



ETHICO WHITEPAPER · 2026

The State of Policy Management in 2026

What You Need to Know

How Organizations Create, Distribute, and Prove Compliance with Organizational Policies — and What Needs to Change

Executive Summary

Policy management is the operational backbone of every compliance program, yet it remains one of the least modernized functions in the enterprise technology landscape. While CRM, HR, finance, and marketing teams have adopted cloud-native, AI-enabled platforms over the past decade, most compliance teams still manage policies with tools and processes that have not fundamentally changed since the early 2010s.

This Report

examines how organizations create, approve, distribute, track, and prove compliance with organizational policies in 2026. It identifies the gap between what modern compliance programs need and what current tools deliver, quantifies the cost of that gap, and outlines the technology and process changes that will define the next generation of policy management.

Key Findings

- 01

Policy management remains overwhelmingly manual. An estimated 35-40% of mid-market and enterprise organizations still manage policies primarily through SharePoint, shared drives, and email. Even among organizations with dedicated policy management software, manual processes account for significant portions of the policy lifecycle.
- 02

The average organization spends \$150,000-\$400,000 annually on policy management labor costs alone. This figure includes compliance team hours for drafting, review, approval tracking, translation coordination, attestation follow-up, and audit preparation -- costs that are distributed across departments and rarely calculated as a whole.
- 03

Attestation completion rates are stagnant. The industry average attestation completion rate has hovered around 70-75% for the past five years. Organizations that achieve 90%+ consistently use automated campaigns with intelligent escalation, wave-based rollouts, and comprehension verification -- capabilities most current tools do not offer.
- 04

AI adoption in policy management is at an inflection point. While fewer than 15% of organizations report using AI for policy-related tasks today, more than 60% indicate interest in AI-powered drafting, translation, and compliance analysis within the next 24 months. The gap between interest and adoption represents a significant near-term market shift.
- 05

Real-time collaboration remains rare. Fewer than 20% of organizations report that their current policy management tool supports true simultaneous multi-user editing. The file check-out model, where only one user can edit at a time, remains the default in the market's largest platform.
- 06

Integration is the new competitive advantage. Organizations with policy management tools that integrate with their HRIS, case management, and disclosure platforms report 30-40% higher attestation completion rates and 50% faster audit preparation than those with standalone tools.

