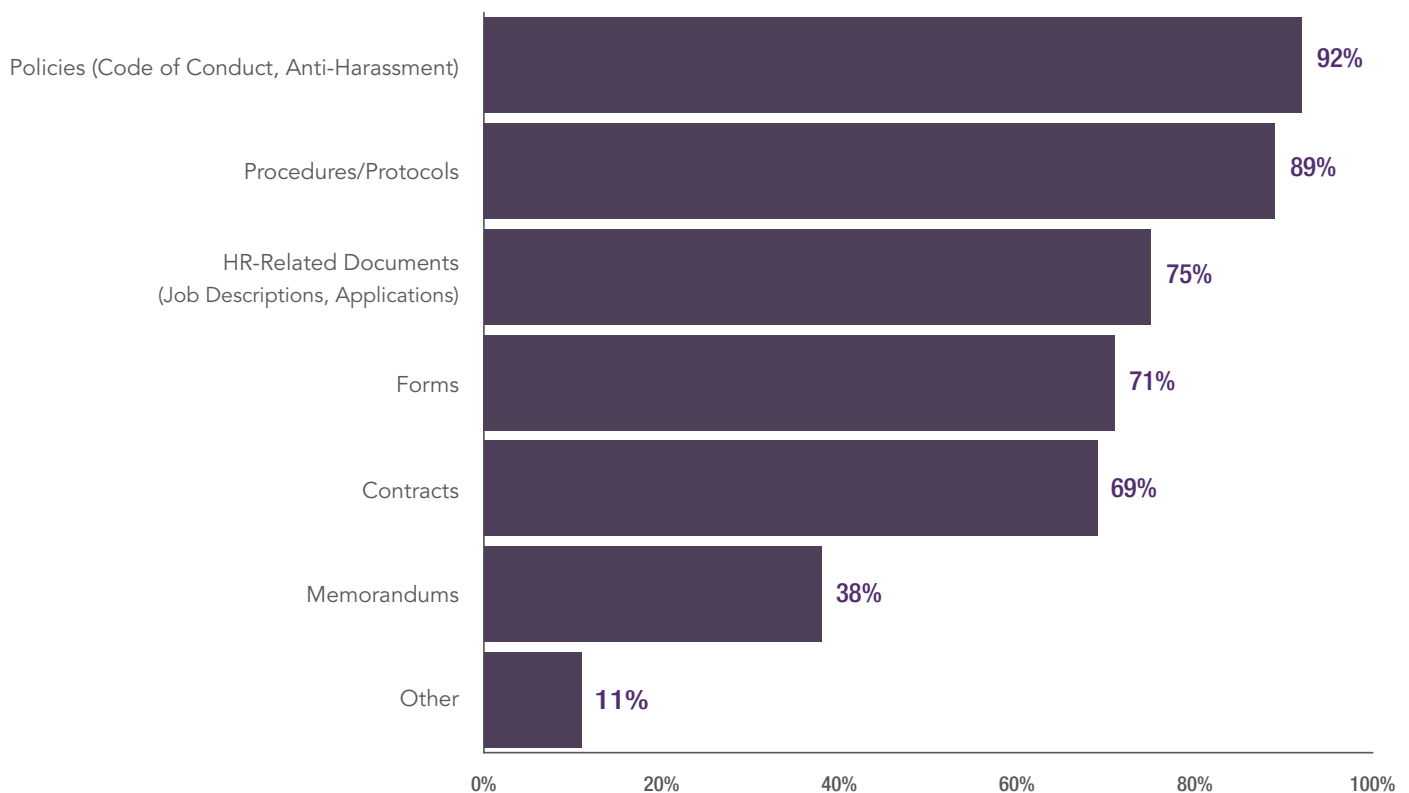
## 1) Top Policy Management Program Challenges (continued)

Actual delivery can be complicated by resource restrictions, both in terms of funds to purchase training materials and/or staff to deliver the training, as well as the time needed to take employees off task to take the training. Thus, identifying efficient, yet effective ways to explain policies to employees is extremely important. Compliance professionals also must work to gain cultural and resource support for training.

## 2) Type and Number of Documents Organizations are Managing

**FINDINGS:** Nine out of 10 respondents said their organization manages both policies and procedures. Other common documents managed include human resource documents (75 percent), forms (71 percent) and contracts (69 percent). Just over half of respondents (52 percent) manage 250 or fewer unique policies, procedures and/or other related documents. Thirty-four percent manage more than 250 policies and documents.

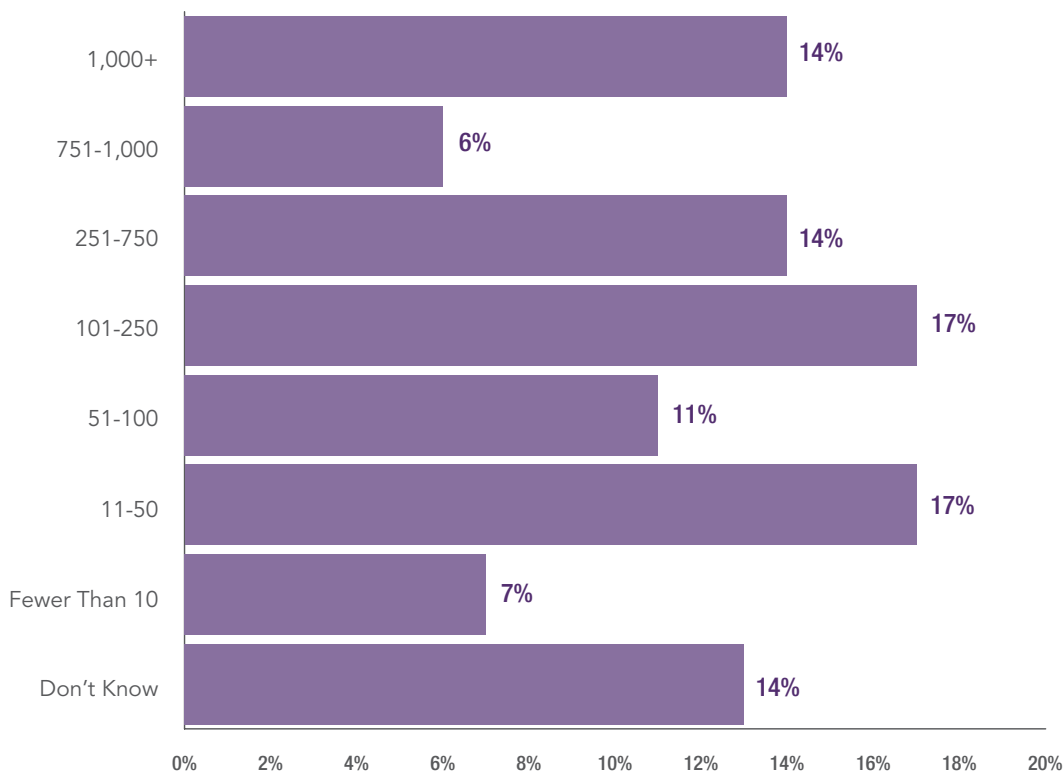
### Types of Documents Organizations Are Managing



Note: Because respondents could choose more than one option, percentages total more than 100%.

## 2) Type and Number of Documents Organizations are Managing (continued)

### Number of Unique Documents Organizations Are Managing



**ANALYSIS:** Fully 51 percent of the respondents indicated that they managed 100 or more documents, with 20 percent managing over 750 documents. These documents included policies, procedures, forms, contracts and other document types. Each type of document managed typically has unique requirements, functions, owners, audiences and document retention guidelines.

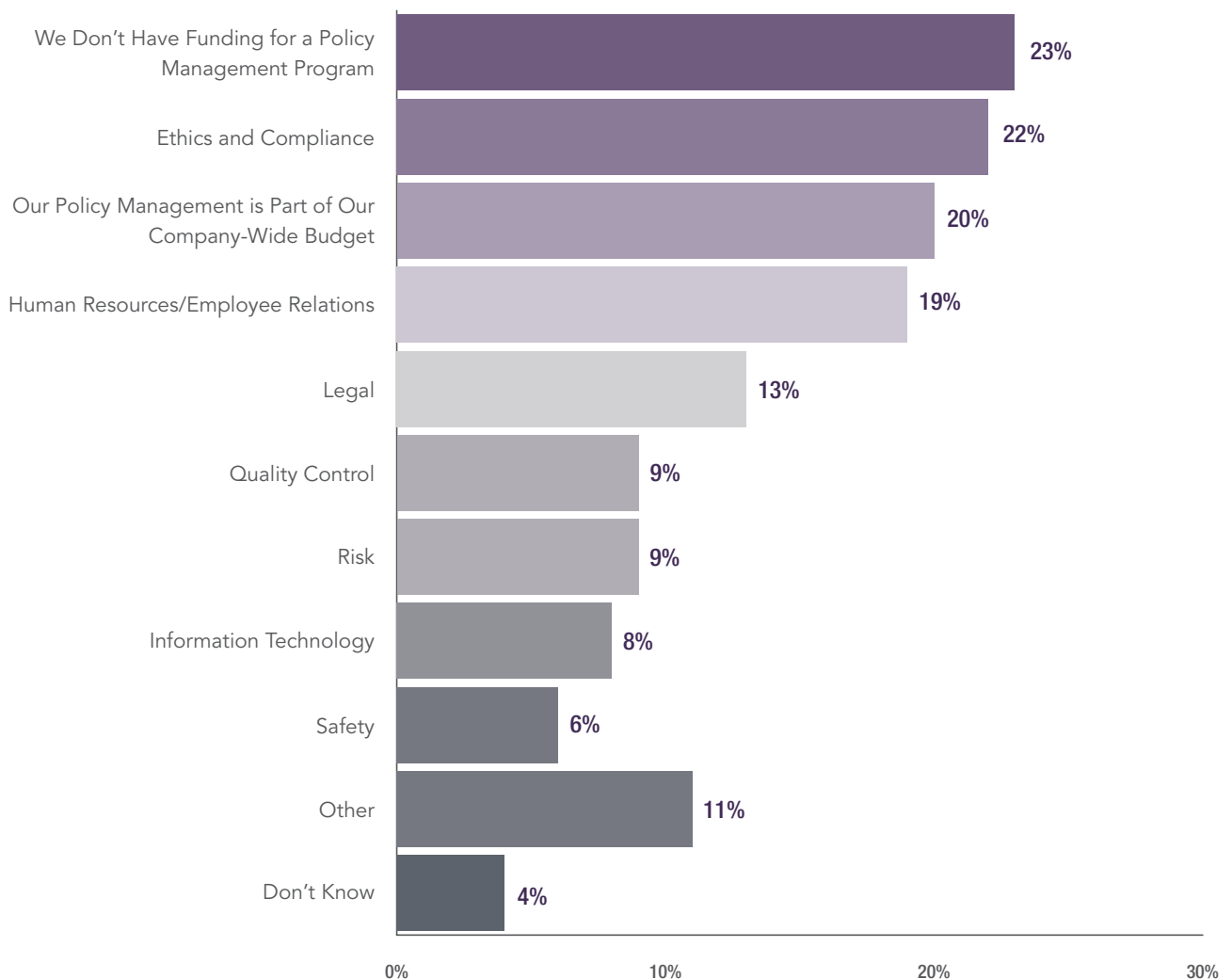
Taken together, the number and variety of documents being managed represent a massive task, even for organizations that have dedicated resources for reviewing, revising and sharing documents. To make matters worse, survey findings also show that most organizations dedicate few resources to effectively manage policies.

