Brandon Hall Group

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COMPLIANCE TRAINING:

Getting It Right

2024

Brandon Hall Group
Smartchoice®
Preferred Solution Provider
PLATINUM
2023-2024

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Executive Summary

Compliance training is a top priority for every organization. It is an essential part of every business. The consequences of ineffective training could result in irreparable damage and catastrophic consequences to an organization. Despite its importance, many organizations struggle with developing ways to make this training more engaging and strategic.

Learning and development has undergone a transformation, becoming more learner-centric and personalized. Compliance training in many organizations has remained the same, leading to disengaged learners and significant hardships in completing the training.

Compliance training must take on a new look to maximize learner engagement, leveraging highly interactive learning content that makes the training highly attractive to the learner. It needs to be more than "check the box" learning and must improve performance and create personal and professional growth for employees. While compliance training is already time-consuming and resource-intensive, it needs to deliver more business impact.

If organizations want to go beyond their current compliance training expectations, they must re-imagine their use of content and technology.

Current State

How important is monitoring your learners' engagement and completion rates for your organization's compliance training program?

Extremely important

Somewhat important

**82%**   **15%** **3%**

Not important
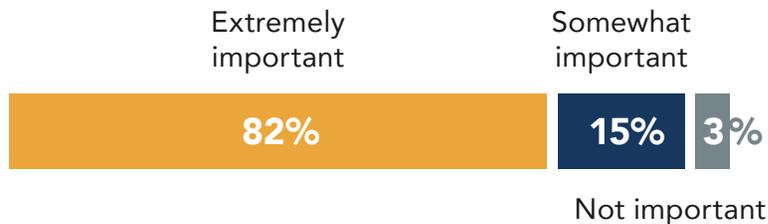
Source: 2023 Brandon Hall Group™ Compliance Training Study

In a Brandon Hall Group™ and Litmos joint survey, it is clear that organizations are highly focused on learner engagement and completion rates for compliance training. No organization is discounting the relationship between learner engagement and completion rates.

However, these same organizations do not place a high priority on regularly reviewing compliance training materials from leadership. Without this regular review, it is difficult to maintain compliance training as a critical element of employee development.

How frequently does your leadership team review its compliance training materials?

Every 5 years — **7%**

Every 2 years — **17%**

Annually — **62%**

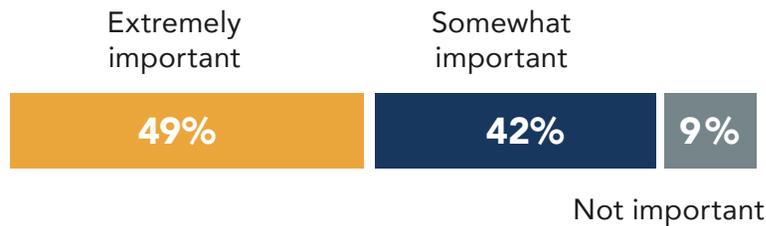Semi-annually — **1%**

Once a quarter — **13%**
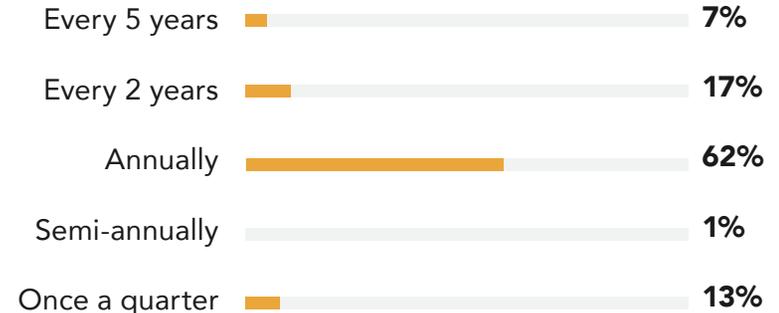
Source: 2023 Brandon Hall Group™ Compliance Training Study

As mentioned previously, a critical element to compliance training is content. A particular need for all learning content is a personalized and consistent look and feel. This helps learners to have a cohesive approach to learning, which improves engagement and depth and length of learning retention. This is not the case in many organizations.

How important is customization or cohesive branding of training materials for your organization's compliance training program?

