The State of Legal, Compliance and Employment Law 2022-23

Improve HR compliance processes to manage data, reporting, and employee understanding of compliance procedures
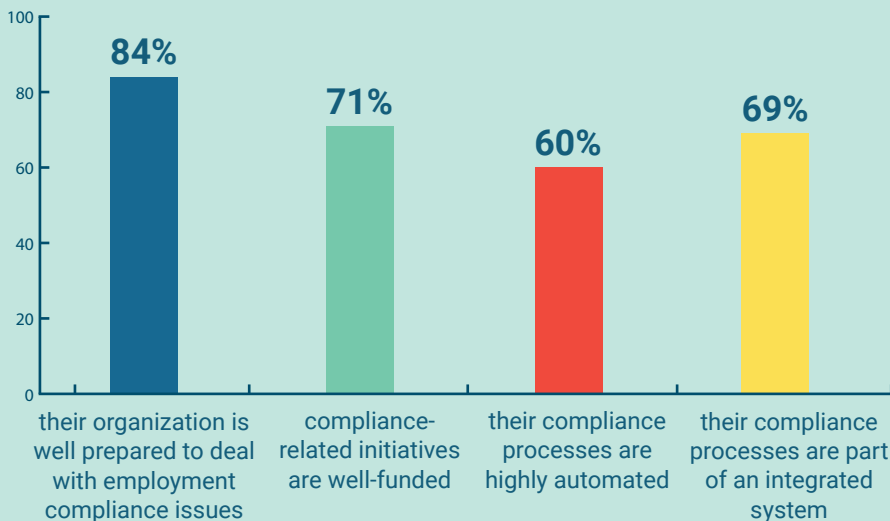
State of the Industry Research

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Most organizations take compliance seriously

The majority of respondents agree or strongly agree that:

- **84%** their organization is well prepared to deal with employment compliance issues
- **71%** compliance-related initiatives are well-funded
- **60%** their compliance processes are highly automated
- **69%** their compliance processes are part of an integrated system

And, 82% **agree or strongly agree** that their organization plans to place greater importance on compliance in the next two years

But there is room for improvement

Just **45%** of organizations have reached the top of the compliance maturity model with clearly mapped out processes that are understood well by employees.

Compliance-related analytics is a challenge for many.

ONLY

40% say their robust analytics capabilities result in meaningful insights

38% say it is quick and easy to create useful compliance-focused reports

HR departments struggle to keep up-to-date with compliance

72%

rate their organization highly in maintaining an up-to-date understanding of all HR-related **compliance issues**

But

34%

HR departments spend more than half of the average workweek on addressing issues related to **regulatory and legal compliance**

The top factors that make it most difficult for organizations to keep up with changes to HR compliance-related laws, regulations, and mandates are:

- ☑ Growing scope of federal and state HR-related mandates
- ☑ Changing interpretations of federal and state laws
- ☑ Technology failing to keep up with compliance changes

COMPLIANCE

How do HR departments stay up-to-date with compliance?

The most popular methods organizations use to stay up-to-date on changes to compliance-related laws and regulations are:

Maintain memberships in business organizations

Use HR compliance technology solutions

Consult with other external HR compliance experts

Consult with outside counsel

A few improvements are expected within the next two years

HR pros say they expect their compliance-related technologies and processes to evolve by:

☑ **improving** the employee user experience

☑ **providing** higher quality data

☑ **improving** system integration abilities

☑ **increasing** employee self-service

How do HR compliance leaders* differ?

Compared to HR compliance laggards*, HR compliance leaders are much more likely to:

91% vs. **72%**
have strategies to proactively identify compliance issues

83% vs. **59%**
say their compliance processes are part of an integrated system

73% vs. **48%**
say their compliance processes are highly automated

88% vs. **61%**
offer employees compliance-related training and support

Consider these strategies

☑ **Review** your organization's compliance strategy and update where necessary

☑ **Automate** and integrate where possible

☑ **Conduct** regular audits

☑ **Make sure** managers have compliance support

About the Survey

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