



Using Assessments for Regulatory Compliance

eBook

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ABOUT QUESTIONMARK

Questionmark assessment and portal solutions enable organizations to measure knowledge, skills and attitudes for certification, channel expertise, regulatory compliance and workforce learning. Questionmark’s assessment management system, enables collaborative, secure authoring; powerful item banking; multiple delivery options including mobile devices; trustable results and comprehensive analytics.

1. 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. See **figure 1**.

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.

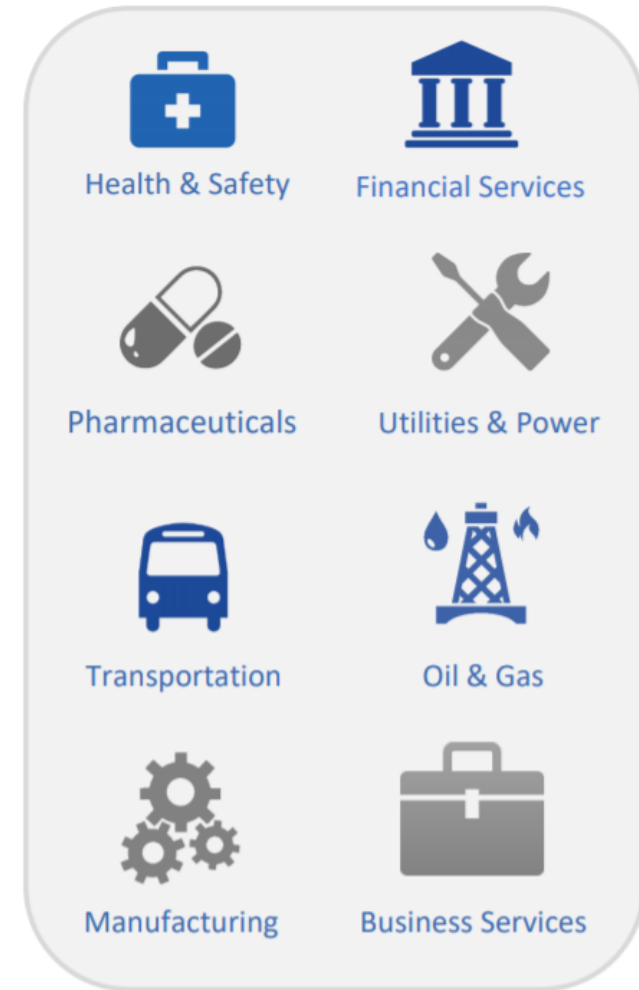


Figure 1

2. 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.

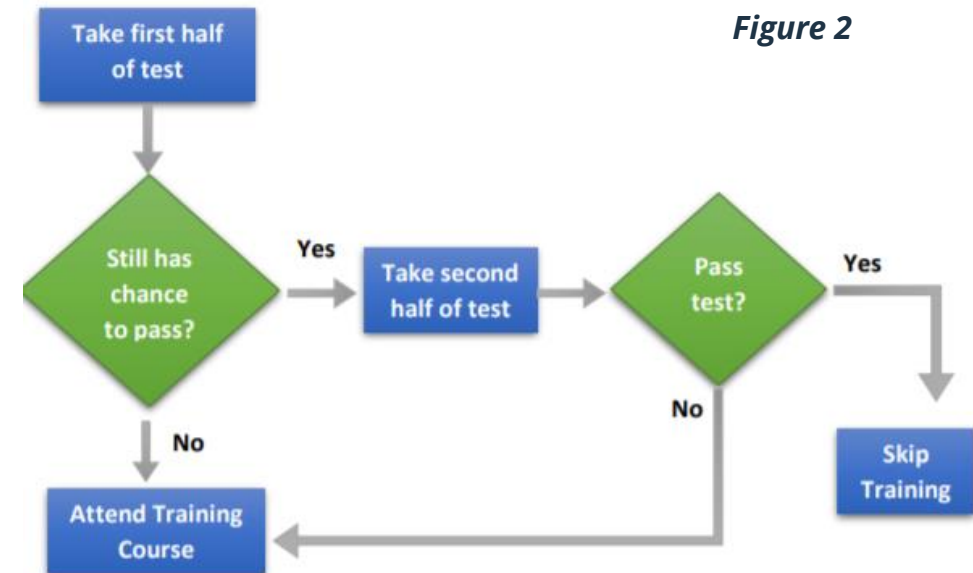
Benefit 1: Avoid fines and demonstrate organizational commitment to comply with laws. The most compelling reason to conduct assessments is because they are legally required!

Benefit 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

Benefit 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.

Benefit 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! **Figure 2** provides a visual representation of how one organization tests out of training using Questionmark.