When this many policies and other documents are involved, the potential exists for confusion, redundancy, conflict and difficulty in identifying the current applicable policy. The solution is a clear policy governance process or “policy on policies” that defines expectations and responsibilities for drafting, updating, communicating and posting policies. This policy governance must then be implemented effectively throughout the organization and maintained.

### 3) Ownership of Policy Management

**FINDINGS:** Forty-three percent of respondents reported that their organizations do not have dedicated budgets for policy management (combining the 23 percent that do not have funding with the 20 percent for whom their policy management budget is part of their company-wide budget). Several departments are stakeholders in the management of policies, including: Human Resources (79 percent); Ethics & Compliance (68 percent); Legal (67 percent); and IT (61 percent).

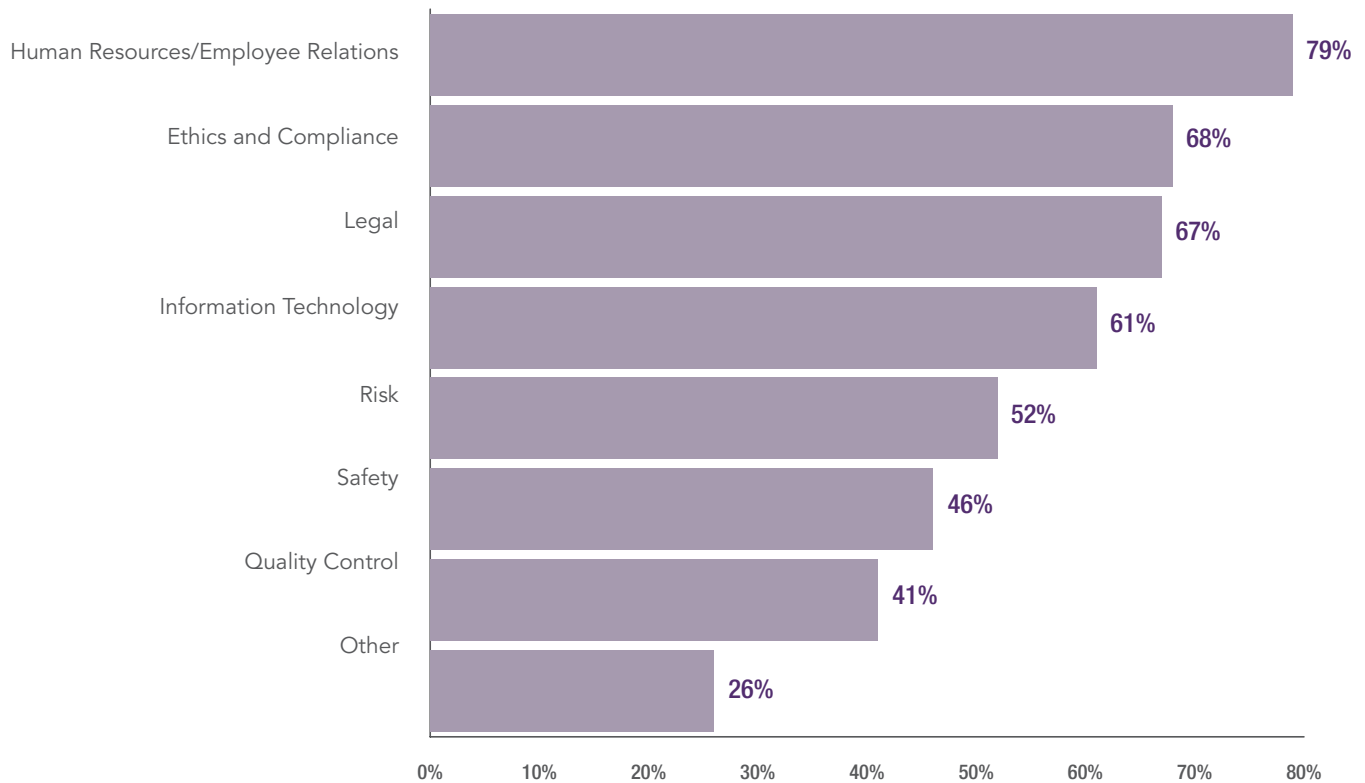
#### Under Which Departmental Budgets Does Policy Management Fall?



Note: Because respondents could choose more than one option, percentages total more than 100%.

### 3) Ownership of Policy Management (continued)

#### Which Departments Are Considered Active Stakeholders in the Management of Policies?



Note: Because respondents could choose more than one option, percentages total more than 100%.

**ANALYSIS:** Not surprisingly for most compliance professionals, the top four stakeholders in policy management are HR, ethics and compliance, legal and IT. To gain critical budget support, stakeholders must convince management that effective policy management is critical to the success of the organization's reputation, culture and bottom line.

The results indicate that a variety of departments may have budget ownership. The key issue here (particularly for the 20 percent of organizations where policy management is part of their company-wide budget) is that policy management needs a defined owner. The specific owner or location of the budget is less important than the need for the budget owner to have an understanding of how important policy management is to the organization and to ensure that appropriate resources are being dedicated to support an effective program.

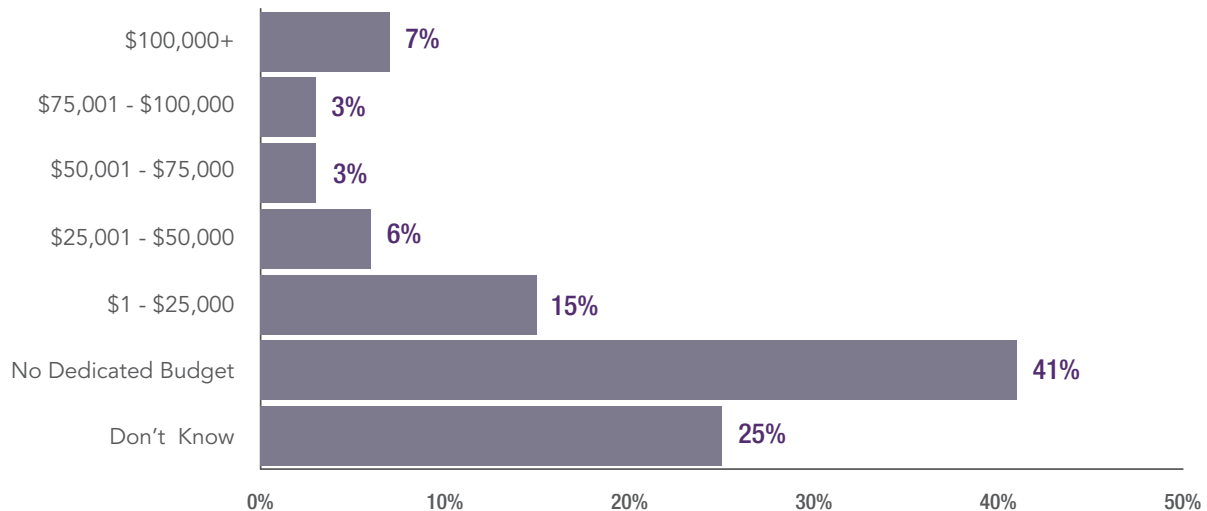
## 4) Resources Assigned to Policy Management

**FINDINGS:** When asked for the amount of annual budget allocated to policy management, 41 percent of respondents indicated that their organization has no dedicated budget. The remaining respondents most commonly said that their organization dedicates \$25,000 or less annually to policy management.

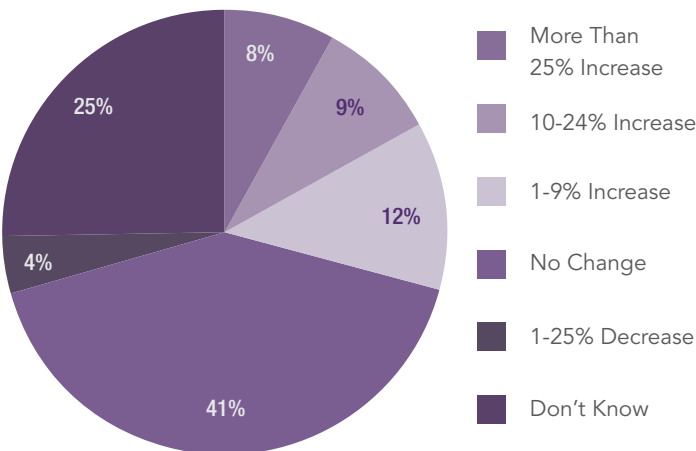
Respondents also stated that their organization’s investment in policy management is likely to remain stable or to increase in the next 12 months. Forty-one percent said they do not expect their budget to change, while 29 percent said that they expect it to increase.

Forty-five percent of respondents have two or more full-time equivalent (FTE) resources assigned to policy management. However, 43 percent of organizations dedicate one or fewer FTEs to managing policies and procedures.

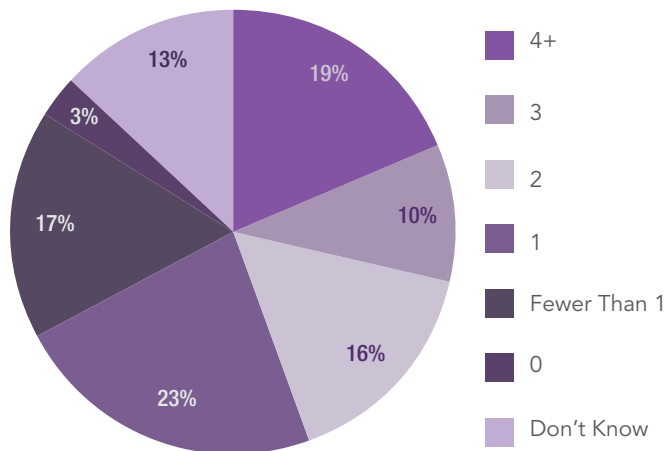
### Annual Budget for Policy Management (in U.S. Dollars)



### Planned Investment in Policy Management Over the Next 12 Months



### Full-Time Equivalent (FTE) Resources Dedicated to Managing Policies



## 4) Resources Assigned to Policy Management (continued)

**ANALYSIS:** The Federal Sentencing Guidelines for Organizations (FSGO) states that an effective compliance program should have “adequate resources,” but the guidelines do not provide guidance on what is “adequate.” This is left up to each organization. Almost by definition, however, “adequate resources” entails a reasonable budget for policy management, either in terms of funds, resources or both.