Extremely important
Somewhat important

| 49% | 42% | 9% |

Not important

Source: 2023 Brandon Hall Group™ Compliance Training Study

Another critical success factor is technology. Organizations are heavily dependent upon their LMS to successfully deliver and manage their compliance training programs. Currently, organizations deliver compliance training in the following manner.

How does your organization create, manage, and report on compliance?

Build-your-own online courses	Off-the-shelf online courses	Internal in-person/ instructor-led training	External in-person/ instructor-led training
72%	61%	58%	18%
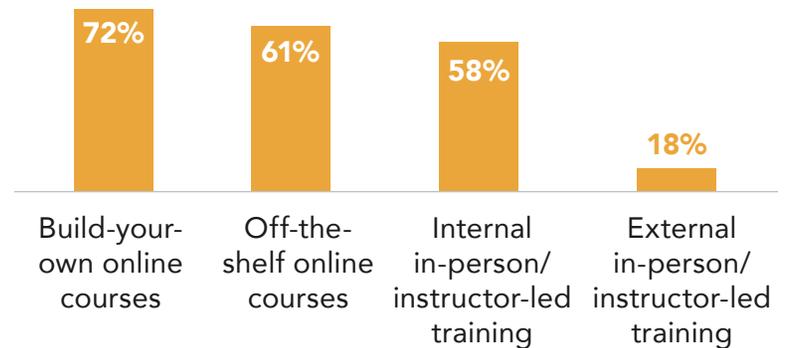
Source: 2023 Brandon Hall Group™ Compliance Training Study

The LMS plays the central role in delivering compliance training. 90% of organizations are using an LMS to support their compliance training. These are the top reasons for using an LMS.

The 10% of organizations that don't use an LMS for compliance training cited the following reasons.

If you use an LMS to conduct compliance training, what are your top reasons for doing so?

Centralizing compliance program materials, administration and reporting **85%**

Robust reporting capabilities **69%**

Ease of use/ability for anyone in the organization to administer compliance **64%**

Scalable delivery of course content **64%**

Access to off-the-shelf courses **40%**

Access to customization features/content authoring tools **33%**

Aligning verticals across organization **16%**

We don't use an LMS to conduct compliance training. **12%**

Source: 2023 Brandon Hall Group™ Compliance Training Study

Why don't you use an LMS for compliance training?

71%
Lack of leadership buy-in

43%
Cost

29%
Current process works well enough

29%
Lack of implementation support

Source: 2023 Brandon Hall Group™ Compliance Training Study

The LMS also plays the pivotal role in driving learner engagement for compliance training.

Lastly, the LMS is the technology of choice for reporting. It is also surprising that nearly half of organizations still use Excel spreadsheets.

For organizations that are using software for compliance training reporting (predominately LMS), the following illustrates a strong need for their technology to offer a variety of functionality.

Which software(s) do you use to manage learner engagement in compliance training?
(i.e., assign courses and due dates, send reminders)

76% LMS

26% Managers communicate requirements to their reports on a case-by-case basis.

23% HR/People Management software

21% Listserv/internal newsletter emails

7% None

Source: 2023 Brandon Hall Group™ Compliance Training Study

Which software(s) do you use to track and report on your compliance training outcomes and KPIs?
(i.e., completion rates, grades, engagement)

77% LMS

43% Excel spreadsheets

16% Cloud-based services like Google Drive, SharePoint, Dropbox, etc.

16% HR/People Management software

7% None

Source: 2023 Brandon Hall Group™ Compliance Training Study

Which elements of reporting do you prioritize in your compliance training software?

