Osterman Research
WHITE PAPER

Why Compliance Training is a Vital Part of Successful HR Initiatives

Executive Summary

HR departments are widely expected to play a leading role in HR-related compliance training. Executives expect it, organizations demand it, and HR departments themselves see compliance training as a core part of their role. And rightly so—compliance training should be an integral part of all strategic HR and talent development initiatives.

HR professionals indicate that two significant barriers often get in the way of HR departments delivering on the full promise of compliance training. Poor executive support is the first and allowing the administrative details to dominate is the second. The good news is that HR departments can overcome both.

On the executive support front, HR must increasingly pursue compliance training as a lever for improving culture and tackle the cultural practices that undermine what compliance training stands for. HR must also stop relying on training designs that have repeatedly proven inadequate; executives don't tolerate badly designed training.

Handling the administrative issue relies on a complementary set of strategies, starting with finding a way through the specific barriers when content is developed inhouse or sourced from a third party, and addressing common implementation problems that destroy employee engagement. Training more frequently is linked with higher working knowledge among employees and managers, and given their culture-setting role, managers should be trained more frequently than employees.

Organizations that adopt the strategy of being minimally compliant are undermining their future performance, as both prospective talent and supply chain partners avoid organizations with such a stance. Short-term costs abound, too, such as the loss of customers, loss of corporate reputation, and negative press chatter.

HR departments equipped with an extensible, unified, and intelligent platform for offering training on HR compliance topics are better able to align compliance training with strategic HR and talent development initiatives. Specialist compliance training providers offer strategic value through integration with HR apps, provision of training modules on many different topics, and by handling the administrative requirements, such as reporting on completions.

Compliance training on HR-related topics should be an integral part of all strategic HR and talent development initiatives.

KEY TAKEAWAYS

The key takeaways of this research are:

- **Compliance training is a core responsibility for HR departments**
  Two-thirds of organizations view offering compliance training as a core responsibility of the HR department, and almost all HR departments are concerned about compliance training across a wide range of HR topics.

- **HR professionals link compliance training with key cultural outcomes**
  Cultivating a culture of accountability and compliance, along with encouraging lawful behavior, are the highest-rated drivers for compliance training. "Checking the box" on offering compliance training and meeting audit requirements is less important to HR professionals.

- **Policies, training, and culture need to be aligned**
  Releasing voluminous policies and training material on compliance obligations will fall flat in organizations where non-compliant behavior is openly practiced and rewarded. How senior managers behave and what is expected of star performers are key cultural indicators.

- **Executives don't support ineffective compliance training**
  HR departments relying on infrequent, boring, theoretical, and generic compliance training curricula and approaches see declining rates of executive support. To increase senior management support for compliance training, HR departments should pursue a compliance training strategy that pivots away from ineffective designs.

- **Train more frequently for greater working knowledge on HR compliance topics**
  Working knowledge across all compliance training curriculum areas is assessed at 40% higher for managers receiving weekly or monthly training compared to quarterly or less frequent training. However, to increase the frequency of training, organizations must find a way around the time and effort required by HR departments to create their own training material.

- **Minimal compliance is a strategically unsound approach**
  HR professionals warn that minimal compliance is a costly strategy because it discourages prospective talent from joining the organization and turns away potential supply chain partners. Among other costs, losing access to great talent and being unable to build a strong supply chain means the organization starts a downward trajectory of missed market opportunities, lost customers, and declining revenue.

- **Selecting the right compliance training platform enables HR to deliver on their compliance responsibilities**
  Having access to an extensible, unified, and intelligent platform for offering training on HR compliance topics is a key enabler for HR in delivering compliance training that furthers strategic HR initiatives and talent development activities. Partnering with training providers that specialize in HR compliance frees HR to focus on strategic initiatives while trusting that relevant content is always available, and the administrative requirements are always met.

Given their culture-setting role, managers should be trained more frequently than employees.

ABOUT THIS REPORT
The survey and report were commissioned by KnowBe4. Osterman Research surveyed 202 respondents in HR roles in North America at organizations with more than 100 employees during July-August 2022. Information about KnowBe4 and further details on the survey methodology are provided at the end of the report.

HR's Responsibility for Compliance Training

HR is expected by their organization and executives to offer and participate in compliance training for people operations. In this section, we look at the evidence and consequences of this expectation.

The key insights are:

- HR departments and compliance training go together. HR itself, other departments in an organization, and executives all see HR carrying an important and growing role in compliance training.

- Compliance training should be part of every strategic HR and talent development initiative—from hiring to retention to company culture.

- HR departments cannot meet the demands on them by disconnecting "compliance training" from strategic initiatives and talent development responsibilities. This requires addressing two significant barriers: executives who don't connect compliance training with larger drivers, and allowing administrative details to outweigh strategic imperatives.

COMPLIANCE TRAINING IS AN HR RESPONSIBILITY

HR departments, executives, and the wider organization are unified in their viewpoint that compliance training is an HR responsibility (see Figure 1). Respondents said:

- At 94% of HR departments, some level of concern is held about offering compliance training across a wide range of topics aligned with people development, creating organizational culture, and setting the tenor for expectations of staff.

- At 63% of organizations, executives directly link the offering of compliance training with the HR department.

- At 65% of organizations, offering compliance training is a core responsibility of the HR department.

HR departments, executives, and the wider organization all say compliance training is an HR responsibility.

Figure 1
The Role of HR in Compliance Training
Percentage of respondents

Source: Osterman Research (2022)

GROWING IMPORTANCE OF HR IN OFFERING COMPLIANCE TRAINING
HR departments carry increasing levels of responsibility for offering compliance training over time. The wider organization sees HR departments playing an increasingly important role in offering compliance training on people operations, with the importance of HR's role in compliance training more than doubling over the three time periods we asked about. See Figure 2.

