Integrating Compliance with Business Strategy:

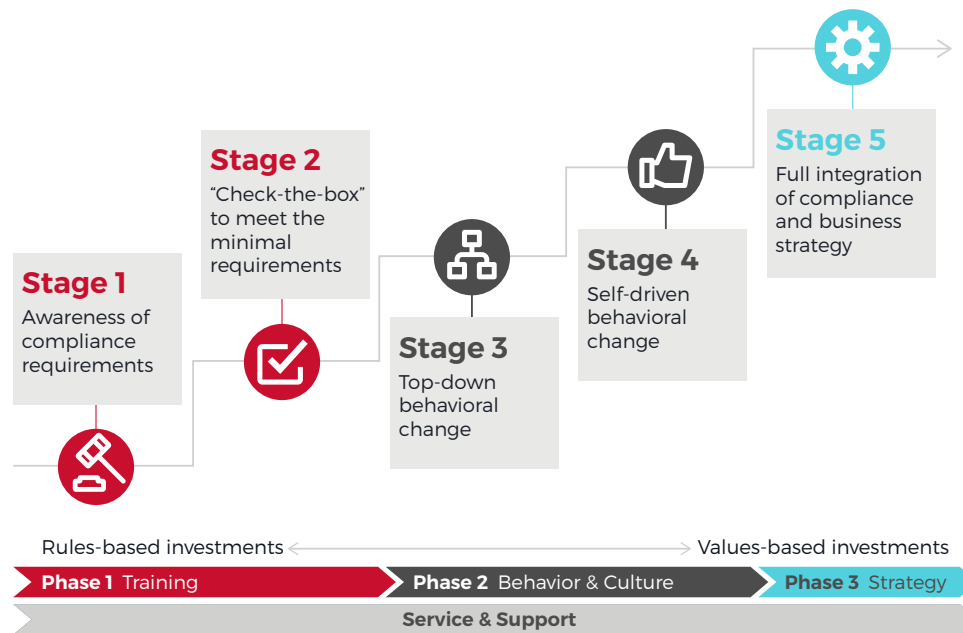## The Skillsoft® Compliance Maturity Model™

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EXECUTIVE SUMMARY

Compliance training is a necessity to reduce the liability and legal risks businesses face on a daily basis. But how do businesses integrate compliance training with their business strategy? Skillsoft developed the Skillsoft Compliance Maturity Model to help organizations identify the right learning content and approaches that will focus on behavior and culture to reap the full business benefits of investments in compliance programs.

This paper explores the stages of the maturity model, citing specific examples of compliance successes and failures as they pertain to each stage. By defining compliance practices in this manner, businesses gain a better understanding of where their compliance program currently stands and what they can aspire to achieve.

A NATURAL PROGRESSION FROM "TRAINING" TO "STRATEGY"

Starting from the perspective that compliance should benefit the company and its employees alike, Skillsoft examined the way organizations at different levels of learning maturity perceive compliance training. Having been in this industry for more than 20 years, we noticed a distinct pattern that many organizations follow in expanding their compliance and ethics capabilities. To that end, we identified five stages of compliance achievement:

Stage 1
Awareness of compliance requirements

Stage 2
"Check-the-box" to meet the minimal requirements

Stage 3
Top-down behavioral change

Stage 4
Self-driven behavioral change

Stage 5
Full integration of compliance and business strategy

Rules-based investments ← → Values-based investments

Phase 1 Training | **Phase 2** Behavior & Culture | **Phase 3** Strategy

Service & Support

Ideally, an organization's compliance training will grow from an initial awareness objective, to a mid-cycle focus on behavior and culture to maturity, in which compliance learning becomes a fully embedded part of the business strategy. This progression also shifts the value basis of compliance investments from an emphasis on avoiding negative consequences of non-compliance to gradually placing a spotlight on a culture of compliance, which delivers powerful business benefits—positive brand recognition, ability to attract top talent, increased competitiveness and contribution to employee loyalty.

STAGE 1: AWARENESS OF COMPLIANCE REQUIREMENTS

Organizations pay little attention to compliance and ethics requirements, and provide employees with minimal resources to meet baseline standards. They hope problems will not occur, and when issues do arise, these businesses typically end up paying steep fines, penalties and other damage while employees can suffer from injuries, illness, and discrimination. These organizations may or may not make any compliance training available to employees because, in their view, it is too expensive. If they do provide training, it is implemented only after a major violation has occurred, to show they are trying to meet compliance standards.

STAGE 2: "CHECK-THE-BOX" TRAINING TO MEET MINIMUM REQUIREMENTS

Companies acknowledge that the only way to get the message of compliance organization-wide is to ensure that all employees are afforded appropriate access to training materials. Businesses emphasize successful completion of course materials so the business can provide a record demonstrating an effort was made to meet regulations and standards. In other words, they check the box on compliance training in an attempt to avoid the damages that Stage 1 companies can incur.