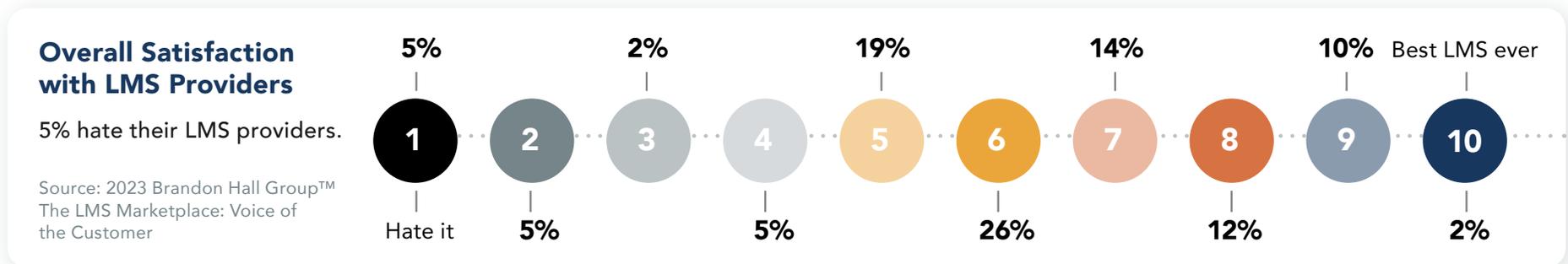**65%** Automated reports
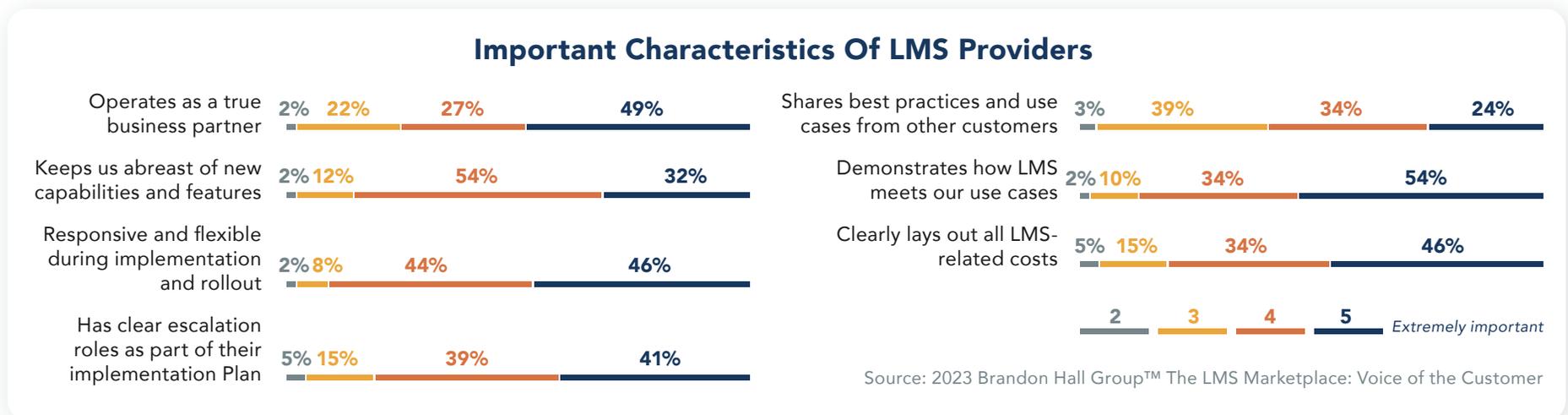
47% Custom dashboards

44% Ad-hoc reports

18% We don't use compliance training software.

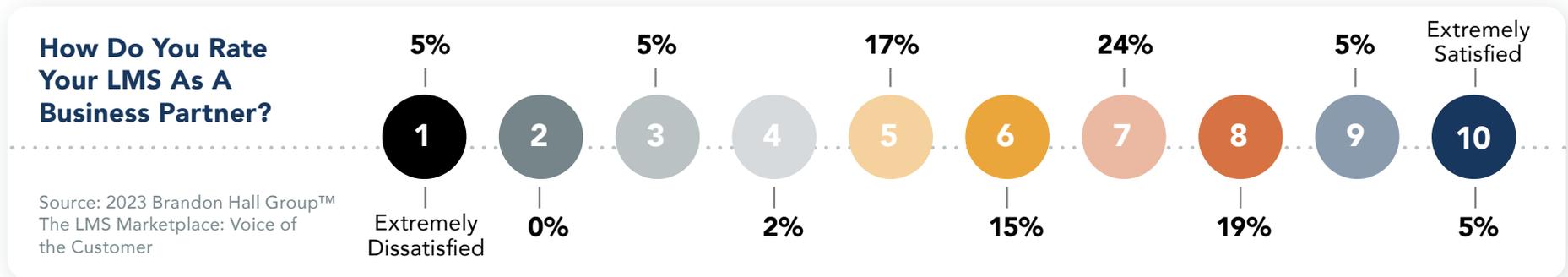Source: 2023 Brandon Hall Group™ Compliance Training Study

Since virtually all organizations rely on their LMS for compliance training, let's drill down on the current state of the LMS. The following data is based on Brandon Hall Group™'s 2023 LMS research.