Figure 2
The Role of HR in Compliance Training is Becoming More Important
Percentage of respondents indicating "important" or "extremely important"
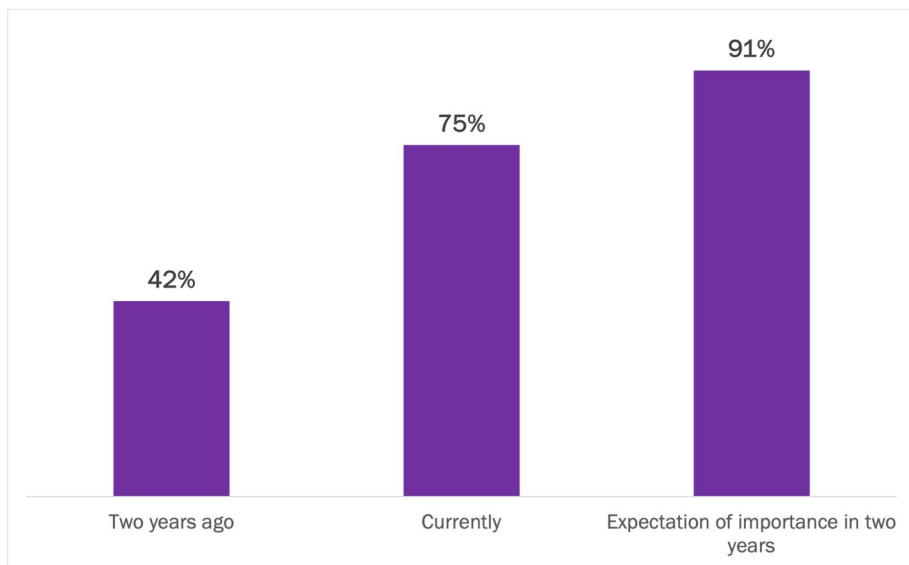
Source: Osterman Research (2022)

HR is expected to play an increasingly important role in offering compliance training.

ALIGNING COMPLIANCE TRAINING WITH STRATEGIC HR INITIATIVES AND DEVELOPING TALENT

A growing set of compliance curricula are aligned with people development, creating organizational culture, and setting the tenor for expectations of staff. As such, HR departments cannot meet the demands on them by playing small—by disconnecting "compliance training" from strategic initiatives and talent development responsibilities.

Compliance training should be part of every strategic HR initiative—from hiring to retention to company culture—and part of great talent development is when people follow the policies and procedures that regulate the business and ensure sustained execution.

To achieve this alignment and deliver against the full measure of responsibility, there are two significant barriers for HR departments to overcome:

- **Most executives don't correlate compliance training with talent development**
  At only 37% of organizations, executives treat HR as a strategic partner for developing great talent. This means that at 63% of organizations, executives fail to correlate compliance training with strategic HR initiatives and talent development.

- **Most HR departments see managing compliance training as competing with strategic initiatives**
  82% of HR professionals "agree" or "strongly agree" that having to manage or coordinate compliance training requirements decreases their ability to invest in more strategic HR initiatives. Managing compliance training includes tasks such as overseeing compliance training obligations, coordinating manager training, and ensuring employees complete assigned training. In other words, most HR departments approach compliance training as competing with strategic HR initiatives, rather than working in conjunction with them.

See Figure 3.

Figure 3
Two Strategic Barriers to Effective Compliance Training
Percentage of respondents

A key challenge for HR departments is to be more effective at implementing compliance training without it detracting from strategic HR initiatives.

37%

Organizations where executives treat HR as a strategic partner for developing great talent

82%
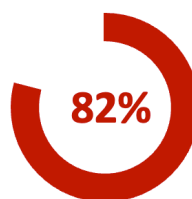
HR departments where having to manage/coordinate compliance training requirements decreases the ability of HR to invest in more strategic HR initiatives

Source: Osterman Research (2022)

These issues are explored in the next two sections.

Connect Compliance Training with Strategic HR Initiatives

Conceptually, strategic HR initiatives and compliance training go together. In this section, we look at what's required to connect the two.

The key insights are:

- Cultivating better organizational culture through compliance training is much more important to HR than minimizing business risks from non-compliance.

- HR needs to take responsibility for tackling cultural practices that undermine the beneficial outcomes of compliance training.

- Executives won't support compliance training that's badly designed and poorly implemented. HR departments must find a better approach.

DRIVE PRIORITY CULTURAL OUTCOMES WITH COMPLIANCE TRAINING

HR professionals see the strongest link between compliance training and a range of cultural drivers, such as cultivating a culture of accountability and compliance and encouraging lawful behavior. HR professionals assess the relative importance of these cultural drivers as higher than procedural drivers such as "checking the box" on offering compliance training and meeting audit requirements—although these are still of significant importance to three out of five HR professionals. Minimizing business risks associated with non-compliance was ranked as the least important driver. See Figure 4.

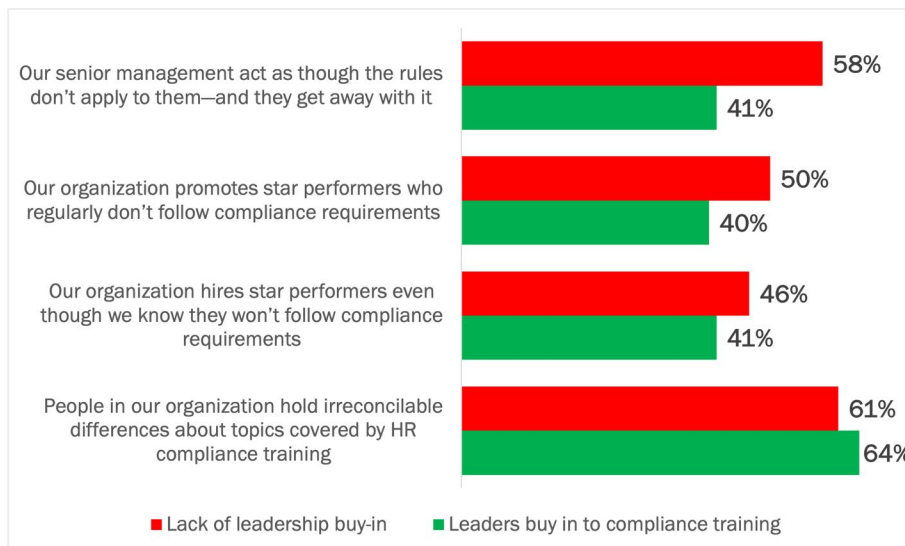*HR professionals are more interested in improving cultural outcomes from compliance training than achieving procedural ones.*

Figure 4
HR's Drivers for Offering Compliance Training
Percentage of respondents indicating "important" or "extremely important"

Driver	Percentage
To cultivate a culture of accountability	75%
To encourage behavior in line with the law	67%
To cultivate a culture of compliance	67%
To check the box to say we've done it	62%
To meet audit requirements	60%
To comply with statutory and industry regulations	57%
To minimize business risks associated with non-compliance, e.g., lawsuits, negative press	56%

Source: Osterman Research (2022)

As mentioned earlier, the link between people development, creating organizational culture, and setting the tenor for expectations of staff makes compliance training an area of core interest for HR departments. HR departments are "responsible" or "extremely responsible" for establishing the training curricula for compliance training at 71% of organizations. HR departments carry the same intensity of responsibility for ensuring that employees are compliant after receiving compliance training at 74% of organizations.