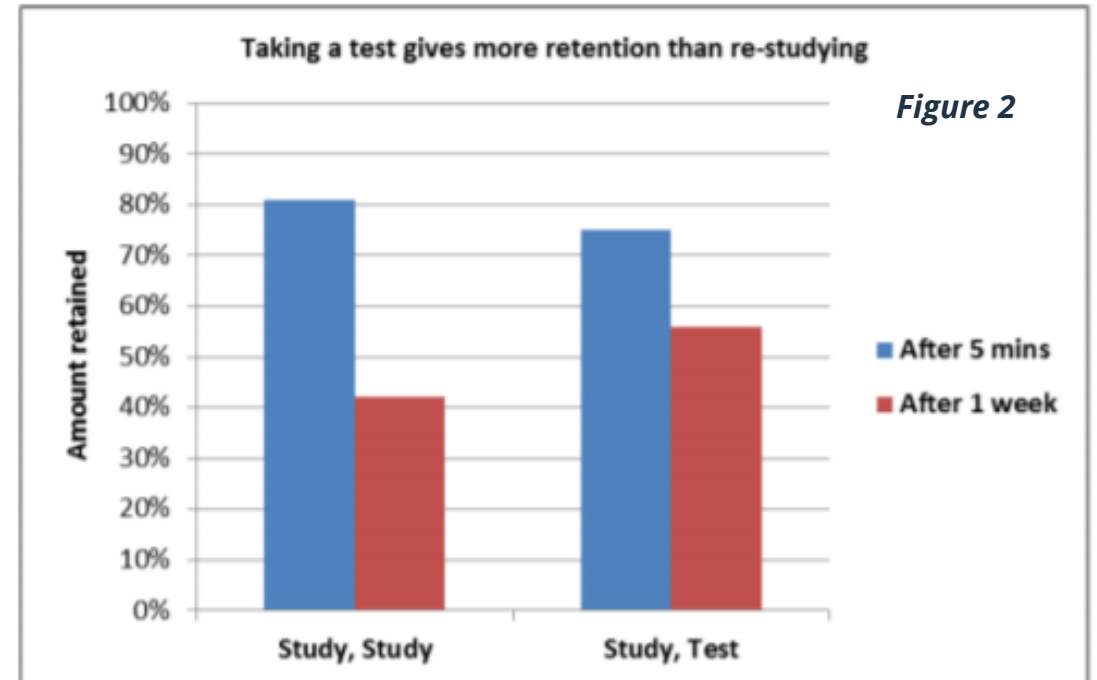
Benefit 5: Ensure that partners understand your products and services. Many organizations work with partners or other third-parties who sell products to end-users or who otherwise take advantage of your services. In some jurisdictions, your company is liable if these products or services are mis-sold, and in all jurisdictions you will want these partners to be capable and successful with your products.

Benefit 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 (**figure 3**) 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.

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.”



3. Applications of Assessment in Compliance

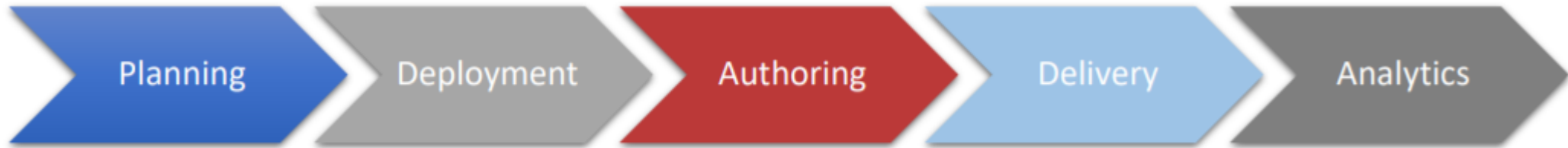
So you understand the benefits for using assessments as part of a compliance program, but how do you actually use them? **Figure 4 shows the 10 most useful applications of assessments in compliance:**

Figure 4



4. Good Practice Recommendations

This section contains some good practice recommendations, given in five stages as shown below:



- **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. Shown in *figure 5*.
- **Keep records of the authoring process**
by using item version tracking.
- **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.