Overall Satisfaction with LMS Providers

5% hate their LMS providers.

Source: 2023 Brandon Hall Group™
The LMS Marketplace: Voice of the Customer

	1	2	3	4	5	6	7	8	9	10
Top	5%		2%		19%		14%		10%	Best LMS ever
Bottom	Hate it	5%		5%		26%		12%		2%

Participants utilized a 1 to 10 scale to rate LMS providers, revealing a bias toward favorable ratings, with 81% giving scores between 5 and 9%.

Important Characteristics Of LMS Providers

	2	3	4	5
Operates as a true business partner	2%	22%	27%	49%
Keeps us abreast of new capabilities and features	2%	12%	54%	32%
Responsive and flexible during implementation and rollout	2%	8%	44%	46%
Has clear escalation roles as part of their implementation Plan	5%	15%	39%	41%

	2	3	4	5
Shares best practices and use cases from other customers	3%	39%	34%	24%
Demonstrates how LMS meets our use cases	2%	10%	34%	54%
Clearly lays out all LMS-related costs	5%	15%	34%	46%

2 3 4 5 *Extremely important*

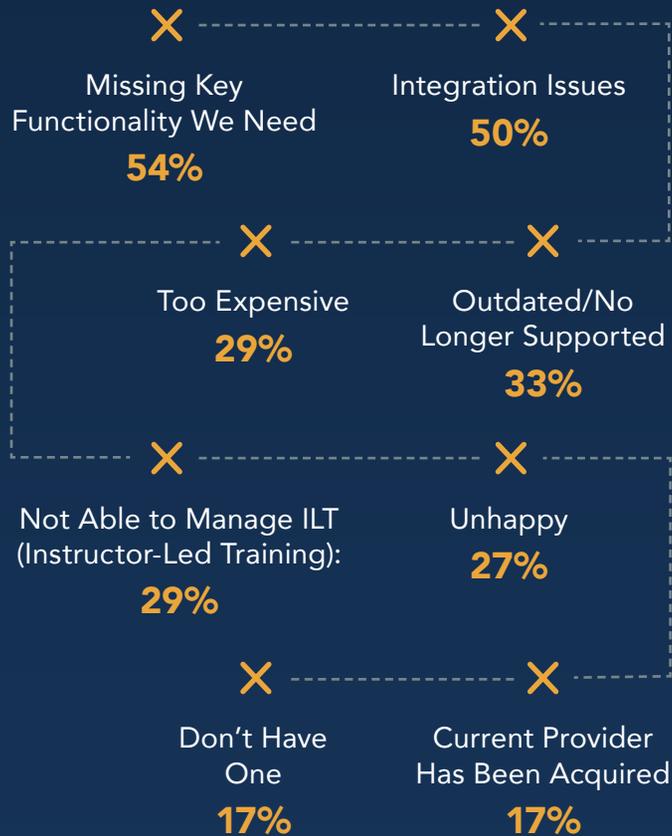Source: 2023 Brandon Hall Group™ The LMS Marketplace: Voice of the Customer

42% prioritize LMS providers as genuine business partners for strategic collaboration, while 46% emphasize communication of new capabilities. Responsiveness (40%), integration (68%), alignment with use cases (46%) and transparent pricing (40%) are also vital, highlighting multifaceted factors influencing LMS provider selection.

How Do You Rate Your LMS As A Business Partner?