TACKLE CULTURAL PRACTICES THAT UNDERMINE COMPLIANCE TRAINING

HR departments face a range of cultural barriers that make compliance training less effective overall, and in extreme cases render it useless. Whether senior management supports compliance training or not changes the intensity of how each barrier is assessed. See Figure 5.

Figure 5
Cultural Barriers to Offering Compliance Training
Percentage of respondents indicating "barrier" or "extreme barrier"

	Lack of leadership buy-in	Leaders buy in to compliance training
Our senior management act as though the rules don't apply to them—and they get away with it	58%	41%
Our organization promotes star performers who regularly don't follow compliance requirements	50%	40%
Our organization hires star performers even though we know they won't follow compliance requirements	46%	41%
People in our organization hold irreconcilable differences about topics covered by HR compliance training	61%	64%

Source: Osterman Research (2022)

> *Senior management support of compliance training reverberates through organizational culture.*

At organizations with a lack of leadership buy-in to compliance training, three cultural issues are viewed as a more significant barrier:

- **Senior management exempt (58% versus 41%)**
  At 58% of organizations without leadership buy-in, senior management act as though they are above compliance regulations—and face no punishment or consequences. Employees at organizations where this reality is practiced will reject learning from compliance training. This barrier is less common at organizations with leadership buy-in to compliance training (41%).

- **Non-compliant star performers are promoted (50% versus 40%)**
  When organizations promote star performers who regularly don't follow compliance requirements, employees learn that meeting compliance obligations is optional if performance is high enough. The organization may release voluminous policies and training material on compliance obligations, but the ingrained cultural reality carries the day.

- **Questionable star performers are hired (46% versus 41%)**
  Promoting current star performers who don't comply with compliance requirements is one thing, but actively hiring new talent with the foreknowledge that they won't follow compliance requirements takes cultural undermining to a whole other level. The practice poisons any expectation that employees will act in alignment with compliance requirements.

The highest-rated barrier at all organizations—irrespective of leadership buy-in—is people holding irreconcilable differences about topics covered by HR compliance training. This barrier can only be softened through sensitive and extensive discussion, hiring new talent to redress the imbalance on topics, and aligning the culture to reinforce the stance that senior leaders decide to adopt on difficult topics. This is not an easy barrier to overcome even when leaders buy in to compliance training.

STOP EXPECTING EXECUTIVES TO SUPPORT BADLY DESIGNED COMPLIANCE TRAINING

HR departments relying on infrequent, boring, theoretical, and generic compliance training curricula and approaches experience declining rates of executive support for compliance training. By implication, the data shows that compliance training that does not suffer from any of these weaknesses or barriers achieves twice as much support from senior management (see Figure 6).

Figure 6
Senior Management Does Not Support Ineffective Compliance Training
Percentage of respondents indicating senior management do not view compliance training as a waste of time
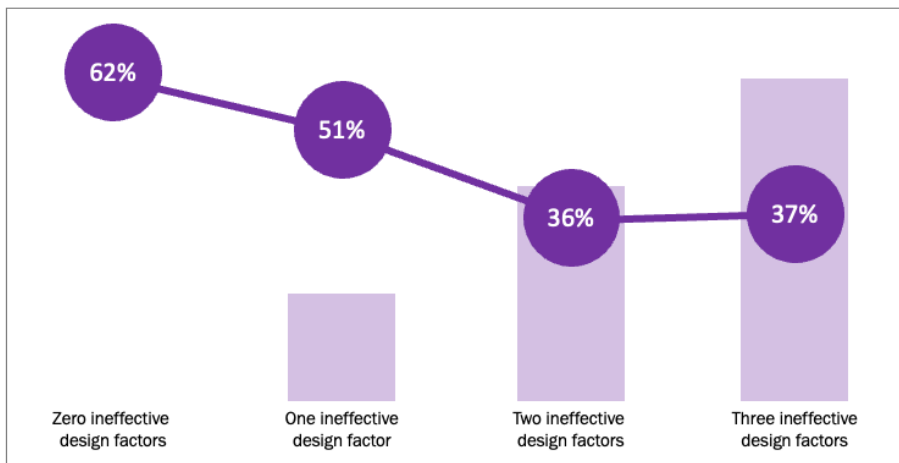
Source: Osterman Research (2022)

We correlated several barriers to compliance training with whether senior management views compliance training as a waste of time. The specific barriers included in the correlation were:

- **Infrequency of training**
  Compliance training is offered too infrequently to have a beneficial impact on our employees.

HR departments relying on infrequent, boring, theoretical, and generic compliance training curricula and approaches should not expect executives to support compliance training.

- **Training is boring**
  Employees find compliance training sessions boring and are not actively engaged in learning.

- **Heavy on theory, difficult to apply**
  Compliance training is heavy on theory and difficult for employees to apply in their job.

- **Training is generic**
 Compliance training is generic and is not aligned with our organization's unique culture and policies.

When respondents do not rate these issues as barriers, only 38% of respondents indicated their senior management viewed compliance training as a waste of time (that is, 62% said their senior management did not view it as a waste of time). This percentage increases as the number of barriers increase. When any one of the above factors is rated as a barrier, 49% of senior management viewed compliance training as a waste of time (51% did not). When any two or three were rated as a barrier, 64% and 63% of senior management respectively rated compliance training as a waste of time (36% and 37% did not, respectively).

OFFER RELEVANT COMPLIANCE TRAINING TO DIFFERENT GROUPS

Executives are most concerned about compliance with legal mandates and ensuring lawful behavior across the organization. Employees, on the other hand, are mostly concerned about compliance with cybersecurity regulations given the digital deluge they face daily. HR departments must ensure each group receives the compliance training they need to excel in their roles. See Figure 7.

