

Using Assessments for Regulatory Compliance

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Rationale for Assessments in Compliance

Online assessments have long been used in compliance, but now more than ever.

Many regulators require you to train employees and periodically measure their knowledge and comprehension of specific subject's particularly in financial services, pharmaceuticals, utilities, professional services and in health & safety across all industries.

Without regular testing, how do you know what your employees know? And what about audits or if something goes wrong? Is it good enough to get the participant to sign something saying that they've attended and understood?

Assessments play an essential role: Quizzes, tests and surveys delivered online to employees are the best way to reach your entire workforce and ensure employees understand.



Business Benefits of Assessments

Centrally managed assessments bring both peace of mind and business value.

This chapter will walk you through six business benefits of using assessments in compliance.

1. Avoid fines and demonstrate organizational commitment to comply with laws

The most compelling reason to conduct assessments is because they are legally required!

2. Warning of a lack of knowledge or understanding before these impact the business

If assessments are prepared well and analyzed effectively, the results can tell you of potential problems in time to act and resolve them before they cause pain: they let you see into the future.

3. Harness training required by compliance to give business advantage

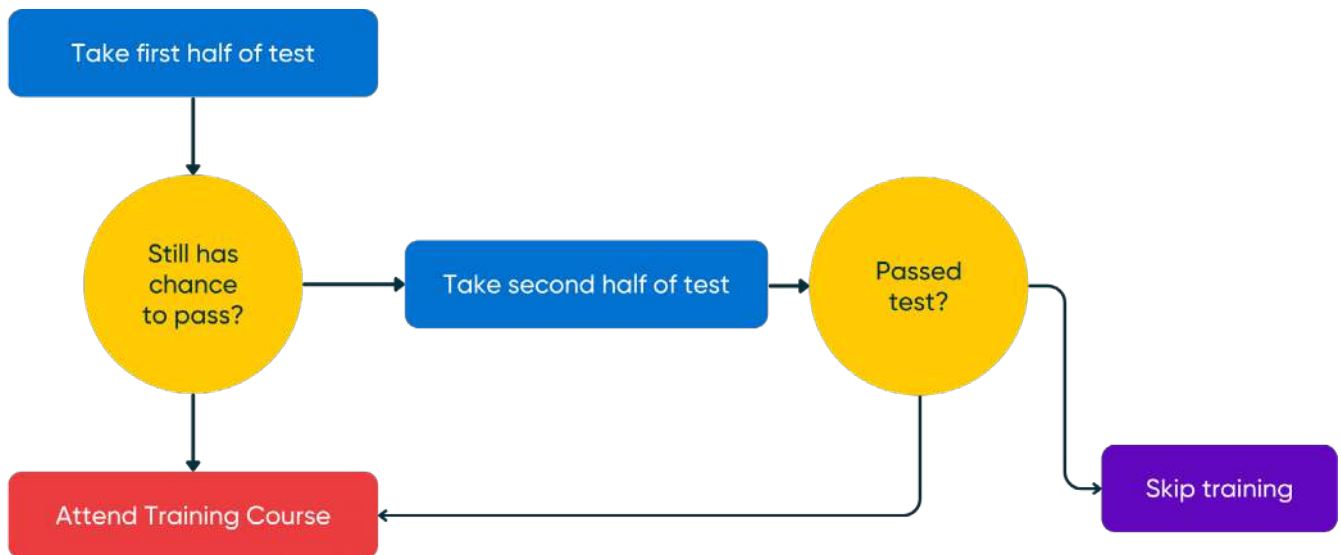
Successful companies often see compliance training as an opportunity for business advantage and look at it as an opportunity for your organization to improve and learn.

4. Reduce cost and time spent in unnecessary training

If an employee already knows something well, then training him or her in it is a waste of resources and motivation. Diagnostic tests can provide a way of identifying what employees know, and allow employees to "test out" of training they do not need to take.

A large accountancy firm using Questionmark identified a saving of more than 500 hours of training in a particular area due to a diagnostic test, resulting in a \$40,000+ financial saving!

The figure on the next page provides a visual representation of how one organization tests out of training using Questionmark.



5. Ensure that partners understand your products and services

Many organizations work with partners or other third-parties who sell products to end-users or who otherwise take advantage of your services. In some jurisdictions, your company is liable if these products or services are mis-sold, and in all jurisdictions you will want these partners to be capable and successful with your products.