Section 01

The Current State

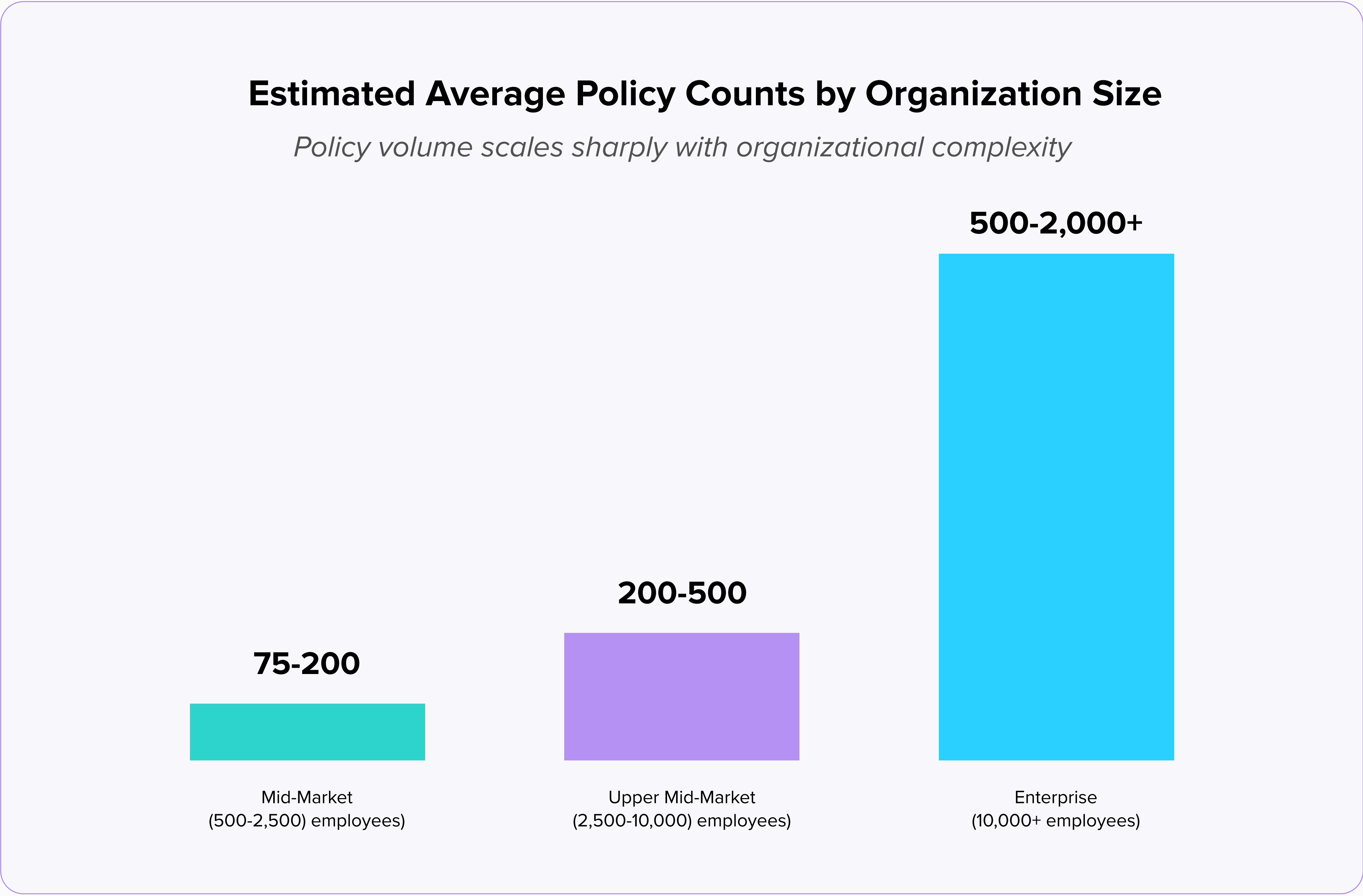
How Organizations Manage Policies Today

To understand where policy management is heading, we must first understand where it stands. Based on industry data, published research, and operational observations from Ethico's work with 1,500+ organizations, the following picture emerges.

Policy Volume Is Growing

Organizations are managing more policies than ever. Regulatory proliferation, expanding privacy requirements, ESG obligations, AI governance frameworks, and remote work policies have all contributed to a steady increase in policy inventory.

The growth in policy volume is not matched by a corresponding growth in compliance team size. The ratio of policies to compliance staff has increased by an estimated 25-35% over the past five years, creating a productivity challenge that manual processes cannot sustain.



The Tool Landscape

Policy management tooling by market penetration

TOOL CATEGORY	EST. MARKET PENETRATION	TYPICAL ORGANIZATION PROFILE
Dedicated policy management platform (NAVEX, PowerDMS, etc.)	25-30%	Upper mid-market and enterprise with mature compliance programs
SharePoint or document management system	35-40%	Mid-market organizations that have not invested in a dedicated tool
Shared drives, email, and manual processes	15-20%	Smaller organizations or those with nascent compliance programs
GRC platform with policy module	10-15%	Enterprise organizations using platforms like ServiceNow, Archer, or RSA

Common Challenges

- 01

Long policy creation cycles. The average time from initial draft to final publication ranges from 4-8 weeks for most organizations. For organizations in highly regulated industries with multi-stakeholder review requirements, 12-16 week cycles are not uncommon.
- 02

Low attestation completion rates. Industry-average attestation completion rates have plateaued at approximately 70-75%. This means that for any given policy, roughly one in four employees has not formally acknowledged it -- creating a compliance gap that is difficult to defend in audits or litigation.
- 03