Figure 7
Importance to Senior Executives and Employees of Types of Training to Meet Compliance Obligations
Percentage of respondents indicating "important" or "extremely important"
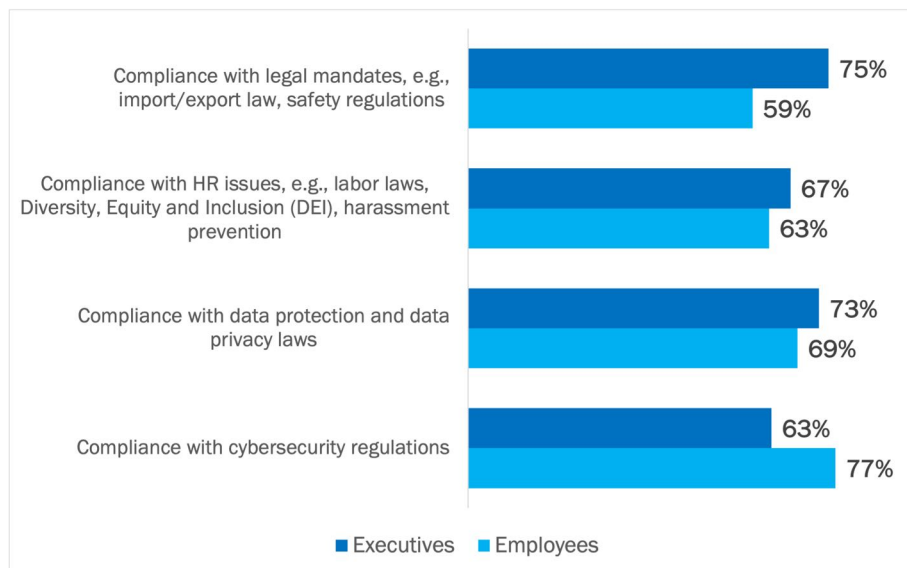
Source: Osterman Research (2022)

HR departments must ensure executives and employees receive the compliance training they need to excel in their roles.

Handle the Practical Requirements of Offering Compliance Training

HR departments face a range of practical demands when offering compliance training. In this section, we look at how HR departments can design compliance training to address these practical issues.

The key insights are:

- Organizations face barriers whether they develop or acquire content for compliance training. Sourcing the right content is a key imperative for HR.

- Employees having to endure poorly designed compliance training are more likely to disengage. Designing more effective approaches is essential for HR.

- Offering compliance training more frequently drives improved levels of working knowledge—among managers and employees.
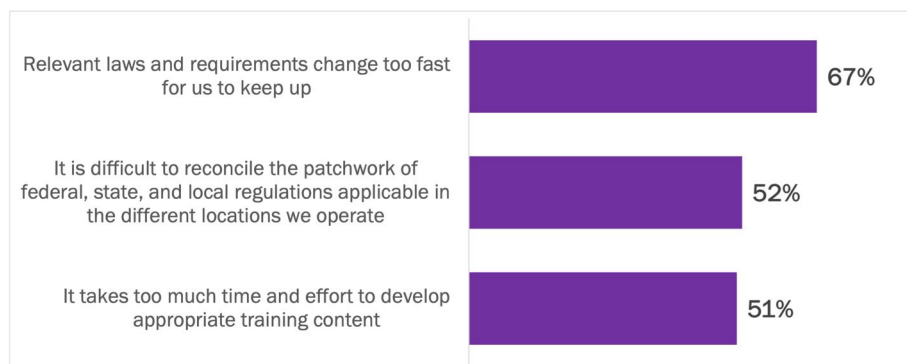
ADDRESS CONTENT BARRIERS TO EFFECTIVE COMPLIANCE TRAINING

HR departments face a series of content-related barriers when offering compliance training, but it is imperative to source the right content. Three barriers are ranked as significant by organizations that create their own training material (see Figure 8):

- **Pace of change of relevant laws and requirements (67% of respondents indicate this is a "barrier" or "extreme barrier")**
  A rapid change cadence requires that internal materials are redeveloped, tested, and approved before being offered to managers and employees. HR departments can get stuck for too long in the content development stage.

- **Difficulty of reconciling multiple regulations that address the same issue (52%)**
  This requires internal effort to develop appropriate weighting of overlapping and potentially conflicting requirements for each location, and given the legal ramifications, elevates the time and effort required from the legal department.

- **Time and effort required is too high (51%)**
  The first two issues combine to produce the third significant barrier: the time and effort required to develop appropriate compliance training content for the organization are too high.

Rapidly changing laws and requirements make it difficult for HR departments to keep training content up to date.

Figure 8
Barriers to Offering Compliance Training with Internal Content
Percentage of respondents indicating "barrier" or "extreme barrier"

| Barrier	Percentage
Relevant laws and requirements change too fast for us to keep up	67%
It is difficult to reconcile the patchwork of federal, state, and local regulations applicable in the different locations we operate	52%
It takes too much time and effort to develop appropriate training content	51%

Source: Osterman Research (2022)

Organizations also face content-related barriers to offering compliance training when sourcing compliance training content from third-party training providers. Two of these barriers are shown in Figure 9: the expense of locating and sourcing content (a barrier at 55% of organizations), and the lack of customization of third-party content (a barrier at 47% of organizations).

An additional barrier is scrambling to fill the gaps when a third-party provider retires content necessary to meet regulatory requirements.

Figure 9
Barriers to Offering Compliance Training with Third-Party Content
Percentage of respondents indicating "barrier" or "extreme barrier"
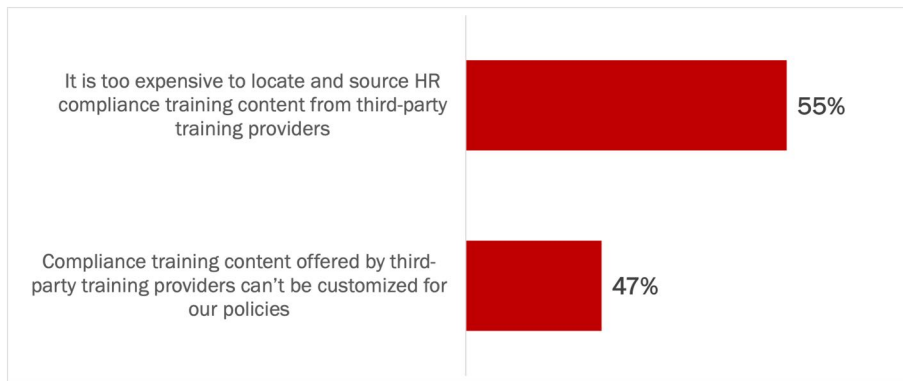
Source: Osterman Research (2022)

Finding the right third-party training provider requires balancing key requirements covering cost, customization, and content coverage.

STOP COMPLAINING ABOUT DISENGAGED EMPLOYEES IF COMPLIANCE TRAINING IS POORLY DESIGNED

HR departments face a range of issues when compliance training is poorly designed. Overall, HR professionals in this research echo the hallmarks we see repeatedly with poorly designed training: it is offered too infrequently, lacks flexibility in delivery format, it is not practical enough, training sessions are boring and hence employees are not engaged, and the content is generic. See Figure 10.