Source: 2023 Brandon Hall Group™ The LMS Marketplace: Voice of the Customer

5%	5%			17%		24%		5%	Extremely Satisfied
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Extremely Dissatisfied	0%		2%		15%		19%		5%

Ratings indicate that 24% view their LMS provider as a partner, with a satisfaction rating of 7 showing moderate contentment. Close percentages of 8 (19%) and 6 (15%) suggest positive sentiment without highest satisfaction, while 17% give their LMS a 5 rating and 12% rate theirs 1 to 4, pointing to improvement areas. Prioritizing feedback, issue resolution and transparent communication can enhance satisfaction and partnership reputation.
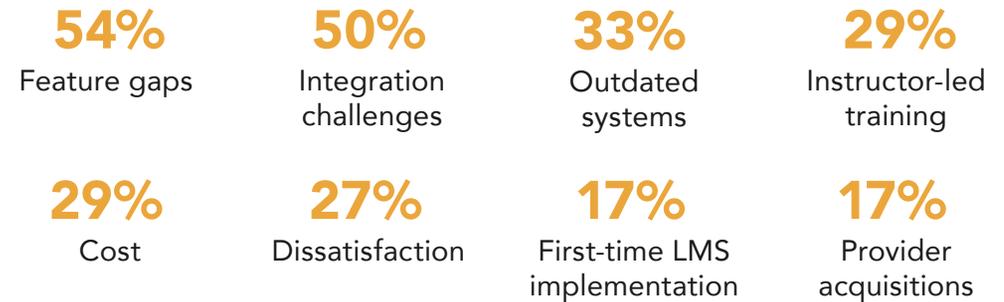
Likelihood to Purchase

50%	13%	13%	9%	15%
0-25% Likelihood	26-50% Likelihood	51%-75% Likelihood	76%-99% Likelihood	100% or Have just purchased in past 6-12 months

Not at all confusing

Source: Brandon Hall Group™ Study: The LMS Marketplace: Voice of the Customer

Extremely confusing

LMS purchase likelihood varies from low (48%) to high (8%), with recent commitment at 15%, informing targeted marketing and engagement. Addressing concerns and engaging efficiently can capture diverse market segments.

What Is Driving Your Decision?

✕ --------------------------------- ✕

Missing Key Functionality We Need
54%

Integration Issues
50%

✕   ✕

Too Expensive
29%

Outdated/No Longer Supported
33%

✕   ✕

Not Able to Manage ILT (Instructor-Led Training):
29%

Unhappy
27%

✕ --------------------------------- ✕

Don't Have One
17%

Current Provider Has Been Acquired
17%

Source: Brandon Hall Group™ Study:
The LMS Marketplace: Voice of the Customer

LMS Landscape Summary

Respondents' issues reflecting diverse organizational needs for LMS solutions:

54%	**50%**	**33%**	**29%**
Feature gaps	Integration challenges	Outdated systems	Instructor-led training
29%	**27%**	**17%**	**17%**
Cost	Dissatisfaction	First-time LMS implementation	Provider acquisitions

The data reveals diverse drivers for organizations' LMS decisions:

Current provider dissatisfaction, technical challenges, and operational hurdles highlight the demand for updated technology, support, essential features and cost-effective evaluations in LMS decisions, urging providers to strategically address pain points for informed organizational choices.

Key Observations and Strategic Insights

A thorough evaluation of influences, challenges, costs and functionality gaps underscores complex LMS decisions, guiding providers to tailor solutions, transparent pricing and partnerships for evolving needs and satisfaction.

With all this flux in the LMS landscape, it is no wonder why improving compliance training is a significant challenge for organizations.
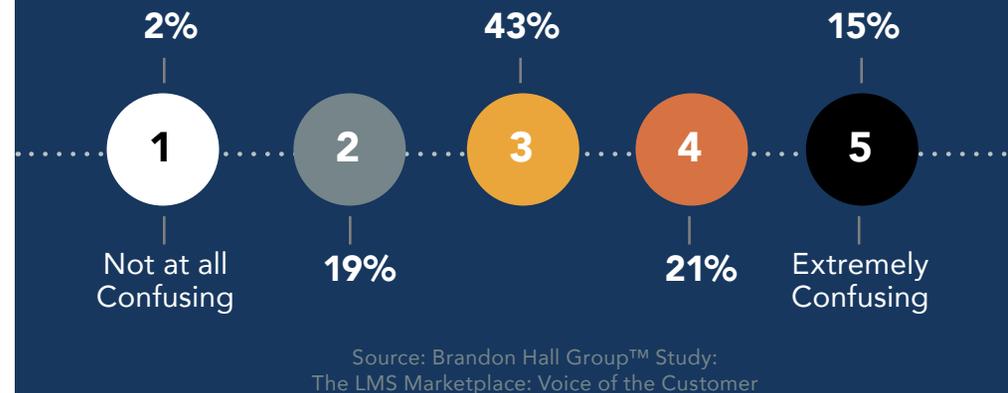
Challenges