Some organizations at this level establish rudimentary programs targeted to managers only, thereby putting the responsibility on each manager to ensure that his or her direct reports are made aware of the various requirements that apply to each of them. This approach lacks the clarity and transparency to prove whether or not an employee was informed. Other organizations may take a "shotgun" approach and assign the same training to all employees without regard to specific job roles, areas of responsibility or other role-unique attributes. While this approach ensures that all staff receive training and there is a record of completion, employees become disengaged when training is irrelevant to their day-to-day functions and covers topics that they will never encounter.

Maximum penalties for OSHA violations increased by 2.6%—for other-than-serious and serious violations and for willful or repeat violations. Big companies may be most affected, as OSHA inspects businesses with multiple facilities and websites.[1]

The global average cost of a data breach rose 6.4% from 2017 to 2018. Average cost for each lost or stolen record containing sensitive and confidential information also rose by 4.8% year over year—to $148.[2]

1 "Maximum penalties increase in 2018 for OSHA violations." United States Department of Labor Occupational Safety & Health Administration.
2 "2018 Cost of a Data Breach Study: Global Overview." Poneman Institute LLC, July 2018.

STAGE 3: TOP-DOWN BEHAVIOR CHANGE THROUGH TRAINING

Organizations understand how training affects the fundamental behaviors of their employees in the processes and tasks they undertake. Here, companies begin to effect a "top-down" cultural change in working to incorporate lawful practices. It's understood that it is the job of executives to enforce training among managers, and the job of managers to do so with employees. Training is seen as more strategic. Assignments are made based on job roles and responsibilities. Site-specific information, including local policies and procedures, in addition to regulatory requirements, are addressed.

Many organizations stop here on the maturity model because there is perceived accountability on all levels. However, this is not true accountability, as there is no belief in the program. Compliance is maintained through avoidance of being punished. Additionally, if managers never witness wrongdoing, how can they enforce policies?

STAGE 4: SELF-DRIVEN BEHAVIOR CHANGE

When an organization's approach to compliance becomes more mature, the focus shifts to empowering individual employees to make informed decisions to reinforce the company's lawful and ethical culture. This stage is a by-product of establishing a culture with high compliance awareness. Everyone in the company at all levels shares accountability for following a higher standard. Employees are self-directed to make the "right" decisions at this stage because everyone else is making these same decisions. Policies are understood and the reasons behind the policies are clearly explained. Engagement is high at this level because all members of the organization are now responsible for the success of the program.

STAGE 5: FULL INTEGRATION OF COMPLIANCE AND BUSINESS STRATEGY

Organizations see a seamless integration of compliance with business strategy, and it is measured as a component of business performance. In reaching this level of sophistication, compliance programs are aligned to actually assist organizations in accomplishing their business goals as opposed to serving merely as a function of risk mitigation.
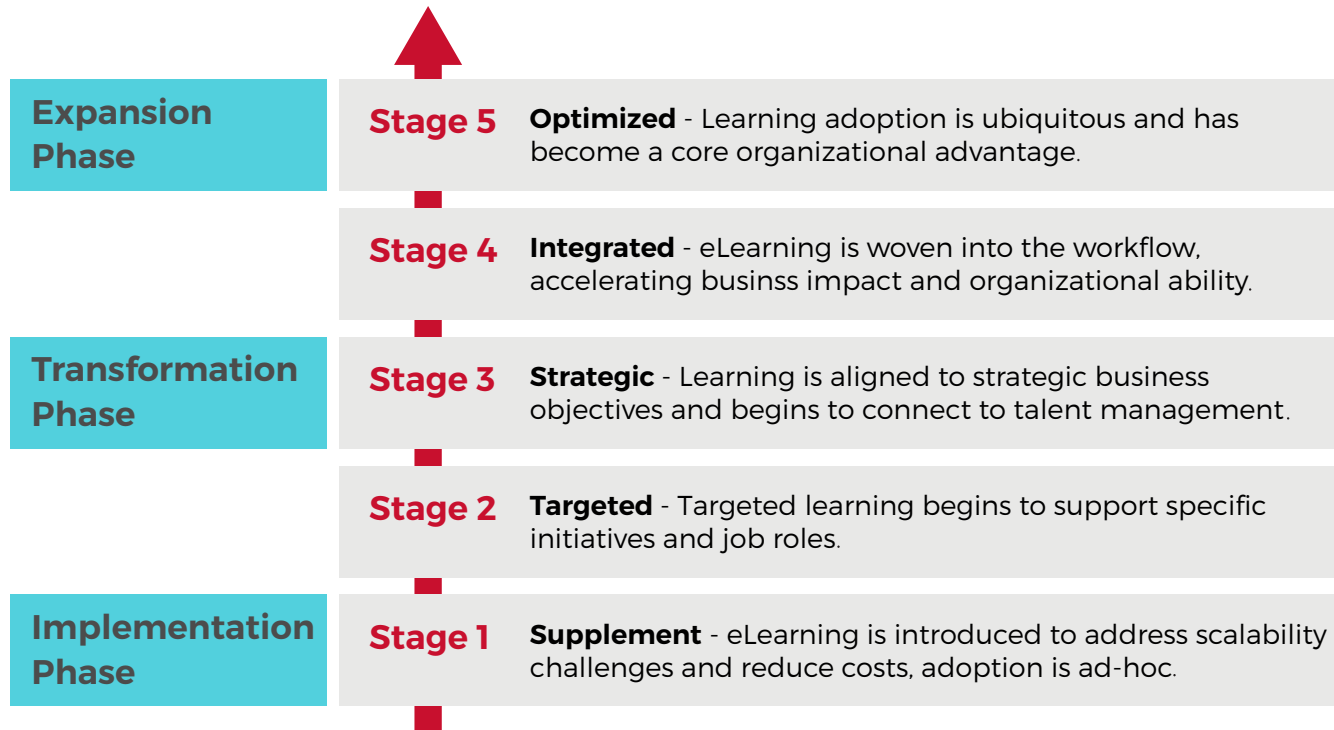
In the United States, private industry employers reported about 2.8 million nonfatal workplace injuries and illnesses in 2017, and these occurred at a rate of 2.8 cases per 100 full-time equivalent workers. There were 45,800 fewer such cases in 2017 compared to 2016. Previous reports have credited improved compliance training efforts as a key factor in declines in workplace accidents.[3]

