

The Business Benefits of Getting **Compliance** **Training** Right

2022



Table of Contents

Introduction..... 3

Key Take-Aways11

Authors and Contributors 13

About Brandon Hall Group.....14

About Meridian Knowledge Solutions..... 15

Introduction

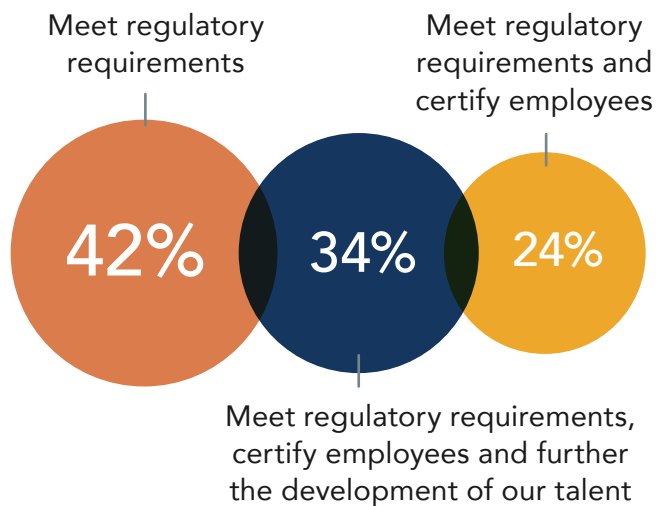
Compliance training affects just about every organization around the world. It can range from a review of the employee manual to training on critical life-or-death matters. Not only does it affect most companies, but it touches every employee as well. Failure to execute effectively could result in anything from a sternly written letter to the end of the business. Yet, despite its reach and implications, many organizations struggle with developing ways to make this

training more strategic for the business and engaging for the learner.

The main reason is that compliance training is not seen as having much impact on the business. Most organizations focus their compliance training efforts on meeting regulatory requirements and certifying employees. Only about one-third use to also develop their workforce.

The Purpose of Compliance Training

Compliance training is still seen as extremely operational, driven by external forces rather than the needs of the business.



Source: Brandon Hall Group Study,
Reimagining Compliance Training 2021



Because the bar has been set somewhat low for compliance training expectations, organizations believe their approach is relatively effective, with more than half calling it either very or extremely effective. When the process is treated as a “check-the-box” exercise, the assumption is that checked boxes equal success.

The Effectiveness of Compliance Training

Because it is not measured by the same outcomes as other learning, compliance training is seen as relatively effective.

3% Not at all effective



Source: Brandon Hall Group Study, Reimagining Compliance Training 2021

But that is not where it ends for compliance training. Organizations are taking tangible steps to make it more of a strategic element of the Learning and Development universe. Nearly three-quarters of organizations say they are actively working toward making compliance training more strategic, taking it beyond regulations and certifications. Of course, this is not an easy undertaking. Compliance training typically comes with a lot of history and external pressures that make change difficult. The biggest challenge, however, is that L&D teams don't feel they have the time to transform their approach.

Strategic Compliance Training: Challenges

On a scale of 1-5, **moderately (4) or completely (5) stopping** organizations from making compliance training more strategic.



Source: Brandon Hall Group Study, Reimagining Compliance Training 2021

When we dig into what kinds of impact compliance can have, we start to see the emergence of more strategic outcomes. Beyond meeting regulatory requirements — which is important and seen as the number-one driver — companies can also look at compliance training’s ability to mitigate risk as a strong driver, with the added benefit of providing a safe work environment. Further down the list of compliance training drivers, we see more strategic outcomes come to light.

