



Seven Steps to Building a **Culture of Compliance**

Organizations that focus on compliance can expect to see a reduction in compliance related issues across a variety of functional areas.

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A Culture of Compliance

Regulators want to see financial services organizations take proactive steps to building a culture of compliance, however, at many financial services institutions, it is not really considered a reasonable compliance goal. An organization's culture is thought of as too difficult to control and measure. It can seem overwhelming.

A "culture of compliance"-where ethics and adherence to regulatory requirements are integral to how everyone in an organization behaves-is widely recognized as an ideal.

Fortunately, a culture of compliance is not an all-or-nothing situation. ProSight Financial Association has been in the financial services industry for over 100 years and annually helps more than 2,400 financial services organizations with their compliance training programs. We have seen that there are several practical steps any organization can and should take to move towards a culture of compliance that will have tangible benefits.

Following these steps will help financial services organizations achieve meaningful results when it comes to building a culture of compliance. Employees will feel like their efforts matter, the organization will benefit from reduced compliance related issues, and regulators will be pleased to see the organization taking proactive steps to be compliant.

Seven steps to Building a Culture of Compliance include:

- Make leadership support explicit
- Make compliance everyone's responsibility
- Personalize compliance training
- Have readily available resources
- Share timely information
- Track compliance comprehension
- Recognize achievements and improvements

Step 1: Make Leadership's Support Explicit

This might seem like an impractical step in your organization. Often, leaders in the C-suite and on the board of directors are busy and would prefer to delegate as many compliance responsibilities as they can. But regulators expect leadership to be vocal supporters of compliance through updating policies, modifying procedures, incenting ethical behavior, and communicating corporate values consistently.

There is a reason that deficiencies in these areas generate FDIC "Matters Requiring Attention" and "Matters Requiring Board Attention" so often. Regulators view leadership as responsible for influencing the organization's culture. Garnering leadership's vocal support for a compliance culture should not be too challenging.

Suggestion: Don't just ask all employees to acknowledge new versions of policies and procedures. Have someone in leadership explain the major updates-including how they will benefit the organization-in an email or presentation.

Step 2: Make Compliance Everyone's Responsibility

Compliance professionals and organization leaders are responsible for fostering compliance in an organization through training, resources, and tools, but actually being compliant is everybody's responsibility. Making this distinction clear in well-timed, organization-wide communications is crucial for setting expectations.

Engagement increases when people understand that they are not just going through the training to satisfy regulators but to adapt their own behavior. The better the training, resources, and tools you provide people, the better this message will be received.

Suggestion: Who delivers this message and when is as important as the content. Ideally it would come from leadership and should be done when employees have access to strong training and helpful tools.

Step 3: Personalize Compliance Training

The more personalized the compliance training, the easier it is for employees to understand what they specifically need to do to be in compliance. Fortunately, many elearning resources are available to help personalize compliance training plans so that learners are assigned content most relevant to them.

ProSight data suggests that not only is this training more effective, but it is also more efficient. For example, role-based curricula typically reduce the overall training time required by at least 30%.



Suggestion: Consider an eLearning solution provider, like ProSight, that has role-based compliance curricula, mini- courses, a sophisticated course assignment engine, and a collaborative assignment mapping tool.

Step 4: Make Job Aids, Checklists, Regulation Overviews, and Policies Readily Available

If compliance really is everyone's responsibility, and you want to influence behavior, it is crucial to provide not just training but easy access to related job aids that help people meet compliance requirements in their day-to-day work. Checklists, Red Flag lists, regulation overviews, process documents, and policies are proven tools to change behavior. Share them!

Suggestion: Leverage a tool that can be a centralized location for the most effective job aids and current version of policies. Ideally, like BAI's Learning Manager, the tool will also allow learners to pin links to their dashboard for easy access to the most relevant resources.

Step 5: Share Timely Information Outside of the Periodically Required Compliance Courses

While compliance training courses might happen annually or quarterly, compliance itself happens all the time, and compliance-related professional development can happen at any time. Industry news, regulation change alerts, and new information on related best practices are released throughout the year. People can always learn something new. Sharing this kind of information-such as in videos or via links to articles-in a timely manner to the relevant people reinforces their understanding that compliance is not just a seasonal activity for the regulators and not just the compliance department's responsibility.

Suggestion: License content, like in BA's Compliance and Leadership Innovation libraries, that includes industry-specific news, case studies.

Step 6: Track the Understanding of Specific Regulations

Many learning management systems have functionality to track the different skills employees are pursuing, like leadership and customer service. And in a highly regulated industry like financial services, understanding regulations is an important skill, even for professionals who are not in the compliance department. Start tracking people who pursue knowledge of different compliance topics.

Suggestion: Consider leveraging a learning management system, like BA's, that has career pathing and user profile functionality that tracks the pursuit of financial services-specific skills, like the knowledge of different regulatory topics.

Step 7: Recognize Achievement and Improvement Related to Compliance

Recognition and reward programs typically are used not only to thank employees for successful outcomes but also to publicly identify behavior that leadership would like to see in others. Incentivizing and recognizing desired behavior shows employees that their actions truly matter to the organization and that having a positive impact on the company will also have a positive impact on them. Using these tools and strategies is an easy way to encourage a culture of compliance.

Suggestion: Some learning management systems, like BAI's, have badging functionality. This functionality recognizes learners who complete specific career paths, displaying the badge on the learner's user profile for training administrators and managers to see. Badging can be used for compliance pursuits beyond the required training.

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The ProSight Learning Manager is designed specifically for the complexities of modern eLearning engagement challenges and the financial services industry, giving you the power to streamline your training.

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