Lack of visibility. Compliance leaders frequently report that they cannot answer basic questions about their policy program's health: Which policies are overdue for review? What is the attestation status for the updated privacy policy? How long does our approval process actually take?
- 04

Version control challenges. The "which version is current?" problem persists across organizations of all sizes. Multiple copies in email inboxes, shared drives, and personal folders create confusion and compliance risk.
- 05

Audit preparation burden. Compiling policy-related documentation for auditors and regulators is consistently cited as one of the most time-intensive activities in compliance programs. Organizations without purpose-built tools report spending 100-400+ hours annually on policy-related audit preparation.

Section 02

The Cost of Manual Policy Management

Quantifying the Hidden Expense

The cost of policy management is rarely calculated as a single figure. It is distributed across compliance team labor, legal review time, IT support, translation vendors, and administrative overhead in ways that make the total difficult to see. This chapter aggregates those costs into a comprehensive picture.

Labor Cost Model

The following model estimates the annual labor cost of policy management for a mid-sized organization (2,500 employees, 150 active policies, 5 compliance team members).

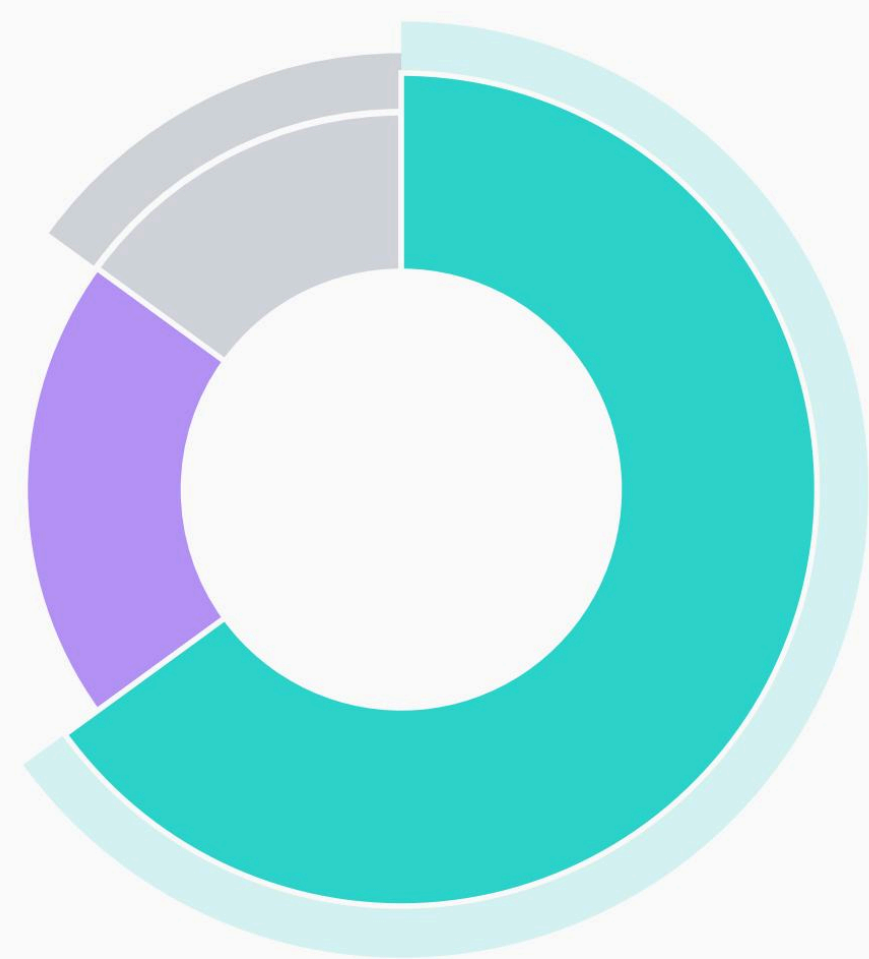
ACTIVITY	HOURS/YEAR	FULLY LOADED COST (\$75/HR)
Policy drafting and revision (40% of policies revised annually, 30 hrs each)	1,800	\$135,000
Cross-functional review coordination	600	\$45,000
Approval tracking and follow-up	400	\$30,000
Attestation distribution and tracking	520	\$39,000
Attestation follow-up and escalation	260	\$19,500
Audit preparation and documentation	200	\$15,000
Translation coordination (with vendors)	150	\$11,250
IT support for workflow and system maintenance	200	\$15,000
Total	4,130	\$309,750