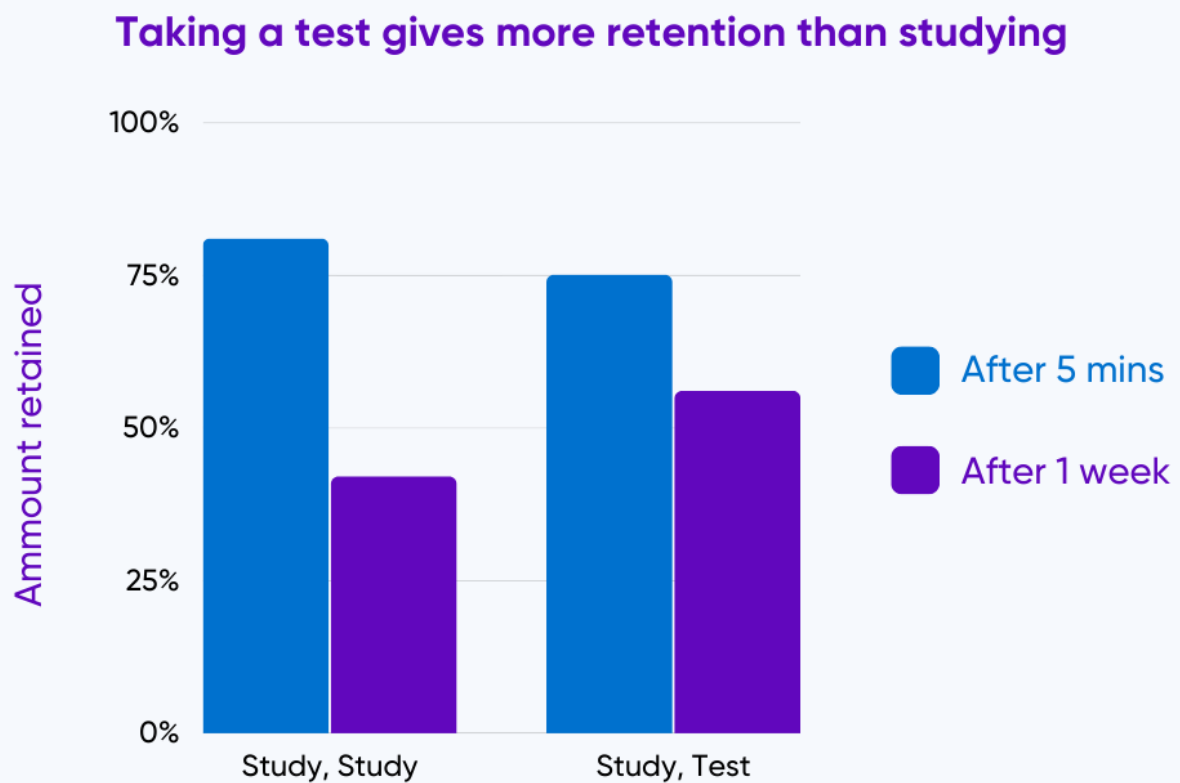
In the safety field, a US Appeals Court law case ruled in 2005:

"Merely having an individual sign a form acknowledging his responsibility to read the safety manual is insufficient to insure that the detailed instructions contained therein have actually been communicated."

6. Reduce forgetting amongst your employees

People quickly forget material after learning it. Giving assessments after a training session gives people a chance to practice retrieval of the learning and significantly increases long-term retention.

The graph below shows results from a peer-reviewed paper where one group of people studied material and the other group spent the same amount of time studying and being tested. After 5 minutes, there was little difference between how much they knew, but a week later, the group who had been tested recalled significantly more (56% vs. 42%). Giving a test increases long-term retention and slows down forgetting.



Applications of Assessment in Compliance

So, you understand the benefits for using assessments as part of a compliance program, but how do you actually use them?

Here are the 10 most useful applications of assessments in compliance:

- **Failing to assess what they want or need to know:** one of the biggest concerns for firms is that pen and paper or basic LMS assessments are not robust. Organizations cannot be sure that the 'good enough' assessments they create are valid, fair or that they are even assessing what they should be.
- **Being vulnerable to cheating:** with pen and paper exams, LMSs or basic and unsecure software solutions, candidates can easily share details of assessments with those yet to take a



Internal employee competence exams to measure knowledge and abilities.



Employee attitude surveys to measuring employee satisfaction.



Knowledge checks to confirm learning and document understanding.



Job task analysis surveys to check assessment validity.



Needs analysis / diagnostic tests to allow testing out.



Practice tests to assess their further study needs.



Observational assessments to measure skills.



Formative quizzes to provide feedback, diagnose misconceptions and reduce forgetting.



Course evaluation surveys or "smile sheets" to check employee reaction following training.