Figure 10
Implementation Problems with Compliance Training
Percentage of respondents indicating "problem" or "extreme problem"

Source: Osterman Research (2022)

Poorly designed training is characterized by infrequent cadence, low flexibility in delivery format, and a theoretical, not practical, emphasis.

Reliance on long courses rather than short courses is associated with two other problems, according to our survey results. At organizations where compliance training has been developed for delivery only in long courses, more HR professionals say that:

- **Tracing beneficial impacts from long courses is problematic**
  Training that is offered infrequently does not have a beneficial impact on employees. 38% more respondents at organizations reliant on long courses indicate infrequency is a problem for tracing beneficial impacts, often because long courses by design cannot be offered frequently.

- **Employees are bored and disengaged**
  Employees find long compliance training sessions boring and are not actively engaged in learning. At organizations reliant on long courses, 26% more respondents rate compliance sessions as boring. A long session is more likely to be treated as something to endure rather than to enjoy or engage with.

TRAIN MANAGERS MORE FREQUENTLY THAN EMPLOYEES

Senior leaders set an organization's cultural tone, which is enacted through middle management and practiced by employees. This trickle-down approach to culture, strategy, and priorities is lacking in many organizations for compliance training, where two-thirds of managers are trained on compliance curriculum areas the same or less frequently than employees. Managers cannot be relied on to follow the requirement of compliance topics if they are receiving less frequent training than employees, and even receiving training on the same frequency is a questionable approach. See Figure 11.

Figure 11
Frequency of Compliance Training for Managers Compared to Employees
Percentage of respondents
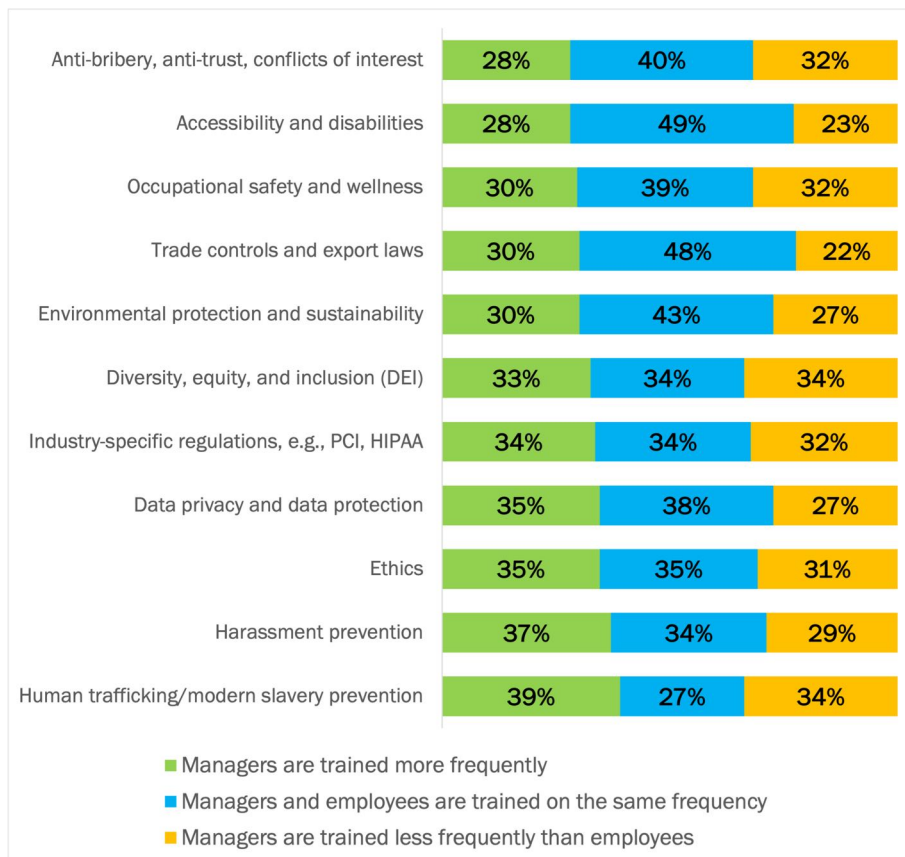
Source: Osterman Research (2022)

> *You can't expect employees to follow the requirements of compliance training if their managers are not setting the example.*

You can't expect employees to follow the requirements of compliance training if their managers are neither setting the example nor being available to assist with more challenging implementation questions.

Although employees can practice informal leadership or be an activist that goes against the organizational standard for certain compliance topics, these approaches generally only remain localized or result in employees being sidelined. Employees look to managers and executives to provide leadership within their organization, and it is unlikely for employees to rise above the leadership level set by their superiors.

TO IMPROVE WORKING KNOWLEDGE OF COMPLIANCE TOPICS, SCHEDULE MORE FREQUENT TRAINING

In all compliance training curriculum areas, higher frequency of training is correlated with greater working knowledge among managers.

On average, working knowledge is assessed at 40% higher when training is weekly or monthly compared to training that is quarterly or less frequently. The largest variation in working knowledge is for the curriculum area on anti-bribery, anti-trust, and conflicts of interest—with managers being trained weekly or monthly having twice the working knowledge of these topics compared with managers trained on a quarterly or less frequent cadence. See Figure 12 (which is sorted by the variation between the two numbers).

Figure 12
Impact of Training Frequency on Working Knowledge Among Managers
Percentage improvement in working knowledge of respondents indicating managers are "up to speed" or "fully up to speed on all issues" based on weekly or monthly training compared to the index of quarterly or less frequent training