For enterprise organizations managing 500-2,000+ policies with larger teams and more complex requirements, annual labor costs routinely exceed \$500,000 and can approach \$1,000,000.

The Risk Equation

The costs above are quantifiable operational expenses. The risk costs of inadequate policy management are harder to quantify but potentially far larger:

COST CATEGORY	TYPICAL RANGE	NOTES
Translation services	\$1,000–\$5,000 per language, per policy	An organization translating 10 policies into 3 languages annually spends \$30,000–\$150,000
Software licenses	\$15,000–\$200,000/year	Dedicated policy management platforms; varies by org size. SharePoint users incur \$15,000–\$50,000 /year in indirect IT support costs
Survey and attestation tools	\$5,000–\$15,000/year	SurveyMonkey, Google Forms, etc. — plus the labor cost of manual administration



Where the Money Goes

The majority of policy management cost is hidden in labor



Section 03

Technology Adoption Trends

What Tools Operations Use

The policy management technology landscape can be segmented into four adoption tiers:

TIER	APPROACH	MARKET SHARE	WHO'S USING IT
01	Purpose-built policy management (NAVEX PolicyTech, PowerDMS, etc.)	25–30%	Upper mid-market and enterprise in heavily regulated industries. Offers structured workflows, version control, and basic attestation tracking.
02	GRC platform modules (ServiceNow GRC, RSA Archer, LogicGate)	10–15%	Large enterprises. Policy module is bundled but typically not the platform's strength — users often report it's underpowered vs. standalone tools.
03	Document management adapted (SharePoint, Box, Google Drive)	35–40%	Organizations using document storage + email and manual processes for the rest of the lifecycle. The largest single segment — biggest opportunity for purpose-built solutions.
04	Manual / no system (Word docs on shared drives, email distribution)	15–20%	Smaller organizations and those with nascent compliance programs. No systematic tracking.

Satisfaction Levels

Industry review data from G2, Gartner Peer Insights, and TrustRadius reveals a consistent pattern:

Purpose-Built Tools NAVEX PolicyTech, PowerDMS SATISFACTION MODERATE Users appreciate the structure but cite specific frustrations: dated interfaces, file check-out limitations, lack of AI capabilities, and poor user experience for employees.	GRC Platform Modules ServiceNow, Archer, LogicGate SATISFACTION LOW-MODERATE Policy modules are often described as "adequate but not great" and "clearly not the platform's priority."	SharePoint / Doc Mgmt SharePoint, Box, Google Drive SATISFACTION LOW (for policy) Low satisfaction for the policy use case. High satisfaction for document storage generally, but poor fit for the compliance lifecycle requirements.
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Switching Triggers

Based on reported buyer behavior and industry analysis, the most common triggers for evaluating a new policy management solution include:

1. **Failed audit or regulatory finding** related to policy management (31% of evaluations)
2. **Contract renewal** with existing vendor creating a natural evaluation window (24%)
3. **New compliance leader** who has experienced better tools at a previous organization (18%)
4. **Regulatory change** requiring significant policy updates that expose current tool limitations (15%)
5. **Organizational growth** beyond what current manual processes can support (12%)

Section 04

The AI Revolution in Policy Management

From Experiment to Expectation

Artificial intelligence has moved from the margins to the center of compliance technology conversations. In policy management, AI is applicable at every stage of the lifecycle -- and the gap between organizations that adopt AI-enabled tools and those that do not is widening.