Top Drivers of **COMPLIANCE TRAINING**



Meet regulatory requirements



Avoid/mitigation risk



Provide a safe work environment



Corporate citizenship and accountability



Drive business performance



Positioning as a learning-focused organization



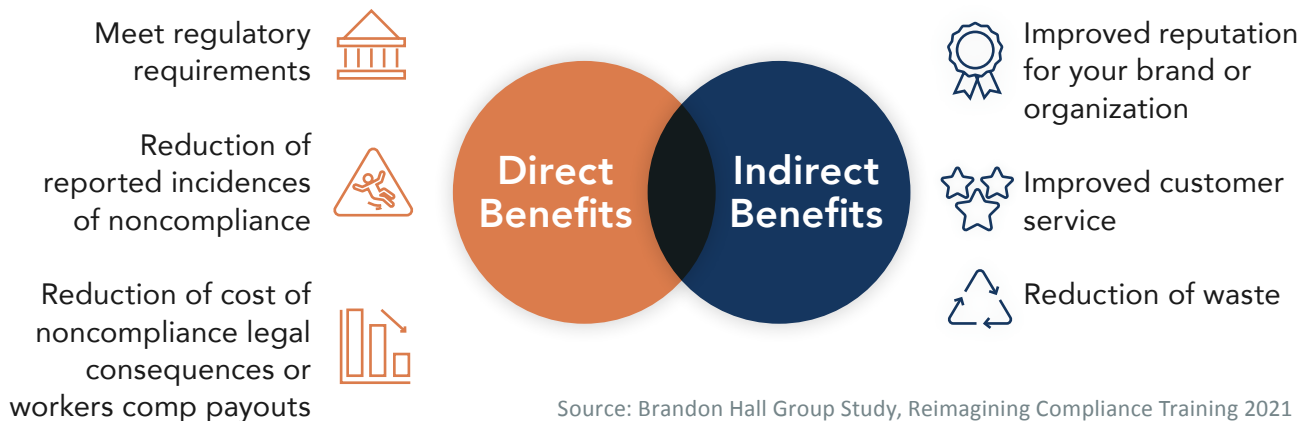
Advance employee development



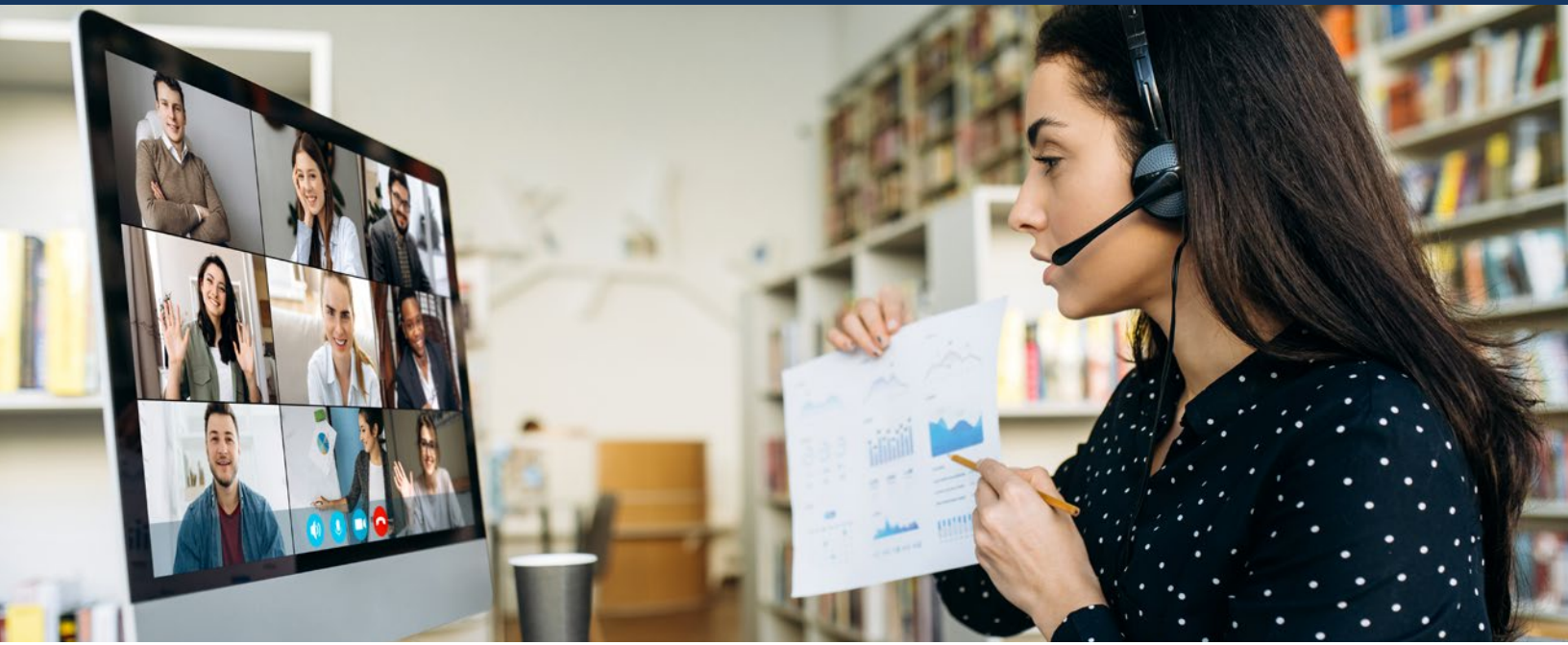
Create opportunities for employee advancement

Even if an organization is using compliance training solely to meet regulatory requirements, business objectives are at the core of every program. There is something the company can point to that tells the learner why this training is important. The right approach will have numerous direct and indirect benefits.