Industry data on policy management budgets is difficult to come by and comparing the size of policy management budgets and FTEs is far from a science. As with all elements of an effective compliance program, one size does not fit all. The right funding level or number of FTEs should be based on the needs of the individual organization as revealed by a reasonable risk-based assessment of the organization’s operations and compliance program.

On balance, the survey data indicates that respondents expect budgets for policy management to increase in the coming year. Seventeen percent of respondents predict that their budget will increase by 10 percent or more, with eight percent expecting a 25 percent or larger increase—a substantial gain. These expectations of increased budget outweigh the modest number of respondents expecting a shrinking budget. If the respondents’ predictions are correct, the net effect would be a modest increase overall, given that 41 percent expect no change.

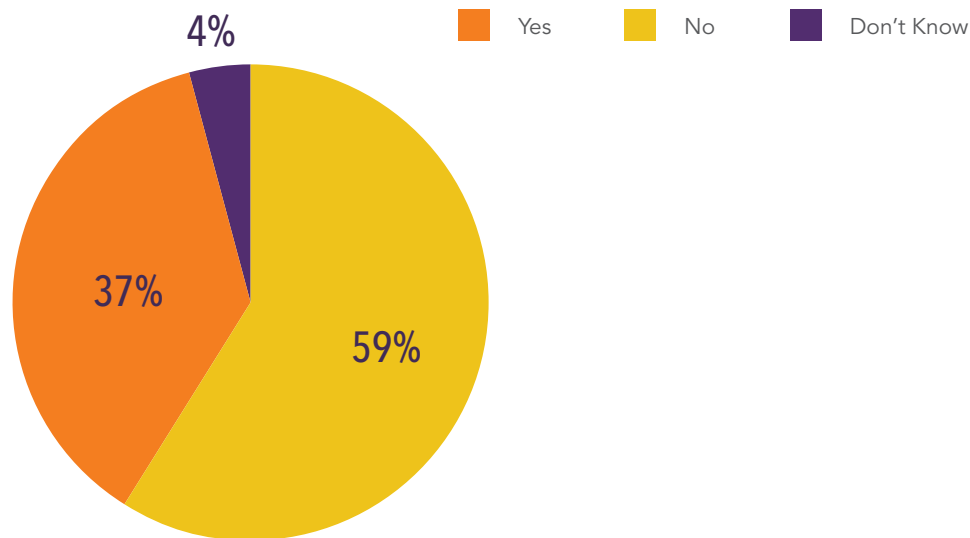
### Is My Policy Management Budget Adequate? Critical Questions to Consider:

1. Do we have the right range of policies to address the risks we have as an organization?
2. If we have too many or too few policies given our operations and risks, do we have a strategic plan to address the imbalance?
3. Can users easily find and understand our policies?
4. Do our policies provide appropriate, actionable guidance to employees to assist them in their jobs?
5. If changes are needed in the number or content of policies, what level of effort will be required to make the changes in a timely manner? Do those assigned the task have sufficient time to dedicate to policy development/revision?
6. Is automation an option to improve policy management efficiency and reduce the level of effort needed (potentially leading to reduced FTE requirements)?

## 5) Customizing Policies for Languages or Regions

**FINDINGS:** The majority of respondents stated that their organizations do not create language- or region-specific versions of policies.

### Does Your Organization Create Language- or Region-Specific Policies?



**ANALYSIS:** Ideally, organizations should be creating copies of every policy, tailoring or translating those copies for specific audiences or regions. Traditionally, organizations had a single set of corporate policies or handbooks written in the native language of the “home” country (e.g., English for U.S.-based organizations). It is no longer ideal to manage policies in this way, as even small organizations find themselves expanding outside of traditional, static geographic boundaries and facing culture and language challenges.

Best-in-breed organizations provide versions of policies that reflect the unique requirements of recipients, local regulations or other facility-specific needs. For all policies, organizations should distribute translated versions to multilingual employees and receive attestation and survey/disclosure feedback for all of those documents. Lastly, organizations need to be able to measure or report on the status of all documents within that document family while retaining the unique aspects of the copies of the documents.





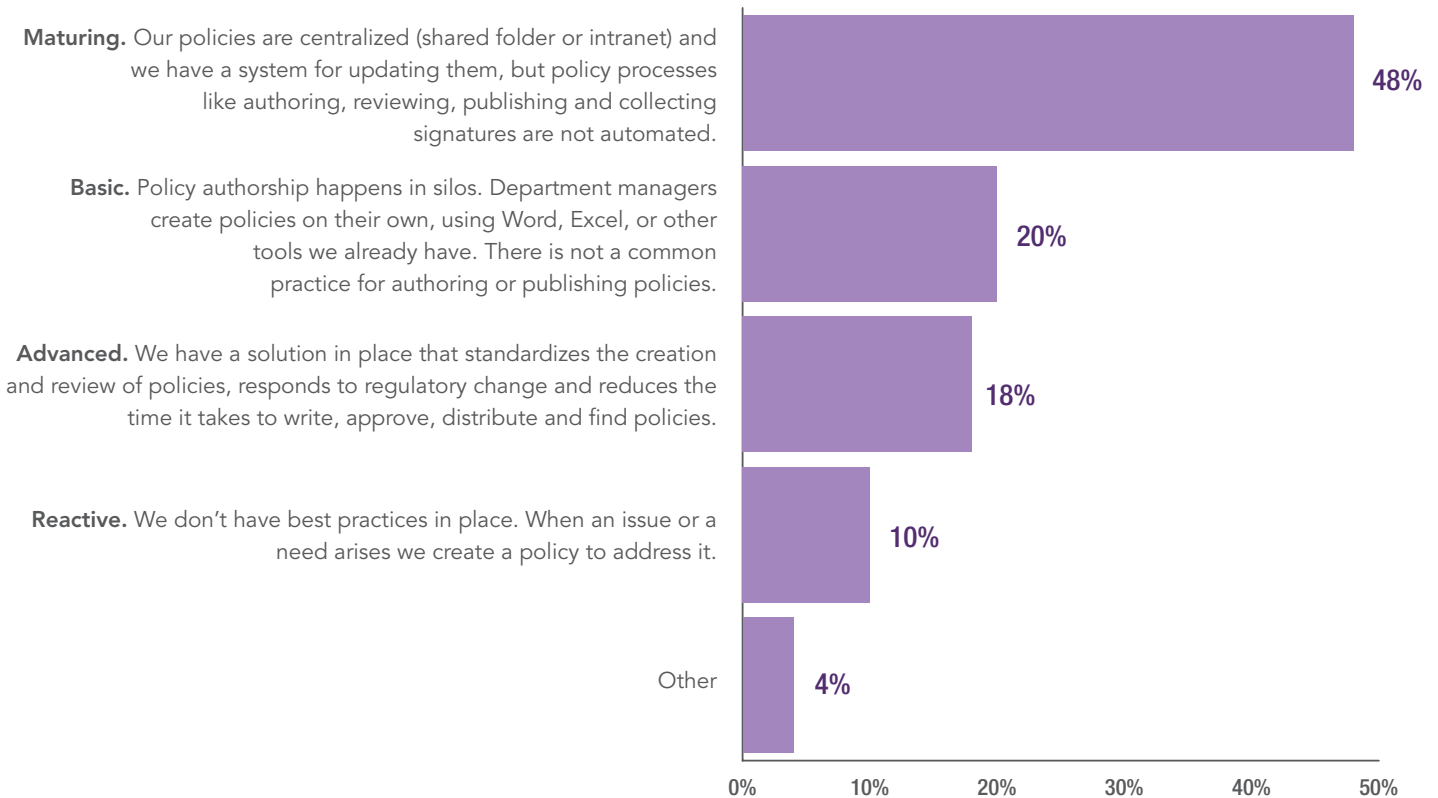
## PROCESSES AND TOOLS FOR POLICY MANAGEMENT



## 1) Approach to Policy Management

**FINDINGS:** About half of respondents described their organization's current approach to policy management as maturing. That is, their policies are centralized and they have a system for updating them, but policy processes such as authoring are not automated. Respondents are about equally likely to describe their process as basic or advanced.

### Current Approach to Policy Management



**ANALYSIS:** From an efficiency and resource perspective, of course, the ideal is to have an advanced approach to policy management. Advanced policy management programs are well-oiled machines that:

- Keep policies up to date with new laws, regulations and other changes in business climate
- Ensure policies are tightly aligned with organizational risk and corporate culture
- Provide easy access to policies for employees and other stakeholders who need to reference them
- Empower legal and HR departments to conduct investigations and take disciplinary action more efficiently
- Protect organizations from legal and regulatory risk

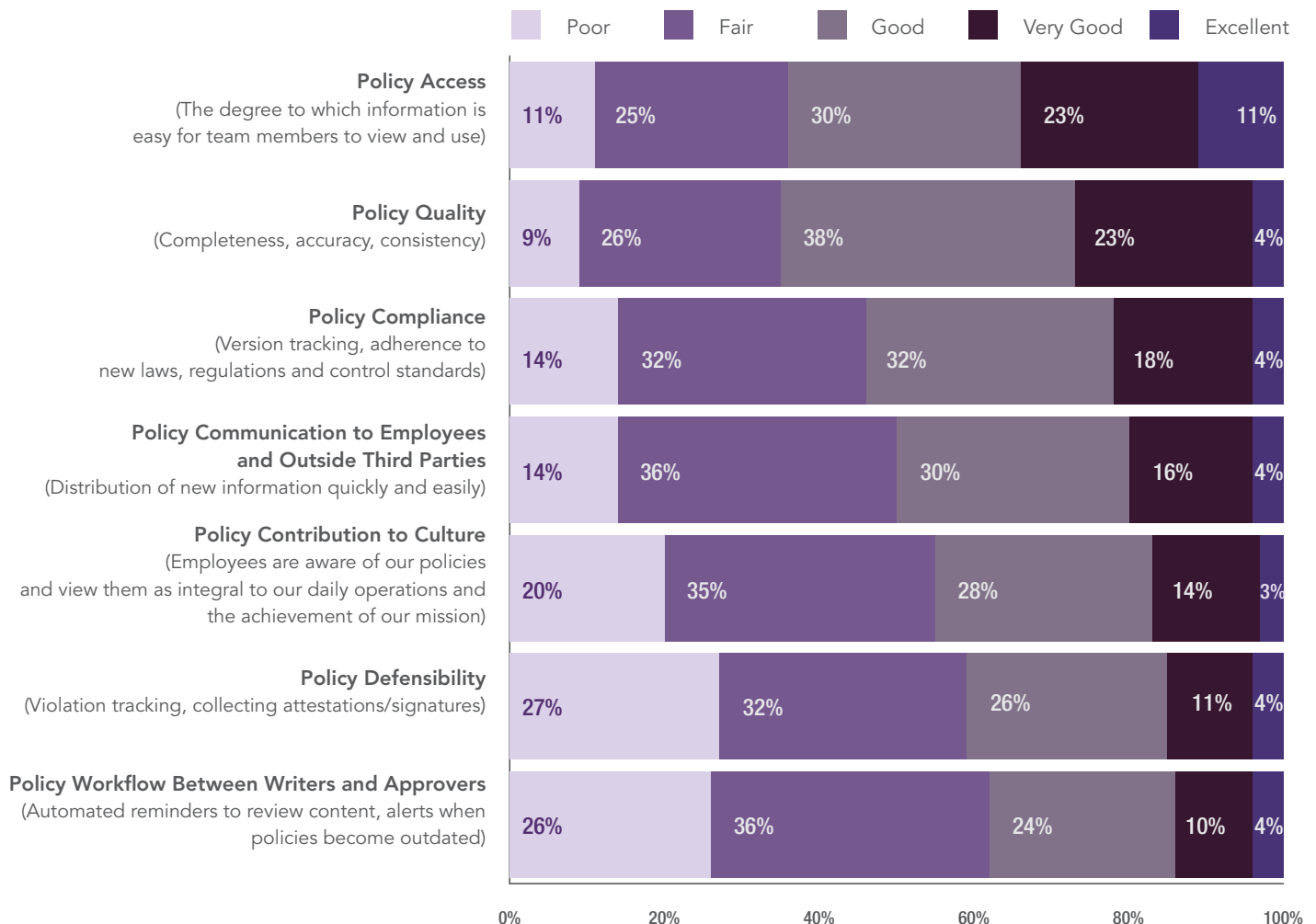
## 1) Approach to Policy Management (continued)