AI Applications Across the Policy Lifecycle

Policy-Creation: AI-Assisted Drafting

The most immediate and quantifiable AI application is policy drafting. Purpose-built AI can generate a structured policy draft from a regulatory requirement, industry context, and organizational parameters in minutes rather than the 20-40 hours a manual draft typically requires.

This is not a generic chatbot generating unstructured text. Modern AI policy engines produce formatted documents with standard compliance sections (purpose, scope, definitions, procedures, enforcement, revision history), jurisdiction-aware language, and configurable parameters for industry, company size, and regulatory framework.

The compliance professional's role shifts from writer to editor — reviewing, refining, and applying judgment to an AI-generated first draft. Early adopters of AI-assisted drafting report 70-80% reductions in initial drafting time.



Example Policy+

Policy+ by Ethico generates complete policy drafts from regulatory inputs using Anthropic's Claude, with tenant-isolated AI processing that ensures no cross-contamination of customer data.*

AI-Powered, Version-Linked

Translation has historically been one of the most expensive and time-consuming elements of policy management for multinational organizations. Professional translation costs \$1,000-\$5,000 per language per policy and takes 2-4 weeks per language.

AI-powered translation can produce compliance-aware translations in minutes at a fraction of the cost. Critically, modern implementations link translations to their source policies so that when the English version is updated, all translations are flagged for review and can be auto-regenerated.

Organizations with global operations report the translation capability alone can save \$50,000-\$200,000 annually in vendor costs and eliminate weeks of delay from policy update cycles.

Search and Discovery: Semantic Understanding

Traditional keyword search works poorly for policy libraries. Employees searching for "travel policy" may need the "Business Travel and Expense Reimbursement Policy" or the "Remote Work and Flexible Arrangements Policy" depending on their context. AI-powered semantic search understands intent, not just keywords, and surfaces the most relevant policy for each query.

Adoption Barriers

Despite the clear potential, several barriers are slowing AI adoption in policy management:

- **Data security concerns:** Compliance teams handle sensitive regulatory and organizational information. Legitimate questions about how AI processes and stores this data must be addressed with clear architectural answers (tenant isolation, data processing agreements, and SOC 2 certified infrastructure).
- **“AI washing” fatigue:** After two years of vendors claiming AI capabilities that range from genuine innovation to superficial chatbot wrappers, buyers are rightfully skeptical. The distinction between AI-native architecture and AI bolted onto legacy platforms is meaningful and must be demonstrated, not just claimed.
- **Human oversight requirements:** AI should never publish a policy without human review and approval. The technology's role is to accelerate and augment, not to replace human judgment. Platforms that make this distinction clearly in their architecture and user experience build trust faster.

Section 05

Real-Time Collaboration and the Death of File Check-Out

Why Sequential Editing Is a Compliance Risk

The file check-out model -- where one user locks a document for editing and all others wait -- was designed for an era of desktop-only, single-user document management. It persists in the market-leading policy management platform despite being obsolete in every other category of collaborative software.

The business impact of file check-out extends beyond inconvenience:

- **Extended review cycles.** When compliance, legal, HR, and a business unit leader must each review a policy sequentially, a review that could be completed in a single collaborative session takes weeks instead. Each handoff introduces delay (waiting for the previous reviewer to finish) and context loss (each reviewer sees the document in isolation rather than in the context of others' feedback).
- **Version proliferation.** When reviewers cannot access the document due to a lock, they often create offline copies, make edits in Word, and email them back. This creates multiple competing versions that must be manually reconciled -- a process that introduces errors and consumes hours.
- **Bottleneck fragility.** If the person who has checked out the document goes on vacation, gets pulled into a crisis, or simply forgets to check it back in, the entire review process stalls. There is no graceful failover.

The CRDT Alternative

Conflict-free Replicated Data Types (CRDTs) are the technology that enables real-time simultaneous editing in applications like Google Docs, Notion, and Figma. In a CRDT-based editor, multiple users' changes are applied simultaneously and merged automatically without conflicts.