Learner engagement and completion rates for compliance training may be the casualties of an inadequate LMS. Responses to the research specifically pointed out the compliance training challenge. Technology and content management were gating factors in managing compliance training. In these examples, organizations are using multiple LMS platforms, which adds significant complexity to compliance training and other types of learning.

"We have one global LMS and a second one specifically for US legal compliance training."

"We use external content hosted in a third-party LMS."

The abundance of providers in the market also adds a significant layer of complexity to delivering compliance training. Buyers are overwhelmed by the choices in LMS providers.

How Confusing Is the Market?

2% | 43% | 15%

1 Not at all Confusing | **2** 19% | **3** | **4** 21% | **5** Extremely Confusing

Source: Brandon Hall Group™ Study: The LMS Marketplace: Voice of the Customer

The data reveals a spectrum of perceptions regarding market confusion around LMS options, with opinions ranging from minimal to pronounced challenges in navigating the market, where 2% find it "Not at all Confusing," 19% are at level 2, 43% at level 3, 21% at level 4, and 15% consider it "Extremely Confusing" (level 5).

What Makes the Market Confusing?

Mergers, acquisitions, and spin-offs keep changing the vendor roster

| 11% | 32% | 25% | 19% | 13% |

There's a lot of terminology being used that I don't understand.

| 11% | 32% | 26% | 19% | 13% |

The rapid evolution of new functionality makes it difficult to stay current.

| 21% | 45% | 24% | 4% | 6% |

All the platform types are incorporating functionality and capabilities from each other and it all starts to blend together.

| 19% | 42% | 22% | 15% | 2% |

Don't know what differentiates a LMS from an LXP, LRS, LOP, or LCMS.

| 21% | 36% | 21% | 16% | 6% |

No impact   1   2   3   4   5   Extremely important

Source: Brandon Hall Group™ Study:
The LMS Marketplace: Voice of the Customer

The data underscores that the industry's swift evolution, unclear platform distinctions and vendor shifts due to mergers impact market confusion, notably affecting understanding and garnering substantial or moderate ratings from respondents.

Missing Functionalities by Category

Organizations also struggled with lacking functionality in LMS technology. Top functionality gaps included the following:

32%
Learner Experience

20%
Analytics

19%
Content Development

In conclusion, the data reveals these deficient functionalities are central to the growing problem of poor learner engagement, ineffective content and inadequate measurement training impact. These deficiencies permeate all training including compliance training.

Implications

The implications of the current approach to using LMS technology are clear. LMS technology challenges are negatively impacting compliance training, leading to increased organizational exposure to risk and a tremendous amount of time and resources lost on delivering ineffective training.

The workforce sees compliance training as tedious and of little value for professional development. Organizations are stuck between trying to meet regulatory compliance requirements and helping the workforce see the importance of compliance-related skills and knowledge.

While the learning experience outside of compliance training continues to revolve around new technologies, flow-of-work learning, personalization and more, compliance training has not. Compliance training is not a factor in building on the learning-focused organization concept. It is seen as a go-through-the-motions exercise and undermines an organization's efforts in creating a culture of learning.

> **Reimagining compliance training sends a message, "We are committed to the development of people, just not with compliance training."**

It needs to demonstrate the organization's commitment to continuous, lifelong learning.

Compliance training cannot be considered a separate and distinct form of training, siloed in its need. In a world of competing for workforce mindshare, organizations are finding compliance training is draining time from other training.

Brandon Hall Group™ finds that those companies taking a more strategic view of compliance say that their efforts are more effective in meeting business needs. By comparing companies that were heavily focused on traditional compliance outcomes such as meeting regulatory requirements and avoiding risk, with those companies looking to advance employee development and drive business performance, we see a difference in the effectiveness of compliance training approaches.