360 degree assessments to solicit opinions about employees' from superiors, reports and peers.



Good Practice Recommendations

This section contains some good practice recommendations, given in five stages.

Planning

- Ensure compliance team are trained on problem, objectives, desired outcomes, processes and tools
- Communicate benefits and fairness of assessment program to reduce rationalization for test fraud
- Define a code of conduct / honor code to reduce rationalization of cheating and encourage fairness
- Plan item bank structure
- Plan for contingencies including key people absent, system and connectivity failures, fire alarms etc.

Deployment

- Deploy secure apps for medium and high-stakes tests e.g. Questionmark secure browser which restricts internet browsing and running other programs while taking a test
- Set up authoring security by limiting access to content/ repositories / databases

Authoring

- Blueprint higher stakes assessments using a job task analysis questionnaire to identify the areas to cover.
- Keep records of the authoring process by using item version tracking

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- Pilot questions and assessments before delivery allowing questions to be used to gather statistics without contributing to the overall score
 - Carefully consider how you set pass scores. Best practice is to set a pass score for each assessment based on the difficulty of its questions. One sound route is the Angoff method
 - Write questions that test understanding and application
 - If you use multiple choice questions, follow good practice. For example, use negatives sparingly and avoid double negatives
 - Allow participants to comment on questions to alert you to things that may have been missed in the review process
 - Provide corrective feedback at question level to pinpoint specific areas that need more focus
 - Score at topic level and direct to learning resources
 - Randomize questions and choices to reduce the chances of collusion
 - Re-review all questions at least once a year and also when regulations change or when you introduce new or changed products

Delivery

- Make practice tests available to give employees time to experience the interface and question style before taking the test formally
- Consider mobile delivery for low-stakes assessments and increase survey responses for people on the go
- Prevent immediate re-takes or at least 1 day to allow sufficient revision time

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- Adopt a risk-based approach to monitoring. Monitor/ proctor assessments where there is a higher risk of cheating
 - Consider use of personal questions to deter identity fraud. Intersperse questions that ask personal information which only the participant would know

Analytics

- Provide feedback in coaching reports to show participants what topics they were weak in
- Review qualitative comments or answers to open questions from employees. These can alert your organization to compliance issues
- Review results to see what impact there is for training. Results from evaluation surveys, quizzes, and tests will help identify improvements in training
- Trends: Compare results by demographics and time. Relative scores are more actionable than absolute scores
- Review the reliability of assessments. Look at the Cronbach's Alpha measure of reliability
- Run regular item analysis reports & review statistics. For compliance questions, a difficulty in the range 0.6 – 0.85 is usually strong



Conclusion

This eBook has identified key business benefits that online assessments can give organizations, highlighted some possible applications of assessment in compliance and provided a number of good practice recommendations.

Here are some brief answers to common objections or questions you may get as you discuss the idea of using online assessments for compliance:

Can't I do all this with my LMS?

Most LMSs (learning management systems) can deliver basic quizzes and surveys. Reasons to use an assessment management system include:

- **Much easier (and so more cost-effective) to author questions and manage a large bank of questions**
- **Full item version history for auditing and tracking purposes**
- **Greater range of question types and assessment options including JTA**
- **Scores and feedback at the topic level as well as question and assessment level**
- **Reports that cover assessments effectively and give you the data you need**
- **Assessments can continue to be delivered even if you change LMS**
- **Stronger security in preventing cheating and fraud including role-based access, secure browsers and online proctoring**

Couldn't I do just as well with paper assessments?

Paper assessments do provide many of the advantages mentioned in this white paper. However, they require significantly more time and cost to manage. There are many useful on-screen capabilities including randomizing questions, presenting interactive questions, giving immediate feedback and much more that cannot be done on paper.

Talk to us at questionmark.com/demo



Appendix

Questionmark Resources

Best practice guidance from Questionmark

Questionmark publishes several other white papers giving best practice guidance, available from questionmark.com/resources/reports/. The following white papers are useful for follow-up reading:

- [Assessment Results You Can Trust](#)
- [Five Practical Approaches to Test Beyond Recall](#)
- [The Test Fraud Fallacy](#)

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Solutions and Integration

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About Questionmark

Questionmark is a leading assessment platform that helps businesses, governments and academic organizations test and prove knowledge. We enable organizations to author, deliver and measure assessments, in the cloud, with all the flexible tools they need from proctoring to translations.

For over 30 years our business has paved the way for more effective testing and certification worldwide. To date, we've been trusted by more than 2,500 customers worldwide and deliver more than 18 million assessments a year.

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