For policy management, this means:

- Compliance, legal, HR, and business stakeholders can edit a policy at the same time
- Inline comments, @mentions, and suggested edits replace email-based review
- Tracked changes show who changed what, with full attribution
- The review cycle happens in days, not weeks
- There are zero version conflicts because there is only ever one version



Example Policy+

Policy+ by Ethico uses Y.js, an open-source CRDT library, to provide Google Docs-style real-time collaborative editing specifically designed for the policy review workflow.

Measured Impact

Organizations that have adopted real-time collaborative editing for policy management report:

- 50-70% reduction in review cycle time
- Elimination of version merge conflicts
- 30% fewer approval bottlenecks (issues are identified and resolved during collaborative sessions rather than during asynchronous review)
- Higher reviewer satisfaction (professionals prefer real-time collaboration to waiting for their "turn")

Section 06

Attestation Intelligence

Beyond the Checkbox

Policy attestation has been stuck in a binary model for two decades: the employee clicks a checkbox or signs an electronic signature, and the system records the event. This model has two fundamental limitations.

- **It does not prove comprehension.** A checkbox proves that a human interaction occurred with a button on a screen. It does not demonstrate that the employee read the policy, understood its key provisions, or can apply it to their work. When regulators, auditors, or opposing counsel ask "did this employee understand the anti-harassment policy?", a checkbox timestamp is a weak answer.
- **It does not drive engagement.** Employees have been conditioned to view policy attestation as an administrative chore to be completed as quickly as possible. The incentive structure -- click, move on -- actively discourages reading and engagement. Completion rates plateau because there is no intelligence in the system to adapt to non-completion patterns.

The Attestation Intelligence Model

A new approach is emerging that treats attestation as an intelligent, adaptive process rather than a one-time event:

- **Comprehension verification.** AI-generated quizzes tailored to each policy's specific content replace generic checkboxes. Quiz questions test understanding of key provisions, exceptions, reporting procedures, and escalation paths. Configurable pass/fail thresholds allow organizations to require demonstrated comprehension before attestation is recorded.
- **Wave-based deployment.** Instead of distributing a policy to all 10,000 employees simultaneously, intelligent attestation campaigns deploy in waves: executives and senior management first, then people managers, then individual contributors. This approach prevents organizational bottleneck, allows leaders to familiarize themselves before their teams have questions, and generates early completion data that can be used to refine subsequent waves.
- **Predictive escalation.** Instead of sending generic reminders on a fixed schedule, intelligent systems analyze completion patterns and escalate proactively. If an employee typically completes attestations within 3 days and has not done so after 5, the system escalates earlier than the standard reminder cadence. If a department is trending behind the organization average, the department manager receives a dashboard notification before the deadline passes.
- **Immutable audit trail.** Every attestation event is recorded as an immutable record with timestamp, quiz score (if applicable), device information, and IP address. These records cannot be altered after the fact, providing defensible evidence for regulators and courts.

Measured Impact

Organizations implementing attestation intelligence report:

- 15-25 percentage point improvement in completion rates (from approximately 70-75% to 90-95%+)
- 80-90% reduction in manual follow-up labor (reminders and escalation are automated)
- Stronger audit defensibility (quiz scores and immutable records versus checkbox timestamps)
- Higher employee engagement with policy content (quiz requirement incentivizes reading)

Section 07

The Connected Compliance Ecosystem

Integration as a Competitive Advantage

Policy management does not exist in isolation. Policies interact with case management (policy violations trigger investigations), disclosure management (policy requirements drive disclosure obligations), HR systems (employee data determines policy distribution), and training platforms (policy understanding gaps inform training needs).

Yet the majority of policy management tools operate as standalone systems with minimal integration into the broader compliance and HR technology ecosystem. This isolation creates data silos, manual processes, and compliance blind spots.