Fortunately, only 10 percent of the respondents had a reactive approach to policy management whereby policies are created only after a need arises—which is often too late. A primary purpose of a policy should be to serve as a guideline for users to know—in advance—what is expected of them. Without policies, an organization relies on the experiences, instincts and personal ethical compasses of its employees. While these often will steer an employee in the right direction, organizations using this model are hoping for the best, not planning for the best—and sometimes pay a high price for their failure to give employees clear, actionable direction.

## 2) Assessment of Key Aspects of Policy Management Program

**FINDINGS:** Respondents are most satisfied with their current policy management solution’s accessibility and least satisfied with the workflow between writer and approvers. Thirty-four percent rated their organization’s policy access as very good or excellent. However, just 14 percent of respondents rated the policy workflow between writers and approvers as very good or excellent. *Note: See the last section of the key findings in this report for a comparison of respondent assessments between those with and without policy management software.*

### Respondent Assessment of Key Aspects of Their Policy Management Program

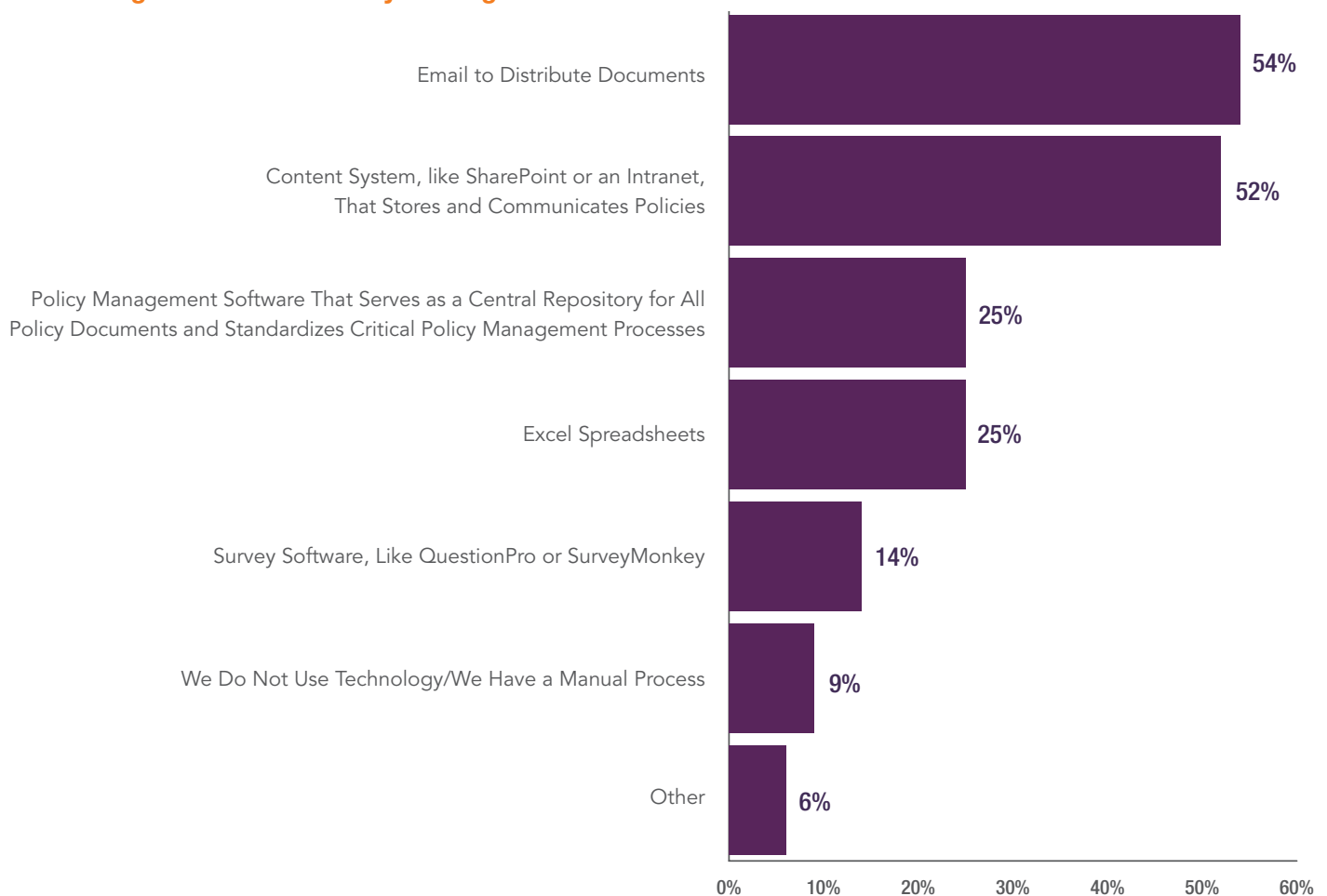


**ANALYSIS:** Respondents rated the majority of the key aspects of their program as either poor or fair, with the lowest satisfaction scores around Policy Defensibility and Policy Workflow. This indicates that organizations may face liability that otherwise could be avoided. These issues often can be resolved with the implementation of automated policy management software. As discussed later in this report, respondents who use policy management software rate Policy Defensibility and Policy Workflow—as well as other key facets of their program—much more positively than those without such software.

### 3) Technologies Used to Manage Policy-Related Tasks

**FINDINGS:** Respondents were asked to select all of the technologies they use in their policy management program. Twenty-five percent indicated that they have dedicated policy management software—to manage some or all of their program activities. Findings indicate that most respondents use a variety of technologies, while only nine percent do not use technology in their programs.

#### Technologies Used For Policy Management



Note: Because respondents could choose more than one option, percentages total more than 100%.

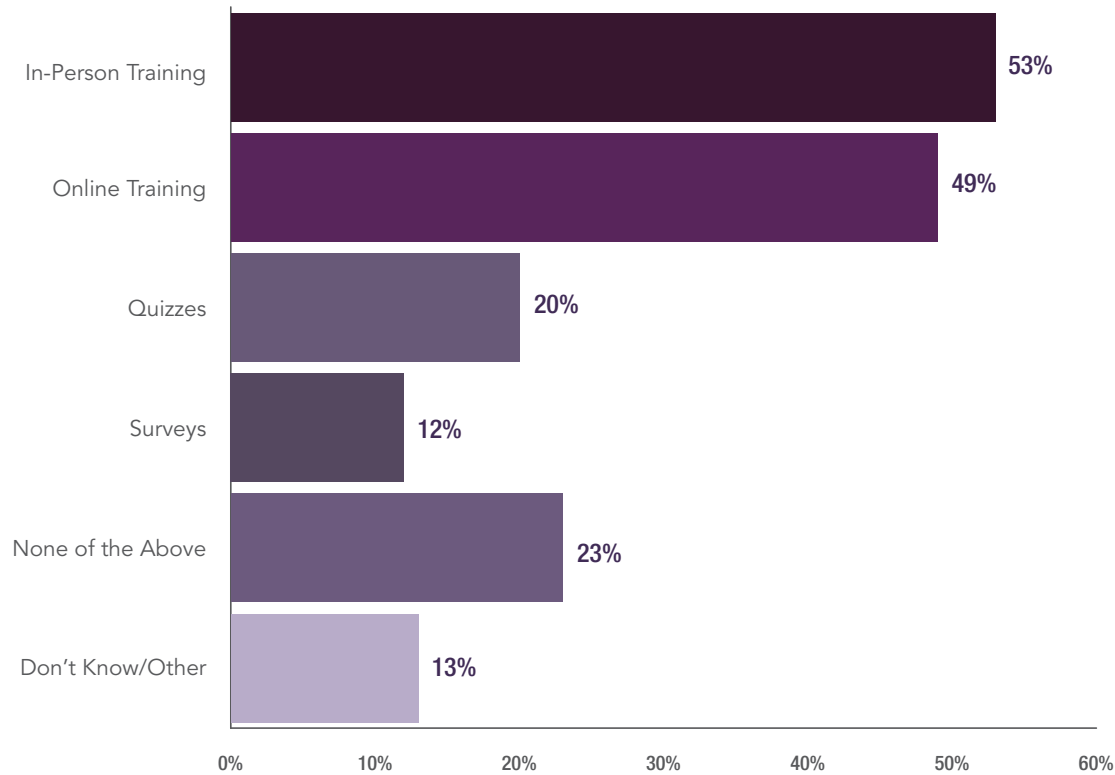
**ANALYSIS:** This result indicates that most organizations use a variety of technology tools in their policy management program. The most readily-available and most prevalent technology—email and programs like SharePoint and Excel—top the list. While better than using strictly manual processes, each of these tools provide incomplete solutions for comprehensive policy management.

These findings also show that policy automation software is an emerging solution for policy management. In future benchmark reports, we anticipate seeing the use of policy management software grow and begin to replace the decentralized and risky patchwork of technology solutions respondents are using today.

## 4) Determining Policy Comprehension

**FINDINGS:** Respondents indicated that, among those organizations that do take action to facilitate comprehension of policies, by far the most prevalent options were live training and online training, with roughly half of respondents using each. However, 23 percent do not generally use any tactics to ensure policy comprehension.

### Tactics to Ensure Comprehension of Policies



Note: Because respondents could choose more than one option, percentages total more than 100%.