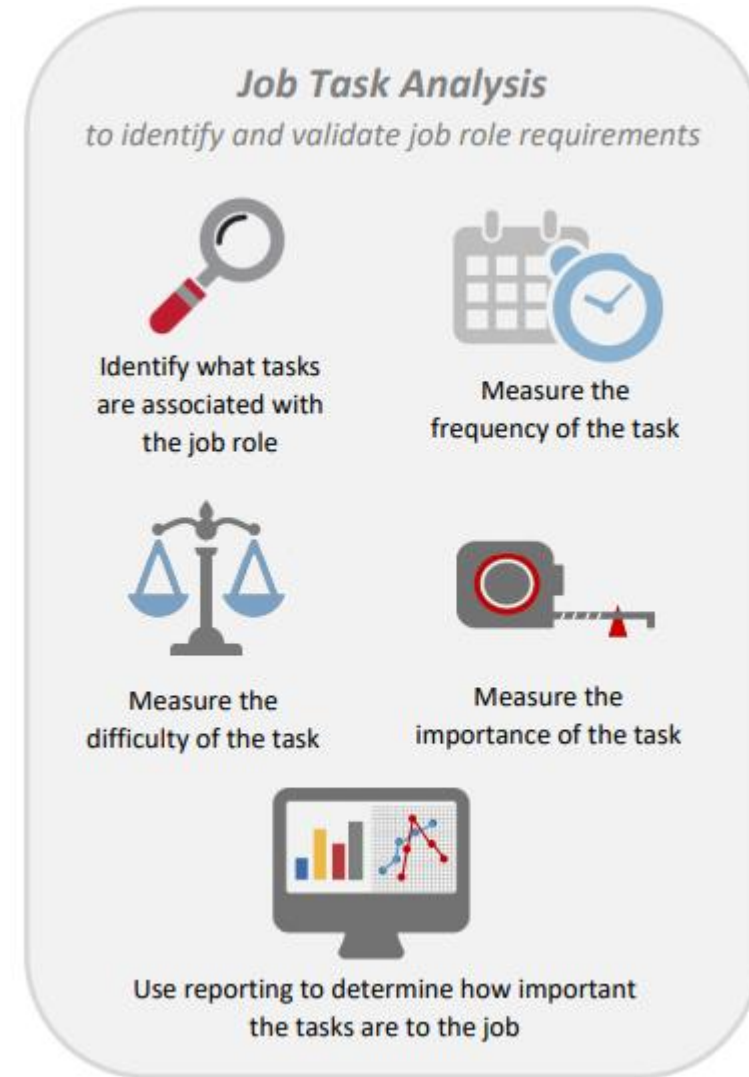
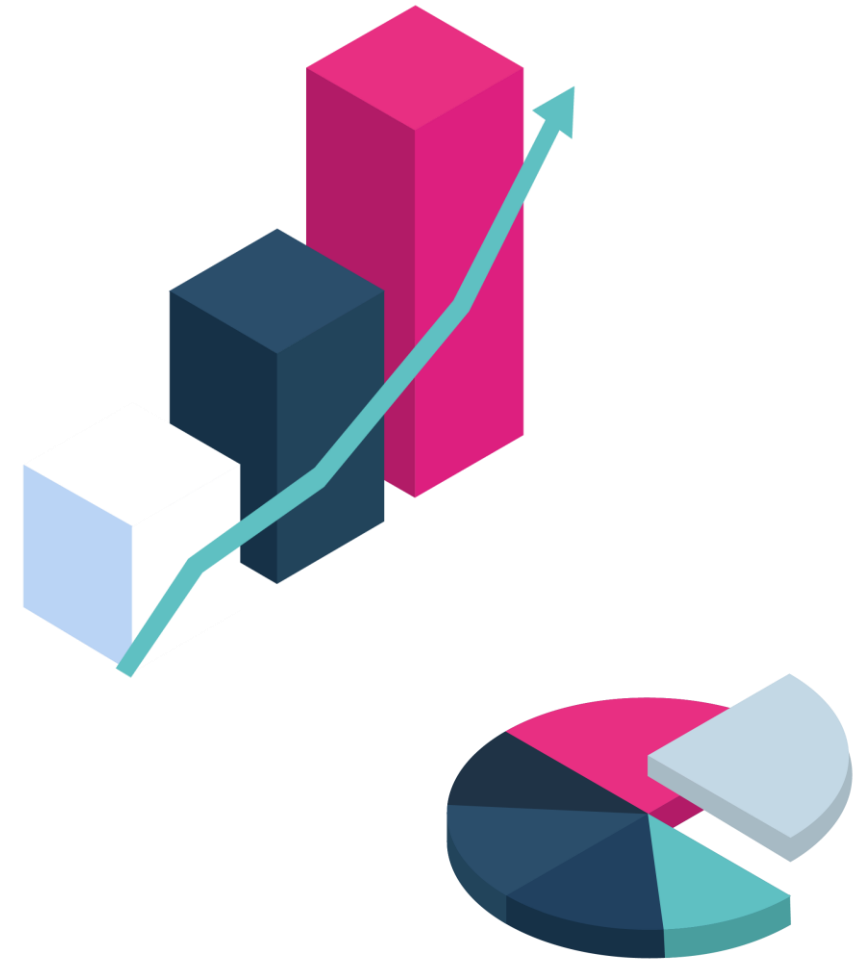


Figure 5

- **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.
 - **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.



5. 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.



Questionmark provides a secure enterprise-grade assessment platform and professional services to leading organizations around the world, delivered with care and unequalled expertise. Its full-service online assessment tool and professional services help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable, fair and defensible.

Questionmark offers secure powerful integration with other LMS, LRS and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offer rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S. and European-based data centers.



Questionmark – USA

35 Nutmeg Drive, Suite 330
Trumbull, CT 06611
United States of America

Tel: (800) 863-3950

Fax: (800) 339-3944

info@questionmark.com

Questionmark - UK

Moor Place, 1 Fore Street
London EC2Y 9DT
United Kingdom

Tel: +44 (0)20 7263 7575

Fax: +44 (0)20 7263 7555

info@questionmark.com



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sales@Questionmark.com

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