The Integration Imperative

HRIS Integration: The Foundation

The most impactful integration for policy management is the HRIS connection. When employee data -- names, titles, departments, locations, managers, start dates, termination dates -- flows automatically from the HRIS to the policy management platform, several critical processes are automated:

- New hires receive the correct policies on their first day, based on their role, department, and location
- Role changes trigger updated policy assignments (a transfer from Sales to Legal means new policies become relevant)
- Departures automatically remove access and clear pending attestation assignments
- Department and location data enables targeted policy distribution without manual list management

Organizations with HRIS-integrated policy management report 30-40% higher attestation completion rates than those managing employee data manually, primarily because the "right people, right policies" targeting is accurate and current.



Example

Policy+

Policy+ by Ethico offers native integrations with 9+ HRIS platforms including Workday, BambooHR, ADP, UKG, SAP SuccessFactors, Oracle HCM, Namely, Rippling, and Gusto.

Case Management Integration: Closing the Loop

When a policy violation is reported through a hotline or intake channel, the resulting investigation should have immediate visibility into the relevant policy and the employee's attestation history. Did the employee attest to the anti-harassment policy? When? Did they pass the comprehension quiz? This context eliminates manual lookup, accelerates investigation timelines, and provides a more complete picture of the employee's compliance posture. It also creates a feedback loop: patterns of policy violations in specific departments or roles can inform targeted policy re-distribution and attestation campaigns.

Disclosure Management Integration: Policy-Driven Obligations

Certain policies create disclosure obligations. A conflict of interest policy requires an annual COI certification. A gift and entertainment policy triggers disclosure requirements when gifts are received. When the policy management system is connected to the disclosure management system, these obligations can be triggered automatically -- ensuring that policy updates flow through to disclosure requirements without manual coordination.

Training Platform Integration: From Gap to Action

When attestation data reveals comprehension gaps -- employees failing quiz questions about specific policy provisions, for instance -- that data should inform the training plan. Integration with Learning Management Systems (LMS) enables automatic assignment of targeted training modules when attestation results indicate knowledge gaps.

Section 08

What Best In-Class Programs Look Like

Profile of a Mature Policy Management Program

Based on observations across hundreds of compliance programs, the following characteristics distinguish best-in-class policy management programs from the average:

Single source of truth.

All policies are maintained in a single, centralized system. There is no ambiguity about which version is current. Employees know exactly where to find policies, and compliance teams know exactly what is published.

Defined lifecycle with enforced governance.

Every policy follows a structured lifecycle: draft, review, approve, publish, distribute, attest, monitor, retire. Each stage has defined owners, timelines, and escalation rules. The system enforces these rules -- approvals cannot be skipped, review deadlines trigger alerts.

AI-augmented creation and maintenance.

AI assists with drafting, translating, and summarizing policies. Compliance professionals focus on expert judgment -- regulatory interpretation, organizational applicability, risk assessment -- not formatting and boilerplate.

Real-time, collaborative review.

Stakeholders from compliance, legal, HR, and business units collaborate on policies in real-time. Review cycles are measured in days, not weeks. Feedback is captured in inline comments, not email threads.

Comprehension-based attestation.

Attestation goes beyond acknowledgment to demonstrate understanding. Comprehension quizzes, wave-based deployment, and intelligent escalation drive 95%+ completion rates with defensible evidence of employee comprehension.

Connected ecosystem

Policy management is integrated with HRIS, case management, disclosure management, and training systems. Employee data flows automatically. Investigation context includes attestation history. Policy updates trigger downstream obligations.

Continuous visibility.

Dashboards show policy program health in real time: attestation completion rates, approval cycle times, policy freshness scores, and compliance gaps. Board-level reporting is available on demand, not assembled manually.

Transparent, predictable investment

The cost of the policy management program is understood, budgeted, and justified with measurable ROI. There are no hidden fees, no surprise renewal increases, and no manual processes that should be automated.

Section 09

Recommendations for 2026

Five Actions for Compliance Leaders

Based on the findings in this report, we recommend the following actions for compliance leaders evaluating or improving their policy management programs in 2026:

01

Audit your true policy management cost.

