



## Optimizing Employee Training

regulatory human resources

**Summary:** Overall time spent on compliance training has increased by 40% in recent years, according to the Bank Administration Institute. Ways to optimize your employee training.

Banks spend a lot of time training and sending people to training. As such, you might be interested to know that research by the National Training Laboratories finds the average learning retention rates are highest when teaching others (90%). The rest of the pyramid from most to least effective are: practice by doing (75%), discussion group (50%), demonstration (30%), audio visual (20%), and reading (10%).

A growing litany of regulations, potential threats to the bank and customers, and the need to stay on top of current product and industry trends has made training employees an expensive and time-consuming process.

As community banks know, compliance requirements have grown exponentially in the past decade, in the wake of the financial crisis. According to 2015 research from the Fed, overall bank compliance costs hit a whopping \$4.5B. That was 3Ys ago, so most industry experts believe costs have continued their trajectory and increased even more since then.

If you look more specifically at each bank, most new hires in financial services will undergo an average of 31 hours of training in the first year alone, according to recruiter Parker + Lynch.

Overall time spent on compliance training, in particular, has increased by 40% in recent years, according to the Bank Administration Institute.

But despite these growing demands, community banks can still find ways to save money and time while still giving employees all the training needed to succeed. Here are a few suggestions:

**Use Online Modules:** More and more training is coming through online modules. This standardizes and streamlines training content and makes it easier for employees to complete training when they have downtime.

**Consider Customized Training:** Increasingly, banks have access to training from all over the place. Associations and others offer training and more of it is becoming customized. The goal is to train employees to the specific needs of their position.

**Look into Course "Bundles":** Virtually all employees must train on all sorts of regulatory compliance at once. To that end, many training purveyors offer packages or "bundles". This incorporates various training on compliance, business skills and of course compliance rules. By purchasing a bundle of courses vs. one at a time, banks can usually obtain a discounted rate.

**Be a Smart Shopper:** As regulations and overall bank training obligations mount, more and more vendors, associations and others are getting into the training business. Taking the time to understand what is offered, who is offering it, how long they have been in business and talking to satisfied customers are all good ideas as part of your diligence process. Training takes time and takes people offline from customer activities perhaps, so getting a good bang for your buck just makes sense.

To see how critical employee training can be for your bank, look no further than a survey by West UC's Digital Media Services. It found 67% of employees say training plays an important role in deciding whether to stay with their current company/position, and almost 70% of those employees under age 40 agree. Meanwhile, about 41% of respondents said they would like more training in the next year. Hopefully, the tips we provided can help you meet some of these training expectations.

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