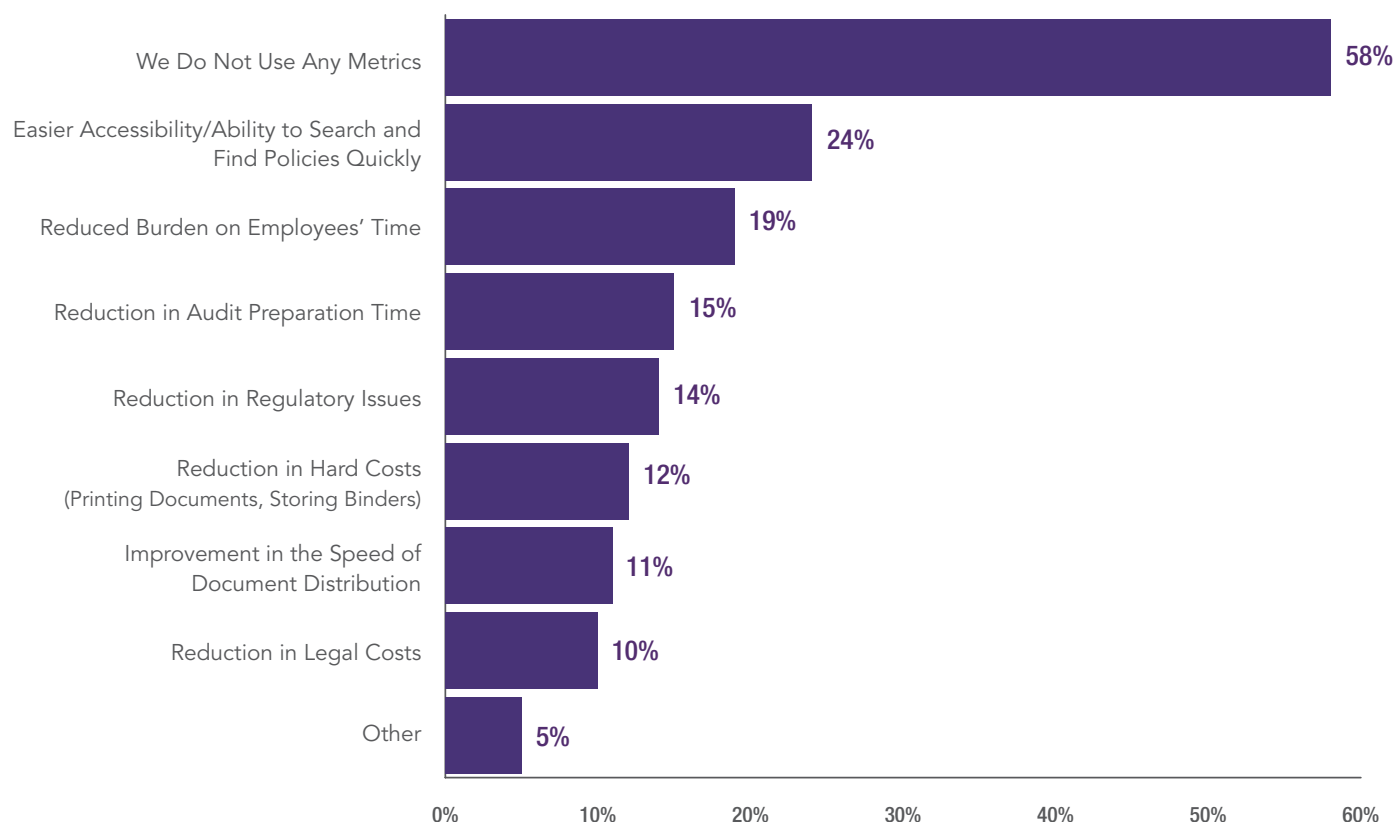
**ANALYSIS:** Under the FSGO, for a compliance program to be deemed effective, the organization must take “reasonable steps to evaluate periodically the effectiveness of the organization’s compliance and ethics program...” Despite this requirement, 23 percent of respondents indicated that their organization did nothing to facilitate comprehension of its policies.

Besides running afoul of the FSGO, the real risk is that employees will not be aware of and/or understand important policies and, as a result, may take actions that violate the policies—and maybe the law. Certainly, policies have little value if employees do not understand them.

## 5) Measuring Policy Management Program Effectiveness

**FINDINGS:** Most respondents reported that they do not measure the effectiveness of their policy management programs—58 percent said their organization has no metrics in place to measure effectiveness. Among those measuring effectiveness, the most commonly measured aspects are accessibility (24 percent); and the reduced burden on employees' time (19 percent).

### Types of Metrics Used to Measure Policy Management Program Effectiveness



Note: Because respondents could choose more than one option, percentages total more than 100%.

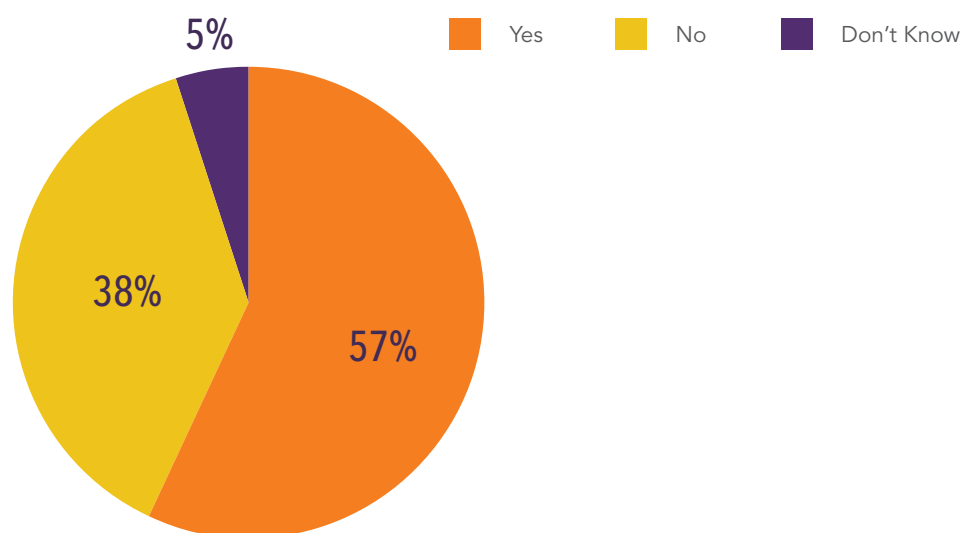
**ANALYSIS:** The old adage of “you can only fix what you can measure” applies here. The 58 percent of respondents who do not measure the effectiveness of their policy management program in any way lack data to guide improvements—or even to alert them to problems.

To help mature the policy management function, policy management owners and stakeholders must be able to demonstrate business value and results related to improved policy management practices. While anecdotal evidence is good, hard data is better. A lack of data will hamper efforts to gain necessary support and financial resources for improvement.

## 6) Guidelines for New Policies

**FINDINGS:** Respondents were asked if their organizations have documented guidelines for creating and distributing new policies. Fifty-seven percent of respondents indicated that they do, while 38 percent of respondents reported that they do not.

### Do You Have Documented Guidelines for Creating and Distributing New Policies?



**ANALYSIS:** It will be difficult for the 38 percent of the respondents operating without a meta-policy to achieve the consistency and level of governance they need for effective policy management—particularly as the number of policies they have (or will need to have) continues to grow.

Effective meta-policies should explain, in general terms, all of the factors that should be considered when creating and implementing new policies. This overarching policy may also prescribe where a policy is stored, the duration that a policy remains active, when it must be reviewed and by whom. The meta-policy should also guide stakeholders on policy formatting and design, to ensure a consistent look and feel for policies across the organization.

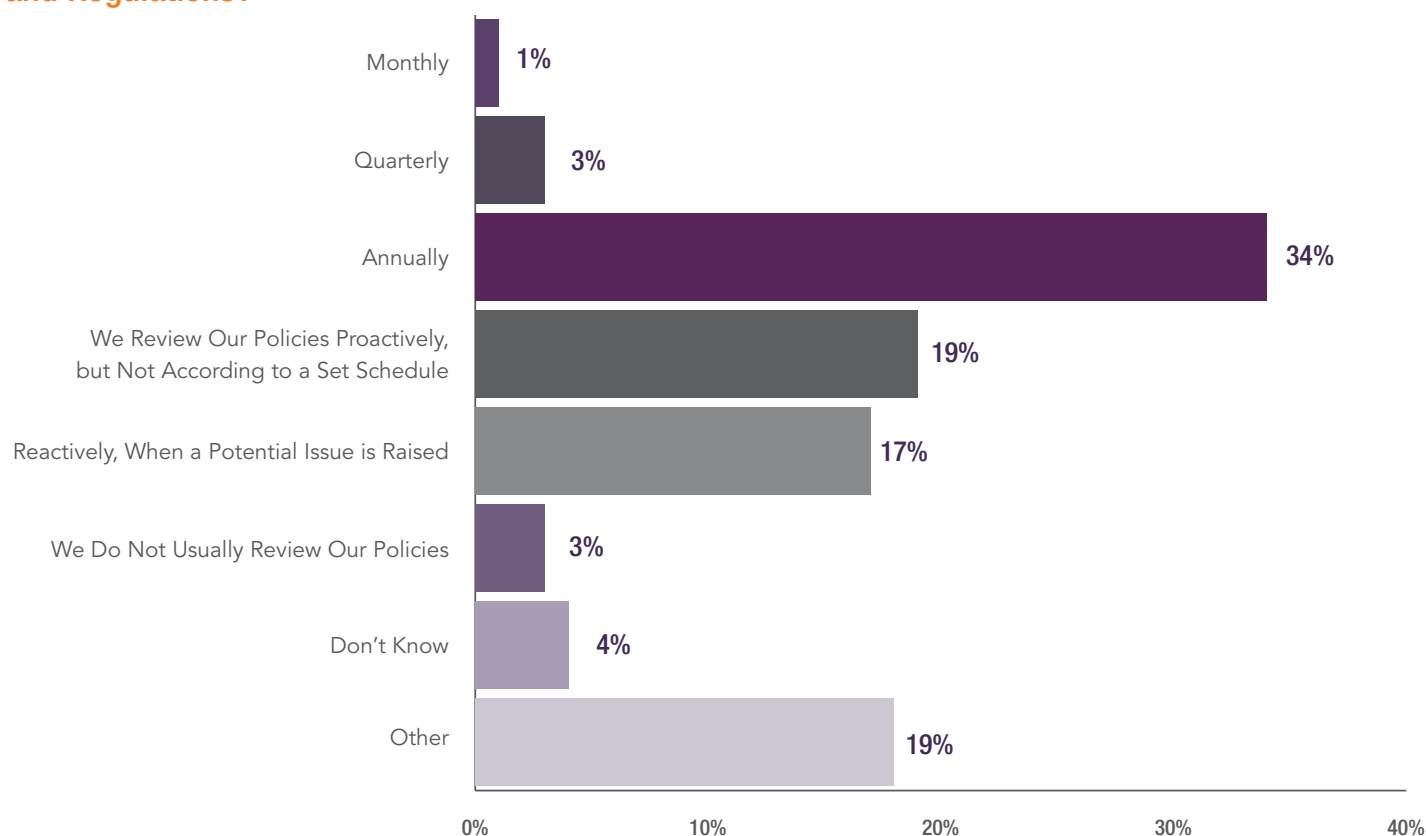
Defining consistent guidelines and processes for creating and managing corporate policies is critical to maintaining policy governance and ensuring an organization is consistently working toward the achievement of a strong culture of compliance.