To improve learner engagement, develop people and drive business results, compliance training needs a facelift. Better use of LMS technology and content reformation are critical success factors in the revamp of compliance training.

Critical Questions

As organizations seek to make compliance more strategic, they must answer several critical questions, including:

Does the organization (C-Suite, business leaders, etc.) see compliance training as strategic?

Are we able to align compliance training with specific performance and business outcomes?

Can we make compliance training more personalized and contextual?

Are we applying learning- and brain-science principles to the compliance learning experience?

Do we have the right LMS?

Do we have the right content?

Brandon Hall Group™ POV

Four Strategies to Make Compliance Training More Strategic

01 **Provide better alignment between compliance training and individual and business performance outcomes**

Organizations that are elevating the strategic importance of compliance training are improving the link to the following:

> Business performance outcomes

> Individual performance outcomes

> Personal and professional development of employees

02 **Use performance outcomes to measure compliance training**

Measuring changes in performance helps the company understand if the results of the compliance training are meeting more than regulatory requirements. Compliance training should elevate the readiness of the workforce just as other training should.

03 **Leverage the proper technology**

Impactful compliance training cannot be accomplished without the right LMS. Organizations should look for an LMS that delivers an engaging learning experience and can effectively and efficiently manage and track learning. Robust reporting

and analytics and pristine training records are a must if there is an audit or an incident related to compliance.

The LMS must easily integrate training content from multiple sources. Whether internally developed, purchased from outside sources or provided by regulatory agencies, the LMS needs to manage content seamlessly.

It is also critical that the LMS provide substantial back-end support to training administrators and automate processes as much as possible. The right LMS can manage all facets of compliance training while providing scalability to deliver training across the enterprise.

04 **Source the right content**

Similar to other types of learning, compliance training becomes more engaging and effective when organizations leverage different content styles and modalities to match the needs of learners.

The right content is personalized and contextualized to maximize the depth and length of knowledge retention. This is critical in compliance training because if the training needs to be used, the actions of the employee must be flawless irrespective of when they completed training.

How Litmos Can Help

Between the LMS challenges outlined above, managing the complexities of changing laws and regulations, and aligning compliance training to organizational needs, there are a lot of moving parts to consider when building a **compliance training program**.

Litmos provides an all-in-one learning solution that can help protect your organization from risk and address common compliance training challenges, like lack of employee engagement, limited organizational resources and insufficient reporting mechanisms.
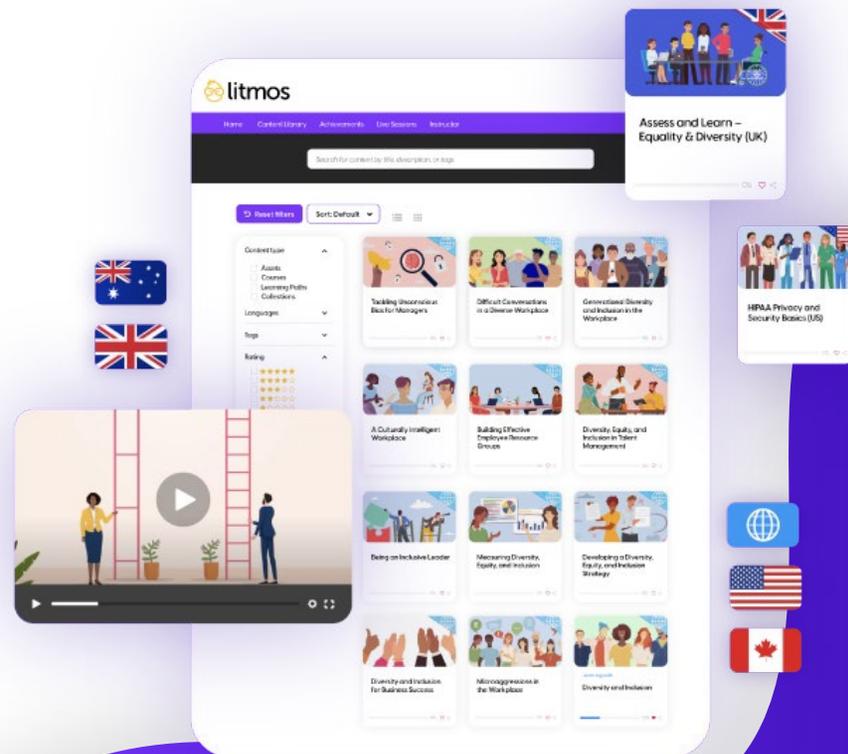
Free Up Administrative Resources

Compliance training can be time-consuming and costly when your company has limited resources. As the data above illustrates, many companies combine multiple tools and solutions to meet training and reporting needs.