Calculate what your current process actually costs before evaluating new tools. Include labor for drafting, review, attestation, and audit prep — plus translation, IT support, and any third-party tools. Most organizations exceed \$200,000/year.

ACTION

Assign one team member to track time spent on policy activities for 30 days. Extrapolate to an annual figure. This becomes your baseline for ROI analysis.

02

Evaluate AI readiness — and demand demonstrations.

AI capabilities are real and measurable in 2026, but maturity varies widely. Do not accept vendor claims at face value.

ACTION

In every vendor evaluation, demand a live demo of AI policy drafting on your own regulatory framework, AI translation with version linking, and AI-generated quizzes. If they can't demo it live, it's a roadmap item — not a production feature.

03

Prioritize collaboration architecture over feature lists.

The gap between file check-out and real-time collaboration isn't a feature — it's an architectural distinction that shapes the entire policy lifecycle.

ACTION

Test the editing model in every platform you evaluate. Have two or three team members try to edit the same document simultaneously. The experience speaks for itself.

04

Move beyond checkbox attestation.

Regulatory expectations are shifting toward demonstrable comprehension, not just recorded acknowledgment. Checkbox-only programs face growing audit and litigation risk.

ACTION

Evaluate your current model against regulatory expectations in your industry. If you rely on checkboxes, plan to introduce comprehension verification within 12 months. AI-generated quizzes make this feasible without manual content burden.

05

Integrate or stagnate.

Standalone tools that don't connect to HRIS, case management, and disclosures create silos that undermine the entire compliance program.

ACTION

Map your current compliance technology ecosystem. Prioritize HRIS integration first (highest impact on attestation accuracy), then case management, then disclosures.

METHODOLOGY AND SOURCES

This report draws on multiple sources to present a comprehensive view of the policy management landscape.

Industry research and published data

- SCCE (Society of Corporate Compliance and Ethics) survey data on compliance program practices
- ECI (Ethics and Compliance Initiative) reports on program effectiveness
- Gartner and Forrester research on GRC and compliance technology markets
- G2, Gartner Peer Insights, and TrustRadius user review data for policy management platforms
- U.S. Department of Justice guidance on evaluation of corporate compliance programs
- Regulatory enforcement databases (HIPAA, OSHA, SEC, FINRA) for penalty and citation data

Operational data and observations

- Ethico's experience serving 1,500+ organizations over 25 years in ethics and compliance technology
- Implementation and customer success data from POLICY+ early-adopter deployments
- Sales and market research conversations with compliance leaders across regulated industries

Industry benchmarks

- Policy cycle times — published SCCE data and Ethico operational observations
- Attestation completion rates — published industry reports and aggregated platform data
- Cost estimates — fully loaded hourly rates from the Bureau of Labor Statistics and compliance salary surveys
- Regulatory penalty data — public enforcement action databases

Limitations

This report presents industry analysis and aggregated data points, not a statistically rigorous survey. Figures labeled "estimated" or "approximately" represent our best assessment based on available sources. Where specific survey data exists, it is cited. Where data reflects Ethico's operational observations, it is identified as such. We encourage readers to validate all data points against their own organizational experience and to conduct independent research when making technology investment decisions.



Ethico has served the ethics and compliance community for 25 years, building technology that helps organizations investigate concerns, manage disclosures, screen and monitor credentials, and -- with Policy+ -- manage the policies that govern organizational conduct.

More than 1,500 organizations trust Ethico. Our commitment to transparent pricing, exceptional support (97-minute average response time), and building technology that serves the humans at the center of compliance programs has remained constant since our founding.

Policy+ is Ethico's AI-native policy management platform, launched Q2 2026. It combines AI-powered policy drafting, real-time collaborative editing, intelligent attestation campaigns, and configurable approval workflows into a single platform built for modern compliance teams.

Learn more:

- Policy+ product page: www.ethico.com/policy-management
- Book a demo: www.ethico.com/demo
- Contact: sales@ethico.com

Ready to Build Your Disclosure Ecosystem?

See how Ethico's platform can transform your compliance program.

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