Direct and Indirect Benefits of Risk Reduction



Source: Brandon Hall Group Study, Reimagining Compliance Training 2021



As we've seen, the main driver for and biggest direct benefit of compliance training is **meeting regulatory requirements.**

It is important to be able to report that the workforce is 100% compliant from a training perspective. But other direct benefits also show compliance training's value. When the workforce is compliant with training on processes and procedures, it translates into a reduction in reports of noncompliant behaviors and incidents. The right knowledge can and does change behaviors.

If an employee is not presented with the correct way to do something, it won't get done. It's that simple. But it's also about presenting the best way to do it. For example, part of the compliance training may instruct the employee to

store a broom in a certain place. The training should be about more than just putting the broom there. It is about the knowledge that broom placement is more efficient, as well as safer for other employees when the broom is not in use. This is a simplistic example, but the principles apply to higher-stakes training as well.

Of course, noncompliance almost always results in some sort of cost to the business. It could be legal ramifications, workers' compensation payouts, fines and more. A strategic approach to compliance mitigates these risks and can directly reduce costs for the organization.

Behind these direct benefits, however, lurk some additional and indirect benefits. For one, there is the reputation of an organization and its brand. As companies become more compliant and efficient and improve safety in the workplace, their reputations improve internally and externally. Brand and reputation are as important internally as they are externally. Employees want to know that the organization actually cares that they are safe, not just that they have checked a box.

The efficiency and standardization that come from compliance training can also boost customer service. The training is aimed at ensuring people are doing things the “right” way, which typically results in better customer experiences. There is also the indirect benefit of reduced waste. Again, efficiency and standardization come into play here to prevent lost work hours.

It’s important to note the difference between compliance and adherence. Employees can comply with something but not necessarily fully embrace or embody it. Part of this is providing employees with incentives and context around compliance training. Unfortunately, the experience has traditionally been all “stick” and no “carrot” when it comes to incentives. The most commonly associated incentives for compliance training are either avoidance of punishment or nothing at all. Few companies recognize or reward achievement in compliance training, which only adds to the “do it or else” perception it carries with most of the workforce.

Compliance Training Incentives

55% | Avoidance of punitive outcomes

Points/badges | 14%

10% | Social recognition

Promotions/advancements | 6%

4% | Monetary rewards

None | 49%

Source: Brandon Hall Group Study,
Reimagining Compliance Training 2021

For learners, the motivation to complete compliance training programs is avoiding punishment — if there is any motivation at all. In this environment, it is easy to see why employees see compliance training as a necessary chore with little connection to the work they do. As for context, this is the main thing companies making compliance training more strategic are after. By being able to improve the link between compliance training and an array of organizational and individual outcomes, the training gains more meaning, learners become more engaged and those outcomes are more likely achieved.



How are you making compliance training more strategic?



Source: Brandon Hall Group Study, Reimagining Compliance Training 2021

We also see that high-performing organizations are more likely to provide contextualization of compliance training, as well as several other characteristics that bring compliance training more in line with other learning programs such as skills training and leadership development.

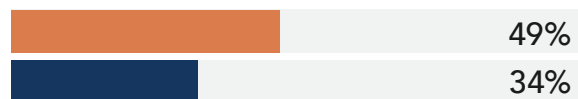
What goes into compliance training? ● HiPOs vs. ● Others

On a scale of 1-5, the following **ranked 4 or 5** in the **design/delivery** of compliance training.

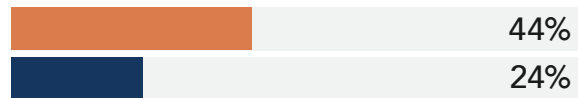
Contextualization of content based on learner requirements



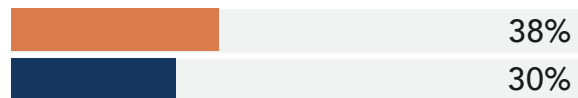
Translation/localization for specific geographies



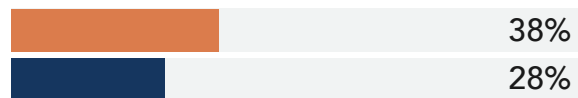
Practice/apply the training in a safe environment