## 7) Policy Review

**FINDINGS:** Thirty-nine percent of respondents reported that their organization's policies are not reviewed regularly to ensure they are current with applicable laws and regulations. At organizations where policies are reviewed regularly, the review is typically conducted annually.

### How Often Do You Review Your Policies to Ensure They Are Current with Applicable Laws and Regulations?



**ANALYSIS:** It is not uncommon for an organization without a set schedule for reviewing and revising policies to discover that they have policies that haven't been updated for many years. From legal and quality standpoints, outdated policies and procedures are a liability. They can also undermine employee confidence that policies are to be taken seriously.

A set review schedule and clear policy governance responsibilities are critical for ensuring that an organization's policies are truly addressing risk. Policies can become quickly outdated as factors such as laws, regulations, organization size, technology and work habits change.

A schedule for reviewing and updating policies should be established by policy stakeholders, then followed and audited. To determine the right schedule for policy review, consider your organization's risk factors and create a cohesive plan.



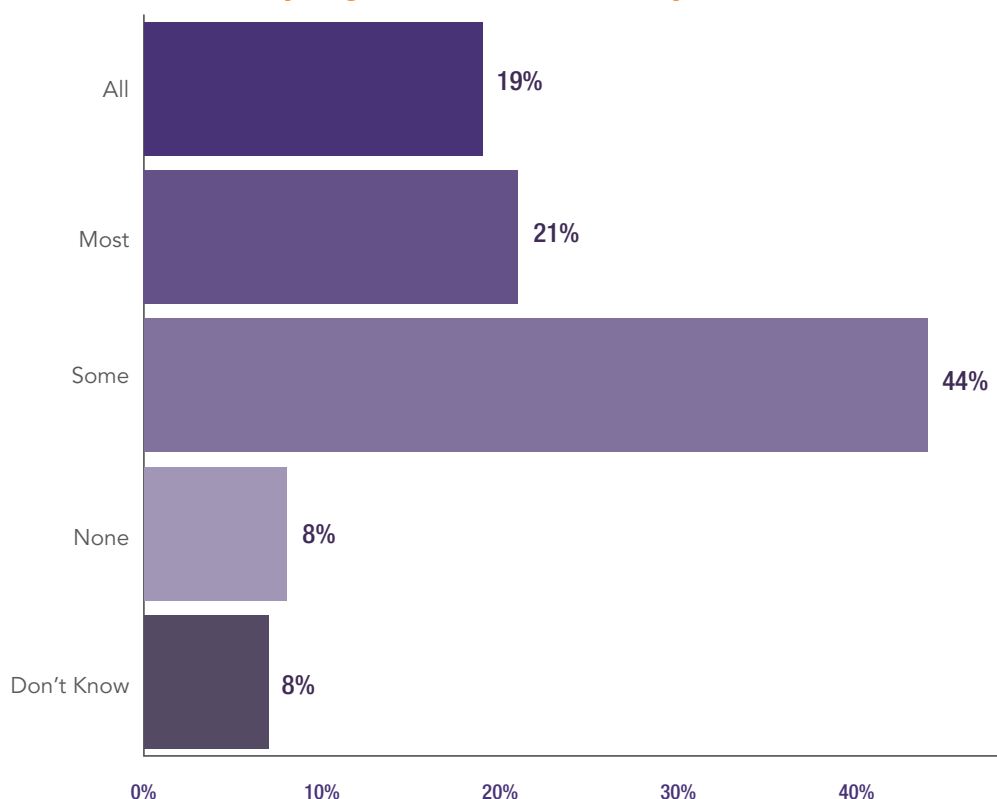
## ADDRESSING LEGAL AND REGULATORY POLICY-RELATED RISKS



## 1) Legal Review of Policies

**FINDINGS:** Forty percent of respondents indicated that, at their organization, most or all policies are reviewed by legal counsel before publication. Forty-four percent of respondents said that legal counsel reviews some of their policies while eight percent said that none of their policies are reviewed.

### How Many of Your Policies Are Reviewed by Legal Counsel Before They Are Published?



**ANALYSIS:** These findings indicate that the majority of respondents don't realize the significant risks presented by policies that have not been reviewed by legal counsel. Policies are the front-line defense for organizations. Every one of your organization's policies should hold up under legal and public scrutiny. If a policy is only marginally defensible, you are inviting liability, litigation and risk by implementing it.

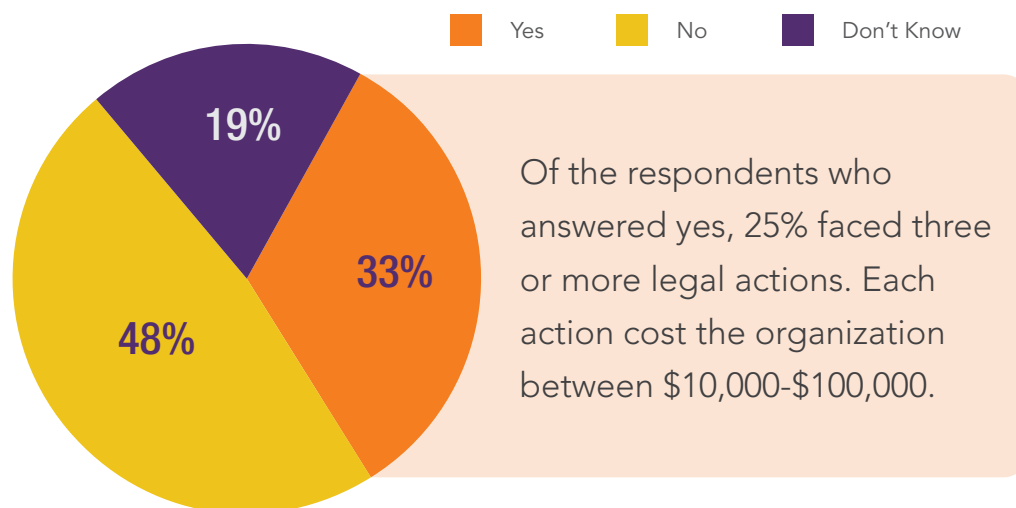
Best practice policy management programs have close and regular oversight of policies by a legal advisor. Legal advisors should not only review an organization's current policies, but also recommend new policies to ensure the organization is covered in rapidly changing legal and regulatory environments.

Clear guidelines regarding legal's role in approving and updating policies should also be part of an organization's meta-policy to ensure consistent governance and appropriate legal review across departments.

## 2) Legal Actions and Costs Related to Policies

**FINDINGS:** Thirty-three percent of respondents reported that, sometime in the past three years, their organization had been engaged in a legal or regulatory action in which a policy came under review as part of the action or the defense. Among the 33 percent of respondents whose organizations faced one or more legal actions, the cost of each action was between \$10,000 and \$100,000.

### In the Last Three Years, Has Your Company Faced Legal or External Regulatory Action Where a Policy Came Under Review as Part of the Action or Defense?



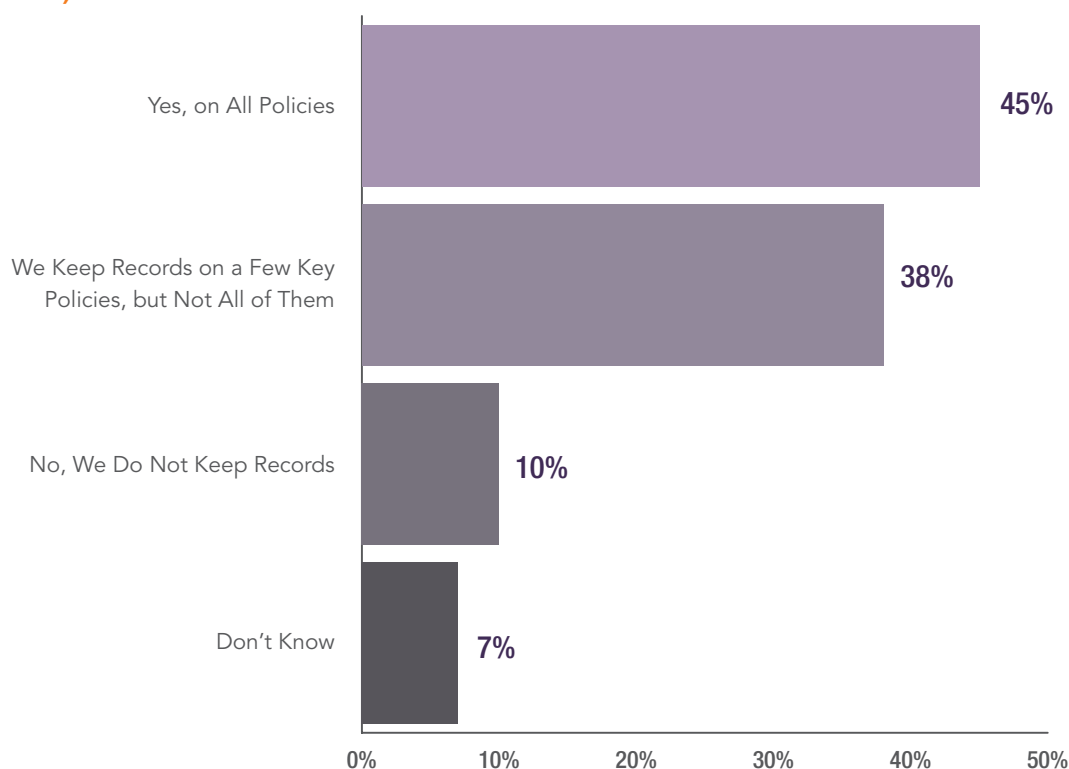
**ANALYSIS:** Building an effective policy management program—and investing in technologies that help reach peak performance—is quickly proving to be an area that adds strong business value.

Moreover, in our experience, an effective policy management program can also help reduce legal and regulatory costs even when an admitted compliance failure has occurred. Making the case that effective policies and appropriate training are in place, government regulators may be more likely to consider entering into deferred prosecution agreements or non-prosecution agreements.

### 3) Record Keeping

**FINDINGS:** Only 45 percent of respondents' organizations keep detailed records on all policies, including revisions, approvals and attestations. Thirty-eight percent do so for a few policies, but not all. Ten percent of respondents keep no policy-related records.

