

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

Improve HR compliance processes to manage data, reporting, and employee understanding of compliance procedures



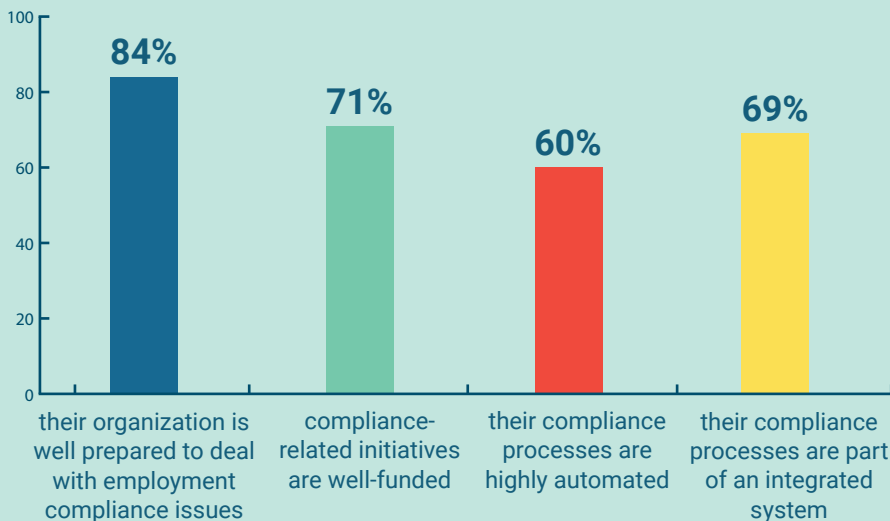
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Most organizations take compliance seriously

The majority of respondents agree or strongly agree that:



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



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



"The State of Legal, Compliance and Employment Law 2022" survey ran in August and September 2022. We gathered 282 responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

The survey was conducted using two different survey panels: one made up of HR.com members and one from an external panel organization. The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees.

* **HR compliance leaders:** Those who answered the question "Which of the following best describes compliance processes in your organization?" with, "We have clearly mapped out processes and employees understand them well."

* **HR compliance laggards:** Those who answered the same question with, "We are still establishing processes," "We have established processes but they are not fully documented" or "We have established and documented processes but they can be hard to follow."



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Read the full research report.

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