Source: Osterman Research (2022)
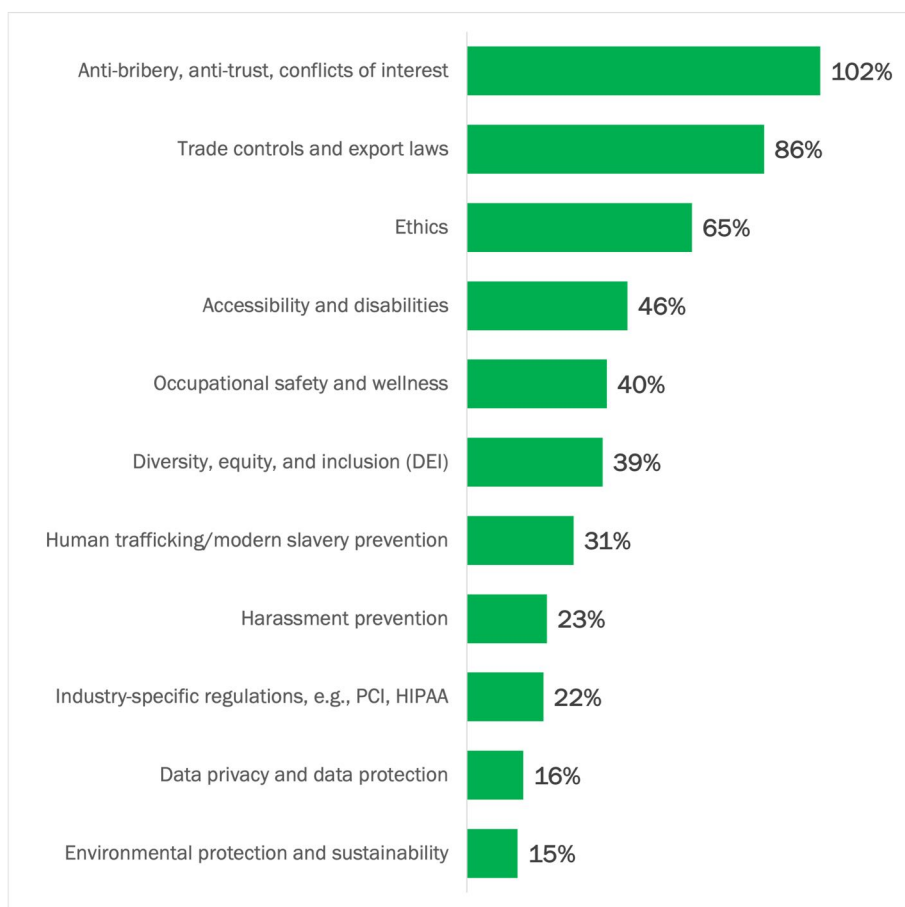
Average working knowledge for managers is assessed at 40% higher when training is weekly or monthly compared to training that is quarterly or less frequently.

There are some issues where the frequency of training does not appear to make a significant difference to working knowledge among managers. This includes environmental protection and sustainability (15% variation), data privacy and data protection (16% variation), and industry-specific regulations (22% variation). One explanation is that these curriculum areas have been compliance topics for a longer

time than many of the other issues, and regularity of offering is no longer sufficient to drive an uplift in rates of working knowledge.

The pattern of training more frequently for better working knowledge is evident for employees, too, although trade controls and export laws is the curriculum area with the highest variation for employees, followed by anti-bribery, anti-trust, and conflicts of interest. The curriculum area with the least variation is data privacy and data protection, likely for the same reason as noted for managers above. On average, working knowledge for employees is 42% higher with weekly or monthly training than the index of quarterly or less frequent training. See Figure 13.

Figure 13
Impact of Training Frequency on Working Knowledge Among Employees
Percentage improvement in working knowledge of respondents indicating employees are "up to speed" or "fully up to speed on all issues" based on weekly or monthly training compared to the index of quarterly or less frequent training

Source: Osterman Research (2022)
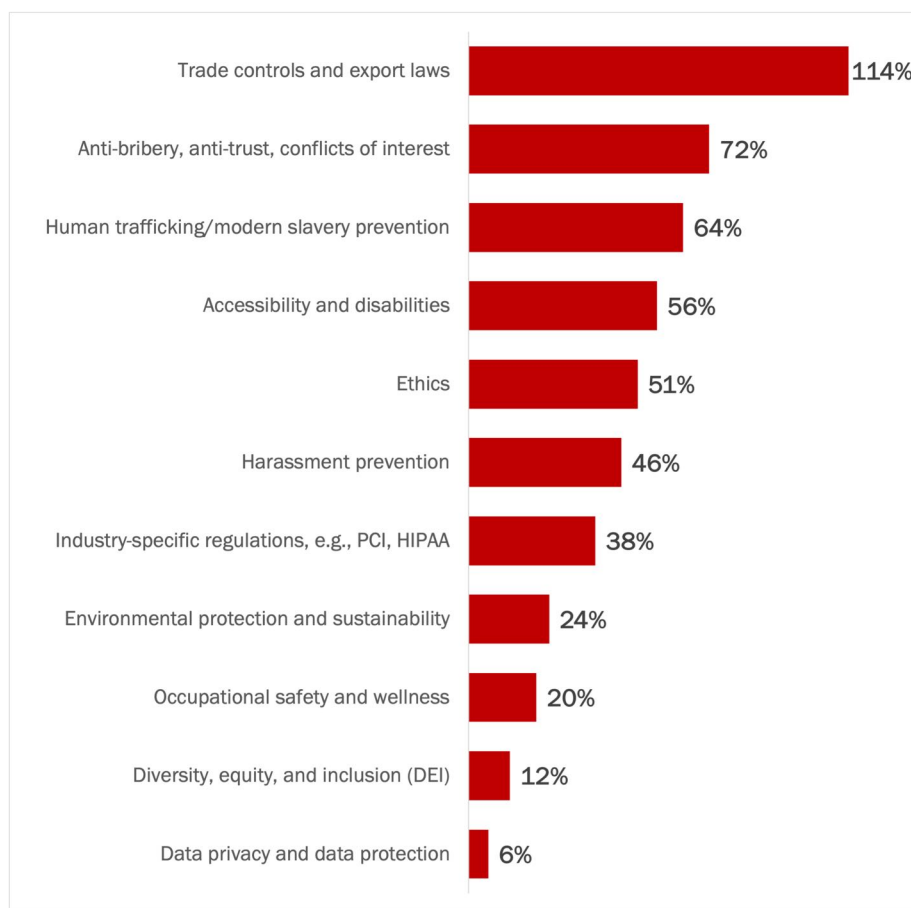
Employees also exhibit higher working knowledge when training is offered with greater frequency.

Reject Minimal Compliance

Aiming at being only just compliant is a costly strategy. In this section, we look at the short-term and long-term costs to an organization of being minimally compliant.

The key insights are:

- Adopting the stance of being only minimally compliant undermines future performance due to difficulties in finding new talent and supply chain partners.