#### Does Your Organization Keep Detailed Records (Including Revisions, Approvals and Attestations) on Policies?



**ANALYSIS:** The ten percent of respondents that keep no records are putting themselves at significant legal and regulatory risk—and the 38 percent who only keep records for some policies are rolling the dice.

The lack of an audit trail for policies opens the door to legal liability. Organizations must maintain detailed records at every stage of policy development—tracking policy status, implementation, understanding and enforcement of policies, including when employees receive a policy communication or access a policy, the version they accessed, whether or not they attested, the results of a quiz or survey, edits made to drafts, approvals and all key dates associated with any like activities.

Whether these activities are tracked manually in spreadsheets or in an automated policy management system, the best practice is to maintain a centralized, standardized and controlled environment to mitigate legal risk.

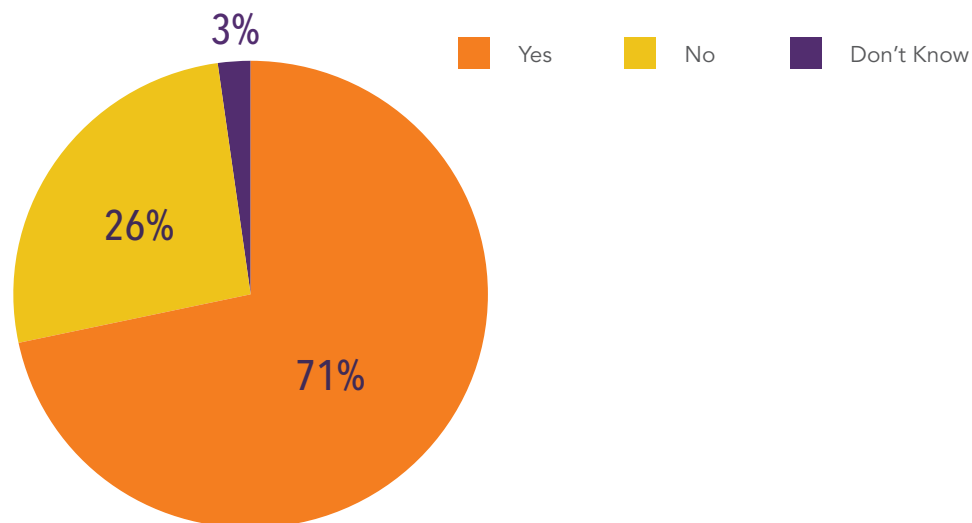
## 4) Policy Review and Attestation

**FINDINGS:** Seventy-one percent of respondents reported that their organizations require employees to formally attest to one or more policies. However, 26 percent do not require formal attestation.

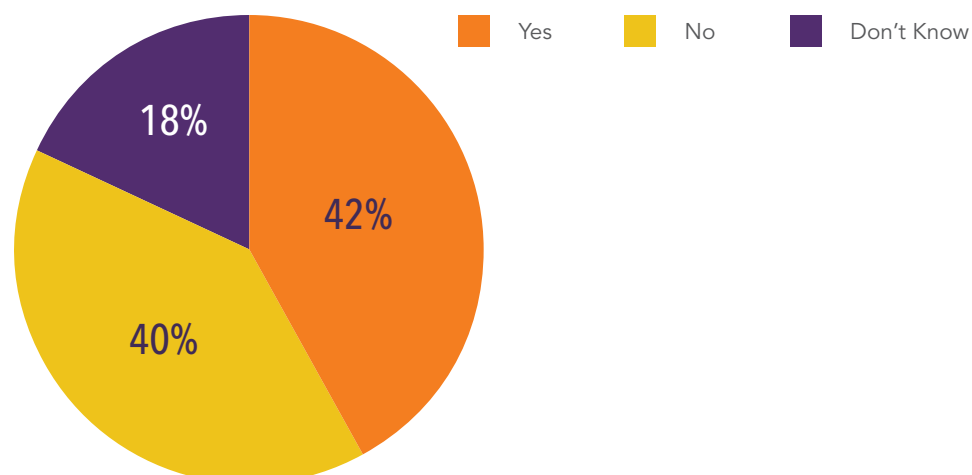
Only 42 percent of respondents reported that their organizations require third party vendors to formally attest to one or more policies, with 40 percent saying they do not require third party vendors to formally attest to any policies.

Forty-one percent of respondents indicated that their organization requires only occasional re-acknowledgement and attestation, compared to 32 percent who require annual attestation.

### Are All Employees Required to Formally Attest to One or More Policies?

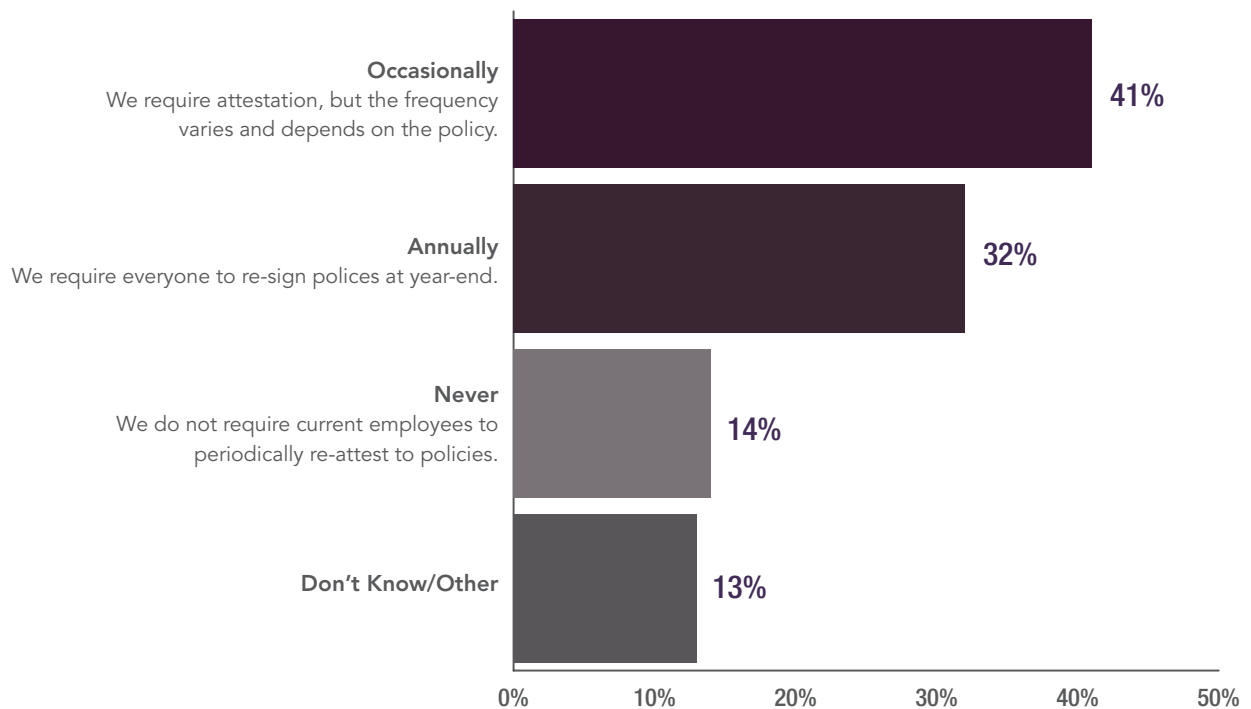


### Are Third Party Vendors Required to Formally Attest to One or More Policies?



## 4) Policy Review and Attestation (continued)

### How Often Are Employees Required to Re-Read or Re-Acknowledge Policies?

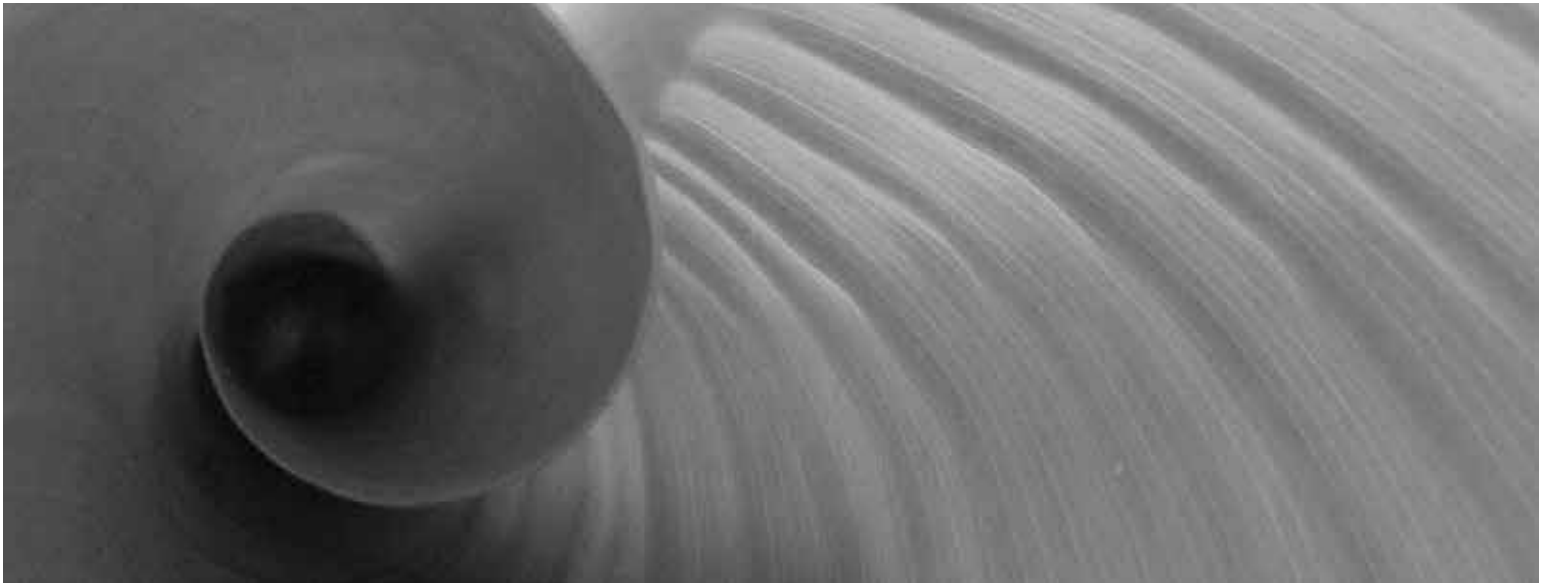


**ANALYSIS:** Most of the respondents (71 percent) indicated that their organizations understand the importance of having employees formally attest to policies. However, only 42 percent of organizations require the same from their third party vendors, indicating organizations may be behind the curve in recognizing that the legal risk of misconduct from third party vendors and employees is comparable. Having both employees and outside vendors attest to policies not only contributes to a culture of compliance, but also helps establish key defenses when violations occur.