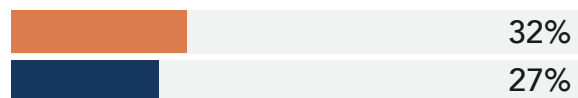
Mobile-friendly training



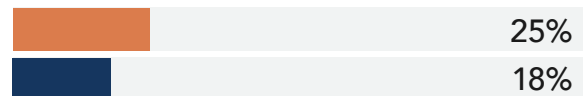
Ability to “test out” of training



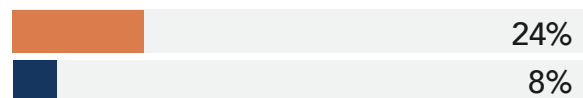
Methods to gather learner feedback



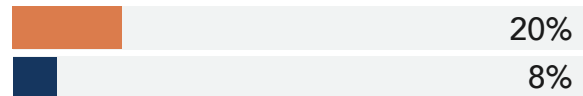
Leverage microlearning



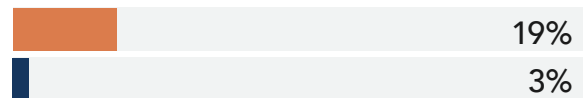
Interactivity training (e.g., gaming, simulation, AR, VR, video)



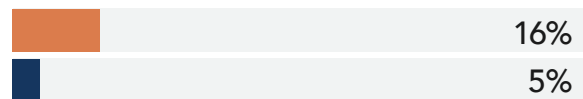
Rewards and recognition



Social/collaborative learning



Neuroscience application



Source: Brandon Hall Group Study, Reimagining Compliance Training 2021

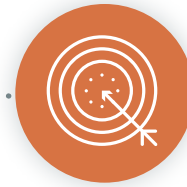
Another aspect of context is ensuring employees know what is expected of them after the training. Strategic compliance training should provide learners with the following:



The specific and observable behaviors that demonstrate the ability to follow procedures, protocols and policies specifically outlined in the training



The specific skills outlined in the training



The specific competencies outlined in the training

Additionally, we are seeing companies begin to take a more strategic approach to compliance training by building in personalization and leveraging neuroscience and cognitive learning principles. This means organizations are considering what they know about their learners — their roles, geographies, prior knowledge, existing skills, etc. — and using that to provide them with the right compliance training at the right time. This makes for a more engaging, connected experience and reduces or eliminates redundant or unnecessary training.

Importance to compliance training.

On a scale of 1-5, the following **ranked 4 or 5** in terms of **importance**.

41%

Ensuring that compliance training is **highly personalized** for each learner

42%

Leveraging the latest advances in learning methodologies in the **design/delivery** of compliance training

Source: Brandon Hall Group Study, Reimagining Compliance Training 2021

(e.g., neuroscience and neurocognitive science principles)

Key Take-Aways

1

Provide better alignment between compliance training and both individual and business performance outcomes.

Compliance training must have a stronger connection to the business than regulations or directives. Even the most basic compliance area has some impact on the business. This kind of alignment can eliminate the “chore” perception of compliance training. Understanding what the training means to the individual and the business creates engagement and ultimately, performance.

2

Leverage personalization and neuroscience.

Contextualization of learning drives learner engagement because it takes the links discussed earlier even further, providing a specific connection between the learner and the material. Personalizing the learning taps into the neuroscience of how people learn. To be successful, learners must learn how to learn and solve problems flexibly.

3

Employ a wider variety of tools and modalities.

Compliance training has traditionally been one-dimensional, taking place in in-person, instructor-led environments. Just as other types of learning, though, compliance training becomes more engaging and effective when organizations leverage different modalities to fit the needs of learners and the material. This approach allows for a more continuous take on compliance training, making it more likely employees will continue to exhibit the proper skills and behaviors, rather than relying on a one-time exercise.

4

Use a variety of outcomes to measure compliance training.

Compliance training cannot be tied to strategic business outcomes unless it is also measured against those outcomes. Unfortunately, compliance training measurement has always focused on completion rates and hours of training. Measuring outcomes such as the ability to perform a new task or changes in performance help the company understand if the results of the compliance training reached the workplace, mitigating the risks for which the training was developed.

5

Leverage the right technology.

None of the above can be accomplished without the right technology, as evidenced by nearly 80% of companies citing a lack of technology as at least somewhat challenging in their efforts to make compliance training more strategic. Once the organization buys into strategic compliance, technology is what will make it happen. Companies should look for technology that not only enables the personalization and contextualization that makes learning effective but can also manage and track it with the rigor that compliance requires.



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