Some large government contractors have noted that many of the opportunities that they are awarded are due in part to their ability to demonstrate the integration of compliance with their business operations.

In order to reach this stage, an organization must maintain a comprehensive view of learning—a company's maturation to Stage 5 cannot happen overnight. By keeping focus on continued growth and maintaining an upward trajectory, a company can continually improve its processes and realize meaningful results along the way. Employees, managers and executives alike see and understand their responsibility to the company by ensuring the success of the compliance program. Failure is not an option—as failure would mean a fundamental failure in the business strategy. Honesty, accountability, respect and leadership are principles of these organizations, and transparency is a default.

HOW SKILLSOFT CAN HELP

Expansion Phase	**Stage 5**	**Optimized** - Learning adoption is ubiquitous and has become a core organizational advantage.
	Stage 4	**Integrated** - eLearning is woven into the workflow, accelerating businss impact and organizational ability.
Transformation Phase	**Stage 3**	**Strategic** - Learning is aligned to strategic business objectives and begins to connect to talent management.
	Stage 2	**Targeted** - Targeted learning begins to support specific initiatives and job roles.
Implementation Phase	**Stage 1**	**Supplement** - eLearning is introduced to address scalability challenges and reduce costs, adoption is ad-hoc.

Complex and continually evolving regulatory standards are placing increased pressure on our customers to "do the right thing and do it right now." That's why Skillsoft offers a comprehensive compliance training solution to assist organizations in promoting ethical and lawful cultures, reducing legal and regulatory violations and minimizing exposure to operational risk.

CUSTOMER SUCCESS STORY: DOMTAR

Domtar is a leading provider of a wide variety of fiber-based products including communication, specialty and packaging papers, market pulp and absorbent hygiene products. With approximately 10,000 employees serving more than 50 countries around the world, Domtar is driven by a commitment to turn sustainable wood fiber into useful products that people rely on every day.

What Sarah Waltman, Senior Director, Talent Management, has to say about working with Skillsoft:

"When OSHA regulations are modified, I can rest easy knowing that Skillsoft Compliance courses will automatically update, maintaining compliance across all of our operating geographies."

KEY METRICS

99% Completion rate for mandatory compliance training.

50% Completion rates have increased by more than 50% upon deploying Skillsoft Compliance content.

93% Average of 34 accesses per learner and a 93% return rate across all Skillsoft content.

RISK MITIGATION

Skillsoft Compliance Solutions help companies meet regulatory requirements and mitigate the damaging and costly effects of non-compliance. Through a global adaptation strategy, Skillsoft provides a comprehensive library of translated, localized and fully adapted training courses. These courses address key risk areas with specific content for ethics, legal compliance, workplace health and safety, transportation, environmental safety, higher education and the federal government. Providing an expansive library of specialized content allows organizations to meet the training needs of a growing global footprint while maintaining compliance with local and regional laws.