- Embracing minimal compliance amplifies low standards, increases the risk of failure, and raises warning signals for customers, suppliers, and regulators.
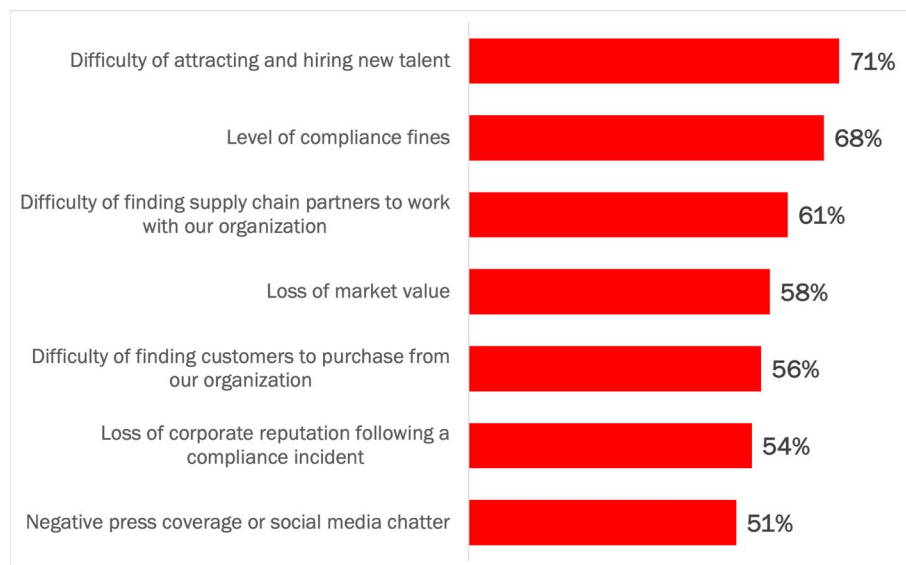
MINIMAL COMPLIANCE IS A STRATEGICALLY UNSOUND APPROACH

HR professionals were asked to rate a collection of threats as "significant" or "extremely significant" if their organization was to adopt the stance of being only minimally compliant. Minimal compliance can include not offering compliance training often enough (e.g., only once a year), poor compliance processes, and a culture that downplays the importance of compliance requirements.

The highest-ranked threat is the difficulty of attracting and hiring new talent (71%)—for example, potential employees will be wary to join an organization with a dismal safety record where serious injury and death is a regular occurrence. This stance undermines the performance of the organization every day into the future.

The third highest-rated threat is also one that undermines future performance—the difficulty of finding supply chain partners to work with (61%). Losing access to great talent and being unable to build a strong supply chain means that the organization starts a downward trajectory of missed market opportunities, lost customers, and declining revenue. See Figure 14.

Embracing a minimally compliant posture undermines organizational performance as talent and partners steer a wide course.

Figure 14
Threats to an Organization Adopting a Minimal Compliance Stance
Percentage of respondents indicating "significant" or "extremely significant"

Source: Osterman Research (2022)

More than half of HR professionals also see threats that undermine the organization's ability to perform in the short term, such as loss of customers, loss of corporate reputation, and negative press chatter. If addressed quickly enough, these threats can be overcome before they fracture the ability of the organization to perform in the long term.

The longer a deliberately minimal compliance approach is followed, the higher the cost and the longer it will take for the organization to shed its previous reputation. Potential employees will not want to work with an organization with a checkered history, customers will be difficult to secure, and business partners with high standards will hold lingering doubts. The senior executive ranks may have to be cleansed entirely to make way for a new group who can champion the new standard and culture.

CONSEQUENCES OF MINIMAL COMPLIANCE

We looked at the costs of taking a minimal compliance approach across multiple disciplines. Five common costs were:

- **Amplifies low standards**
  When employers are minimally compliant with a given standard, employees are less likely to care about reaching the standard themselves. In the area of safety, for example, employees will be more likely to ignore whatever training has been provided, which may increase the likelihood of serious harm and death.

- **Incurs higher future costs**
  Cutting training and compliance budgets saves money in the short term but leads to higher future costs. These include penalties and legal costs when employees are harmed in an unsafe working environment, or the rapid catchup costs required when sanctions are imposed on non-compliant operations.

- **Increases risk of failure**
  Anyone relying on a component that is minimally compliant faces the prospect of high risk of failure in the overall system. For example, relying on an organization with a minimally compliant approach to ethics can lead to questionable business practices and methodologies that result in initiatives having to be re-commissioned.

- **Signals systemic weakness and incurs higher certification costs in other areas**
  Customers, suppliers, financial auditors, and other inspectors working with an organization known to practice nominal compliance will impose higher standards of proof when deciding to purchase goods and services, supply materials on credit, sign off on financial accounts, or approve process changes. Because minimal compliance has negative flow-on effects for other parties, they will impose elevated performance demands to protect themselves when carrying out due diligence activities.

- **Incurs higher future costs when compliance standards get more stringent**
  Designing for minimal compliance against current standards results in higher future costs when compliance standards are tightened. Compliance regulations generally move in the direction of greater specificity and higher demand over time, with initial standards set only as a training bar. When components—or employees—enact only minimal compliance with the regulations they are subject to, complying with elevated standards is costly when componentry must be replaced, employees retrained, or new employees hired to compensate for widespread non-compliant behavior.

The consequences of a minimally compliant posture include low standards, greater risk of failure, and more costly performance assessments during due diligence activities.

Selecting a Platform for HR Compliance Training

There are several things to get right when selecting and using a platform for HR compliance training.

The key insights in this section are:

- A compliance training platform must enable HR to drive strategic HR and talent development initiatives with compliance training. An extensible, unified, and intelligent platform is required.

- Partnering with a specialist third-party compliance training provider supports HR by handling the administrative details, delivering relevant content, and leveraging an extensible and unified platform.

CHOOSE A PLATFORM THAT MAKES IT EASY FOR HR TO MANAGE AND COORDINATE COMPLIANCE TRAINING

When selecting a compliance training platform that makes it easy for HR to offer compliance training to complement strategic HR initiatives and talent development activities, three capabilities are important to HR departments:

- **Extensible platform for unifying compliance processes**
  The ability to integrate new compliance training materials into an existing training platform is the highest-rated capability—with 68% of HR professionals indicating this is "important" or "extremely important." Added to this, 60% of HR professionals want a single system for all compliance training topics for their organization.

- **Extensible platform for unifying compliance training content**
  HR professionals want delivery methods for HR compliance curricula to complement and reinforce training content from other parts of the organization, plus the ability to develop training programs tailored for specific employees and groups. This enables prior learning to be honored and extended.

- **Intelligent platform for automating administrative record keeping**
  HR professionals want a training platform that automatically maintains records on who has taken what compliance training—thus making it easy to meet the administrative requirements of compliance training. When administrative tasks are handled automatically, HR professionals can invest their time in driving the strategic HR and talent development initiatives aligned with the compliance curricula.

These three capabilities are composed of five individual factors. See Figure 15.