With Litmos, organizations can leverage a centralized learning platform that offers both the learning content and technological features busy teams need to build and maintain an engaging and effective compliance program.

With quick and easy implementation and a huge library of **pre-built compliance courses** — as well as course authoring tools that allow for deeper customization — Litmos saves time for businesses that may not have the bandwidth or expertise to build their own compliance training programs. Once learning materials are built and/or curated, Litmos' automation features allow teams to notify employees about completion deadlines or past-due compliance courses.

Prioritize Engagement

Lack of employee engagement is a common challenge for company-wide compliance training. When employees find compliance training dull or irrelevant, participation and retention suffer. This can lead to costly errors and potential legal, financial, and reputational repercussions for the organization.

Making modules easily accessible is a critical step toward improving learner engagement. Designed with adult learners in mind, Litmos' compliance courses are available both online and offline, on desktop or mobile. Boosting learner engagement with Litmos' gamification features like leaderboards and badges can also keep employees on track for compliance.

Leverage Actionable Reporting

Say goodbye to Excel spreadsheets and multiple apps! With its powerful reporting, Litmos gives managers the tools to monitor compliance and demonstrate key metrics at a glance, with just one click from their dashboard. Litmos dashboards allow users to track which employees have completed compliance trainings, which employees are behind, and identify any specific areas where additional support might be needed.

Leaders who are focused on compliance don't want to spend their time managing the logistical challenges that come with building dynamic and customizable training programs. That's why an effective Learning Management System (LMS) can be an invaluable asset to any business concerned with compliance. Top-performing companies trust Litmos as their centralized solution for simplified compliance training management.

Authors and Contributors

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Pat Fitzgerald (patrick.fitzgerald@brandonhall.com) edited this report. Pat is Content and Community Coordinator. Prior to joining Brandon Hall Group™, he was an award-winning community journalist for 30 years and recognized for his writing, investigative reporting, editing, photography design and community service. He also started and then sold his own successful weekly newspaper in the Branson, Mo., area.

About Brandon Hall Group™

With more than 10,000 clients globally and 30 years of delivering world-class research and advisory services, Brandon Hall Group™ is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

Professional Certifications
Self-paced certification programs. Virtual group sessions for companies. In-person conferences and summits.

Membership
Individual and Enterprise Membership Options: Includes research assets, advisory support, a client success plan and more.

SOME WAYS WE CAN HELP

Advisory Offerings
Custom Research Projects, including surveys, focus group interviews and Organization Needs Assessment for Transformation, Technology Selection and Strategy.

Excellence Awards
Three annual programs recognize the best organizations that have successfully deployed programs to achieve measurable results.

ORGANIZATIONAL EXCELLENCE CERTIFICATION PROGRAM recognizes world-class HCM programs that transform their organization and achieve breakthrough results. This designation is the next step beyond the HCM Excellence Awards, which focus on a single program, and looks at the department as a whole.

SMARTCHOICE® PREFERRED PROVIDER PROGRAM uniquely places HCM service and technology companies at the top of organizations' consideration list of vendors. It adds an unmatched level of credibility based on BHG's twenty-eight-plus years of experience in evaluating and selecting the best solution providers for leading organizations around the world.

About Litmos

Litmos develops learning solutions for top-performing companies. An established leader since 2007, Litmos offers the world's easiest-to-use LMS, comprehensive content libraries, integrations with top workflow tools, and services to support success. Thousands of companies trust the solutions to create, curate, and connect learning content to employees, customers, and partners. Acquired by CallidusCloud in 2011, SAP in 2018, and by Francisco Partners in 2022, Litmos continues to innovate award-winning learning technology and set the standard for customer experience and satisfaction. The solutions are used by more than 30 million users in 150 countries, across 35 languages.

litmos

For more information, please visit: **litmos.com**