CONTENT DESIGN

Designed for the adult learner, courses specifically address the three established adult learning styles: auditory, visual and kinesthetic. Leveraging the latest brain science research, Skillsoft content utilizes a data-driven mix of instructional design approaches that foster the linkage between emotion and cognition to strengthen learning and retention. All courses have clear, tangible learning objectives, which are met through an engaging presentation of information, practice opportunities and evaluation.

The net effect is that the Skillsoft Compliance Solution "assures learning" and encourages the behavioral changes needed to support a culture of compliance.

CONSISTENCY OF MESSAGE

Skillsoft delivers relevant, up-to-date content by partnering with nationally and globally recognized law firms and industry leaders. They serve as our subject matter experts in the development and maintenance of our compliance content. Linking subject matter expertise with instructional design backed by brain science research means that the content built not only addresses pressing compliance topics, but also provides a practical approach to training.

SERVICE LEVEL

With 24x7 global, multi-lingual support, you can be sure that we are there when you need us.

LEARNING MANAGEMENT SYSTEM WITH AUDITABLE REPORTING

Skillsoft's advanced compliance learning management system (LMS), Percipio Compliance, provides organizations with the robust administrative functionality needed to support a complex web of regulatory requirements.

Organizations must be able to quickly adapt compliance programs to align with emerging compliance risks and trends, and Percipio Compliance provides that flexibility. The platform allows organizations to easily monitor and adjust their compliance training program in real time to align with changing regulations, evolving risks and rising best practices. It also helps organizations manage, track and report compliance training across all formats including online, classroom, on-the-job and other offline training events. Additional features such as flexible training assignment options and customizable dashboards help manage the intricate regulatory requirements organizations must track. And with an auditable training history, organizations can provide a clear view of the compliance training efforts to help demonstrate compliance in the event of an audit.

COMPLIANCE TOOLS TO SYMPLIFY WORKFLOWS

Skillsoft Certitude helps certify communications, assess knowledge and simplify policy, attestation and disclosure management to improve business processes and reduce risk. Certitude enables organizations to manage, track and distribute policies, standard operating procedures (SOPs), attestations and disclosures along with the ability to create custom questionnaires, checklists, surveys, assessments and exams in over 40 languages.

Organizations can create a governance framework to support compliance, safety and business initiatives.

AN ENTERPRISE LEARNING SOLUTION

Skillsoft's learning library provides the building blocks of effective learning programs. With Skillsoft, organizations can pair compliance training with additional employee learning and development content to build a rich set of effective, interactive curricula.

Skillsoft provides a seamless learning experience with access to not only compliance content, but also leadership, business, IT and digital skills. In partnership with the industry's foremost publishers, vendors, analyst firms and business thought leaders, Skillsoft provides on-demand, instant access to the complete text of thousands of best-in-class online books, book summaries, audiobooks, research reports and best practices. By uniting learning across the enterprise, organizations gain greater visibility into their overall learning initiatives and are better positioned to communicate the total value of yearly learning investments.

Skillsoft supports an organization's learning objectives and through Skillsoft Compliance Solutions, can integrate compliance as well as broader learning initiatives into business strategy, and continue to support a compliant workplace culture.

Skillsoft Compliance Solutions

To learn more about compliance eLearning solutions **visit our website.**

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As VP of Compliance Products at Skillsoft, Norman Ford oversees the compliance product portfolio. Prior to joining Skillsoft, he was Vice President of eLearning Products and Services and co-founder of GoTrain Corp. Previously, Mr. Ford served as Manager of Technical Assistance and Qualification for Lockheed Martin Energy Systems, where he was responsible for the development of training requirements and procedures and provided corporate subject matter expertise in regulatory and compliance issues. Mr. Ford has over 30 years of experience in Conduct of Operations, Nuclear Operations, Training Drills, Qualification, Certification, Training Procedure and Technical Training issues, while serving organizations including Lockheed Martin, the U.S. Department of Energy, and the U.S. Department of Defense (U.S. Navy).

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ABOUT SKILLSOFT

COMPLIANCE SOLUTIONS

Skillsoft Compliance Solutions provides both ethics and risk mitigation training and workplace safety training tailored to meet an organizations unique, industry specific requirements. With over 500 risk topics in 32 languages, Skillsoft provides one of the largest selections of compliance training to ensure organizations can effectively meet regulatory obligations, mitigate risks and encourage the behavioral changes needed support a culture of compliance.

Developed in partnership with industry-leading compliance experts, courses are constructed around key instructional design principles, leveraging the latest brain science research to accelerate ethical and workplace safety practices across an organization. With an advanced learning management system, Percipio Compliance, Skillsoft delivers an engaging user experience along with the robust functionality necessary to manage complex training needs.

Through a comprehensive suite of training services and compliance-based learning solutions, Skillsoft Compliance Solutions help businesses protect against risk and safeguard employees.