HR professionals want an extensible, unified, and intelligent platform for offering training on HR compliance topics.

Figure 15
What's Important in a Compliance Training Platform
Percentage of respondents indicating "important" or "extremely important"

New compliance training materials can be integrated into our existing training platform — 68%

Our training platform maintains records on who has taken what compliance training — 65%

Compliance training is delivered in a way that complements and reinforces our other training content — 64%

We have a single system with all compliance training topics for our organization — 60%

Customized compliance training programs can be developed for specific employees or groups to reflect previous knowledge, skill, and abilities — 56%

Source: Osterman Research (2022)

PARTNER WITH SPECIALIST COMPLIANCE TRAINING PROVIDERS

When looking for a third-party training provider to streamline compliance training—making it easy for HR, relevant for employees, and simple to support for executives—HR professionals rank five characteristics as highly important (see Figure 16). These fit into several themes:

- **Handle the administrative details**
  HR professionals want a training platform that integrates with other HR apps, such as Workday. This allows employee details to be automatically updated in one central location, job role changes to be promptly signaled, and by implication, logic-driven allocations made of newly relevant compliance training topics for each employee. Another administrative detail that HR professionals want handled is reporting on completed and non-completed training requirements. Both capabilities increase the ability of HR to invest in more strategic HR initiatives and remove administrative burdens that create a barrier to compliance training.

- **Deliver relevant content—curated by the provider, as well as developed by the organization**
  Offering irrelevant and generic content is a big turnoff for employees, a dampener for HR's credibility, and a destroyer of executive support. It should be no surprise, therefore, that HR professionals want the ability to add their own training modules to a third-party compliance training platform, as well as having access to industry-specific training content relevant to their organization that the provider develops and maintains.

- **Leverage one extensible and unified platform**
  In line with our earlier discussion, HR professionals want one platform for offering many types of training on different topics. They don't want to subject the organization to multiple disjointed platforms, which makes it complex to administer, difficult for employees to adopt, and hard to report on.

Work with a third-party training provider to streamline compliance training—making it easy for HR, relevant for employees, and simple to support for executives.

Figure 16
Desired Characteristics in Third-Party Training Platforms
Percentage of respondents indicating "important" or "extremely important"
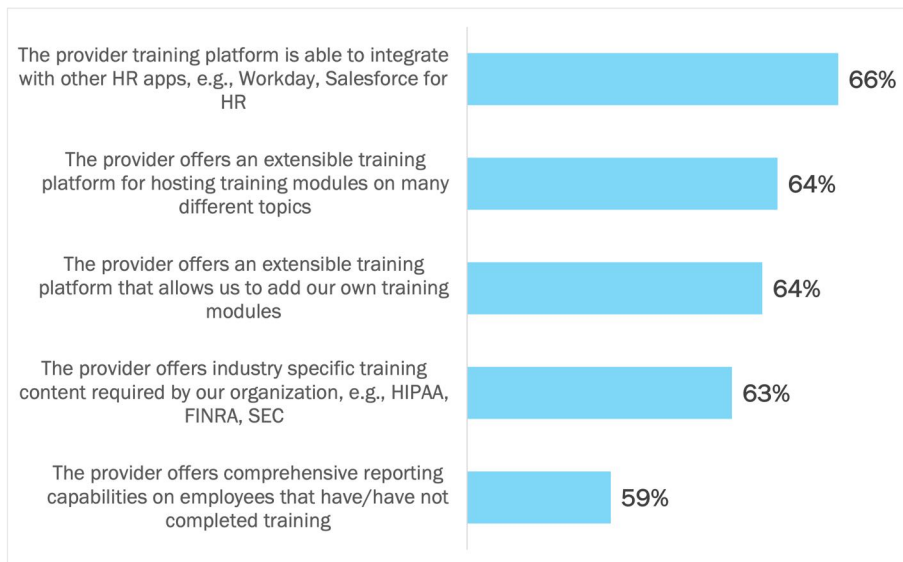
Source: Osterman Research (2022)

Conclusion

HR carries an enduring responsibility to offer compliance training that complements strategic HR and talent development initiatives. This is an essential part of the HR role, and to discharge their responsibility, HR departments must address the two significant barriers explored in this report.

The first barrier is executives who don't connect compliance training with larger cultural drivers and organizational mandates. The second barrier is to avoid approaches to compliance training that undermine the desired cultural outcomes, and instead develop methods that emphasize relevancy, engagement, and increased working knowledge.

To accomplish these outcomes, HR departments require an extensible, unified, and intelligent compliance training platform that offers relevant and up-to-date content, handles the administrative details, and integrates with content developed inhouse.

HR departments will not be able to discharge their responsibilities for compliance training without an extensible, unified, and intelligent compliance training platform.

About KnowBe4

KnowBe4's new-school approach to compliance training offers an interactive and engaging experience with real-life simulated scenarios to help teach employees how to recognize and respond in a challenging situation. KnowBe4 is the provider of the world's largest security awareness training and simulated phishing platform, used by tens of thousands of organizations around the globe, and offers a variety of ways to reduce risk in your organization. This includes data privacy and compliance training through KnowBe4's Compliance Plus offering. With a worldwide presence, KnowBe4's platform is used by small, medium, and large enterprises across all industries, including highly regulated fields such as finance, healthcare, energy, government, and insurance, to mobilize end users for their vital role in minimizing organizational risk.

To learn more, please visit www.knowbe4.com/compliance-plus.

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www.knowbe4.com

@KnowBe4

info@knowbe4.com

+1 855 566 9234

Methodology

Osterman Research surveyed 202 respondents in HR roles during July-August 2022. To qualify, respondents had to work at organizations with at least 100 employees.

JOB ROLE

Human resources VP, director, or manager	55%
Chief human resources officer	27%
Human resources professional or advisor	18%

ORGANIZATION SIZE

100 to 1,000 employees	51%
More than 1,000 employees	49%

GEOGRAPHY

United States	88%
Canada	12%

INDUSTRY

Media, Creative Industries	14%
Healthcare	10%
Transport, Logistics	9%
Retail / Ecommerce	8%
Education	7%
Life Sciences	7%
Hospitality, Food, Leisure Travel	7%
Industrials (Manufacturing, Construction, etc.)	6%
Energy, Utilities	5%
Data Infrastructure, Telecom	5%
Computer Hardware	4%
Financial Services	4%
Computer Software	3%
Public Service, Social Service	3%
Professional Services (Law, Consulting, etc.)	3%
Agriculture, Forestry, Mining	2%