Fifty-five percent of organizations who are not requiring periodic re-attestation or re-acknowledgment are missing a significant opportunity. The value of certification and attestation extends beyond being able to prove that employees received and understood a policy. In addition, the process demonstrates the organization's commitment to the policies and underlying values and thus reinforces the organization's culture. Often, it also offers users the opportunity to raise policy violations or compliance failures that might need to be investigated and/or to notify the organization if they do not understand the policy.



ROI OF AUTOMATED POLICY MANAGEMENT



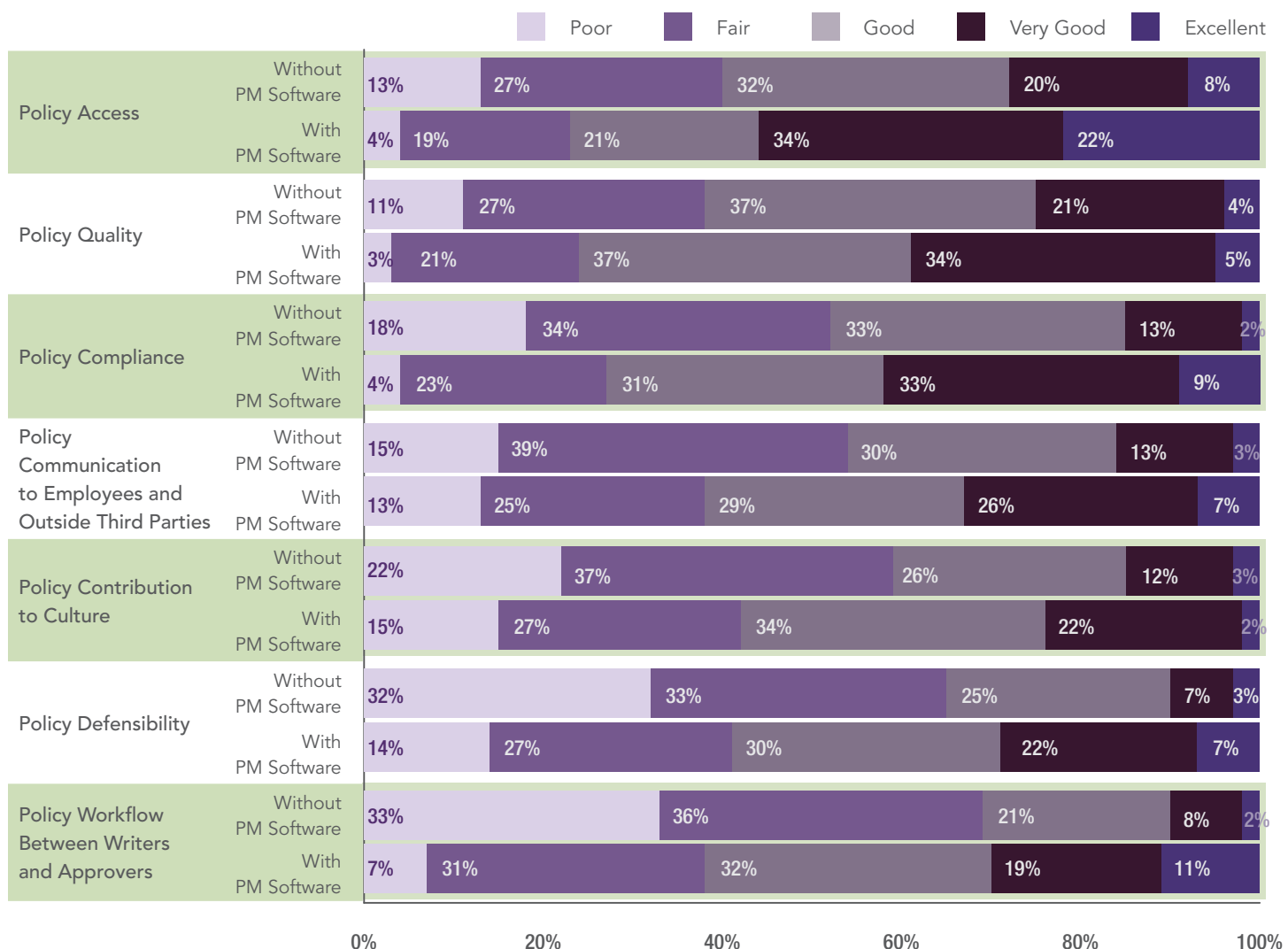


## 1) ROI of Automated Technology

**FINDINGS:** Respondents from organizations that use specialized policy management software consistently rate their organizations higher on the execution of policy management activities than those organizations not using policy management software.

Specifically, 56 percent of respondents using software rate their organizations as very good or excellent on policy access; only half as many non-users provide one of these ratings. Forty-two percent of respondents using policy management software rate their organizations very good or excellent on Policy Compliance; only 15 percent of non-users provide one of these ratings. Thirty percent of respondents using policy management software rate their organizations very good or excellent on Policy Workflow between writers and approvers; only eight percent of non-users provide one of these ratings.

### Respondents' Assessment of Key Aspects of their Policy Management Program: Comparing Respondents With and Without Policy Management (PM) Software



## 1) ROI of Automated Technology (continued)

**ANALYSIS:** On every measurement but one, those using policy management software were at least 50 percent more likely to rate their policy management program in one of the two highest categories than those not using policy management software—and for the lone exception, the difference was 49 percent.

According to respondents, using policy management software has a profound impact on the quality and effectiveness of their overall policy management program. For example, users of policy management software were approximately four times as likely to rate Policy Workflow and Policy Defensibility as very good or excellent than those not using policy management software. Similarly, users of policy management software were more than three times as likely to rate Policy Compliance as very good or excellent and twice as likely to rate Policy Access as very good or excellent compared to non-users.

In sum, the survey data demonstrates that those who have invested in policy management software have reaped substantial benefits.

While the presence or absence of policy management software alone is not a predictor of an effective program, our report data indicates that organizations should consider policy management software as a way to improve their overall policy management efforts.

## V. CONCLUSION AND KEY TAKEAWAYS

Given the risks and challenges of doing business today, a robust policy management program is no longer optional. Policy management is an essential component of a well-protected, high-functioning organization. A balanced, thoughtful approach to policy management is the foundation of a thriving, ethical and successful organization. Looking to the future, executives must lay the groundwork to support a comprehensive, centralized system of policy management, even in the midst of pressured budgets.

### Key Takeaways

To strengthen policy management at your organization, consider the following steps:

- **Define a comprehensive, ongoing, risk-based approach.** If your organization has not yet taken a broader approach to policy management, create a vision for the creation, regular review, training and assessment of policies across your organization.
- **Understand your universe of risks.** An effective policy management program relies on an understanding of all the potential risks to which your organization may be exposed. Create or enhance your policy management system around policies that address each of these risks.
- **Assess your vulnerabilities.** Assess your current approach to policy management and determine where there are opportunities to improve. Focus on key areas including the regular review and updating of policies, targeted training and documented guidelines or rules for creating new policies.
- **Track program effectiveness.** A policy management system cannot fully support your organization without regular assessment of its effectiveness. Don't let anecdotal comments serve as program success determinants. Establish baselines and goals for improvement and put processes in place to measure the effectiveness of the systems and training you deploy.
- **Establish training on policies that address key risk areas.** Training and policy management programs must work hand-in-hand to address organizational risk. No training program can tackle every risk area every year. Effective programs incorporate data-driven decisions, training curriculum maps and an array of training methods to drive home key messages.
- **Align resources with policy management efforts.** Your policy management program should be assigned a budget, staff time and accountability for program success. Policy management activities should be centralized so that every department has immediate access to appropriate documents and there is a streamlined approach to creating, reviewing and updating policies. Consider establishing a document control administrator to oversee the entire life cycle for all policies, including drafting, reviewing and editing policies before final approval, distribution and training.
- **Be ready to handle legal action.** Every organization must be prepared to face legal action related to its policies. This includes establishing consistent legal counsel input, record keeping, policy review and attestation requirements.
- **Implement automated software.** With the right automated policy management software solution, the impact on your policy practice can be broad and deep, providing both human and financial efficiencies. Software offers speedy and continuous access to policies through a central repository. Look for software that is easy to navigate, has a powerful search tool, automatically notifies employees when policies have been updated and has a compliant electronic signature to avoid having hard copies outside the system.

### Navex Global's PolicyTech Policy Management Software

NAVEX Global's PolicyTech policy management software revolutionizes the way organizations manage policies and procedures. Our industry-leading solution has been designed to help organizations centralize and simplify their policy management activities, making the complex tasks of writing, sharing, updating and attesting to policies simple and seamless, while also helping organizations meet legal and regulatory requirements.

To learn more about PolicyTech or to schedule a demo, visit [www.navexglobal.com/PolicyTech](http://www.navexglobal.com/PolicyTech) or call us at +1 866 297 0224.

### Policy Management Tools & Thought Leadership

NAVEX Global also offers many valuable resources relating to improving policy management. Visit our resource center at [www.navexglobal.com/resources](http://www.navexglobal.com/resources) to find these tools and more:

- ▶ **EBOOK:** [The Definitive Guide to Policy Management](#)
- ▶ **ON-DEMAND WEBINAR SERIES:** [Policy Management Bootcamp: Webinar Series on the Definitive Guide to Policy Management](#)
- ▶ **ASSESSMENT QUIZ:** [5-Minute Policy Management Quiz](#) to assess your organization's performance in five key areas of your policy management program.

#### Healthcare Industry-Specific Resources

- ▶ **EBOOK:** [The Definitive Guide to Policy Management for Healthcare](#)
- ▶ **ON-DEMAND WEBINAR WITH AMERICAN HOSPITAL ASSOCIATION (AHA):** [Policy Management Redefined: Forget What You Thought You Knew](#)

## VII. ABOUT THE AUTHORS



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Andrew Foose, J.D., vice president of NAVEX Global's Advisory Services team, is a former senior trial attorney in the U.S. Department of Justice's Civil Rights Division. Andy is recognized among the country's leading experts on conducting lawful and effective internal investigations and has trained thousands of attorneys, compliance officers, auditors and human resource professionals on best-practice investigative techniques and on how to write effective, comprehensive investigative reports. He currently works with organizations ranging from large multi-national organizations to smaller non-profits to assess their ethics and compliance programs and to provide guidance on ways to enhance program effectiveness and efficiency.



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Randy Stephens, J.D., CCEP, vice president of NAVEX Global's Advisory Services team, is a lawyer and compliance specialist who has worked in roles with legal and compliance responsibility for over 30 years, including operations in Mexico, China and Canada. Randy has significant in-house experience leading compliance programs and working for some of the largest and most diverse public and private corporations in the United States, including Home Depot, Family Dollar and US Foods.

## VII. ABOUT NAVEX GLOBAL

NAVEX Global helps protect your people, reputation and bottom line through a comprehensive suite of ethics and compliance software, content and services. The trusted global expert for 8,000 clients, our solutions are informed by the largest ethics and compliance community in the world. More information can be found at [www.navexglobal.com](http://www.navexglobal.com).



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