Getting The Most From Your Hotline Helpline Program
Leveraging the Data to Gain Key Insights into Your Organizational Culture

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Learning Objectives

• How your helpline program data can help you to understand the ethical culture of your institution

• Using the data to zero-in on hotspots and stamp out fires before they get too big

• Benchmarking your results against the industry to measure success and identify areas for improvement

ABC Widgets, Inc.

• Fortune 1000
• 25,000 employees
• Houston, TX
• 3rd largest widget producer in the country
• They do have an E&C program and a helpline
• We have access to some limited helpline data
Overall Report Volume

- Are people using the helpline?
- If so, to what extent?
- If not, why?
- Research and track anomalies

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Total Helpline Reports Received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>156</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>142</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>160</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>176</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>263</td>
</tr>
<tr>
<td>Q2-2018</td>
<td>187</td>
</tr>
<tr>
<td>Q3-2018</td>
<td>195</td>
</tr>
<tr>
<td>Q4-2018</td>
<td>200</td>
</tr>
</tbody>
</table>

Report Rate per 100 Employees

- Volume per 100 Employees
  - If your organization has 25,000 employees and you receive 500 reports, this would equate to 2 out of every 100 employees reporting
  - 500/25,000 = 0.02
  - When compared to the benchmark we see that this institution receives more reports than the average. What might this mean?
- No or few reports at all
  - Why this is important?
ABC Widgets, Inc.

### Report Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.2</td>
<td>2.5</td>
<td>2.4</td>
<td>2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2017 Ethics & Compliance Hotline & Incident Management Benchmark Report

### Substantiation Rate

- The benchmark average is 40% substantiated
- A higher substantiation rate can mean:
  - You are receiving a higher quality of reports from reporters
  - You have well-trained investigators who are conducting better and/or more thorough investigations
- Below average numbers may indicate problems with one or both of the above or:
  - Maybe your program has not been socialized well or is in need of a refresh
  - Maybe there is an issue of improper use by employees
  - Maybe your investigative staff is in need of training
  - Maybe there is too much pressure being placed on speed as opposed to quality
  - Maybe you don't have a good e-forensics team

ABC ABC ABC ABC Widgets, Widgets, Widgets, Widgets, Inc.

### Case Disposition

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case Disposition</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantiated</td>
<td>53%</td>
<td>57%</td>
<td>54%</td>
<td>49%</td>
<td>40%</td>
</tr>
<tr>
<td>Unsubstantiated</td>
<td>47%</td>
<td>43%</td>
<td>46%</td>
<td>51%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2015 Ethics & Compliance Hotline Benchmark Report
Reports vs. Inquiries

- Depends on how your particular program is set up
- Are your employees using the hotline to report allegations or ask questions?
- The cross-industry benchmark is 80/20 with 80% being reports
- The hotline (helpline) can be a very powerful and even more effective tool if it is also used as an avenue for employees to go to for help

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<table>
<thead>
<tr>
<th>Reason for Contact</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting a violation, allegation or concern of wrongdoing</td>
<td>68%</td>
<td>95%</td>
<td>90%</td>
<td>88%</td>
<td>80%</td>
</tr>
<tr>
<td>Question or request for guidance</td>
<td>2%</td>
<td>5%</td>
<td>10%</td>
<td>12%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2015 Ethics & Compliance Hotline Benchmark Report

Anonymity Rate

- The benchmark average is approximately 70/30
- Why do employees choose to report anonymously?
  - Do not want to be a snitch
  - Do not want to get involved
  - Fear of retaliation
  - Feel their report may not be handled confidentially
  - Do not understand and/or have confidence in the investigative process
  - Assume nothing will be done and reporting is just a waste of time
- Employee Trust
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<table>
<thead>
<tr>
<th>Report Type</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anonymous</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
<td>16%</td>
<td>61%</td>
</tr>
<tr>
<td>Named Reporter</td>
<td>77%</td>
<td>78%</td>
<td>82%</td>
<td>84%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2015 Ethics & Compliance Hotline Benchmark Report

Report Follow-up to Anonymous Reports

- Follow-ups are critical for us to adequately understand and/or investigate the report.
- The benchmark shows only 30% of these reporters call back.
- If you are over 30% what are you doing as we all want to know?
- If well under the average why might this be?
  - Poor, inconsistent messaging about hotline program and how it works
  - Slow, delayed and inadequate acknowledgements
  - Could be a red-flag indicator with respect to culture

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Median Follow-Up Rate to Anonymous Reports
Reporting Method

- Phone
- Web Submission
- Other Methods – Intranet, mail, email, walk-in
- Why is this information important?

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<table>
<thead>
<tr>
<th>Reporting Method</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpline - Phone</td>
<td>45%</td>
<td>49%</td>
<td>53%</td>
<td>54%</td>
<td>32%</td>
</tr>
<tr>
<td>Helpline – Web Submission</td>
<td>24%</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Other – Intranet, phone, fax, email, walk-in</td>
<td>31%</td>
<td>12%</td>
<td>27%</td>
<td>17%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2015 Ethics & Compliance Hotline Benchmark Report

Report Source

Where are your reports coming from?
- Employees
- Customers
- Vendors
- Other outside parties
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Report Source

<table>
<thead>
<tr>
<th>Employee</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>91%</td>
<td>89%</td>
<td>87%</td>
<td>90%</td>
<td>91%</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>4%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Note: Source: 2006 Survey of Ethics & Compliance Officers member (CSAE) Sponsoring Committee

Report Type

- Standard allegation categories
  - Accounting, Auditing & Financial Reporting
  - Business Integrity
  - HR, Diversity and Workplace Respect
  - Environment, Health and Safety
  - Misuse, Misappropriation of Corporate Assets
- More specific breakdowns based on your needs/industry
  - Clery Act violations
  - FERPA
  - Title IX
  - Athletics Compliance

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Report Type

<table>
<thead>
<tr>
<th>FY2016 (597 total)</th>
<th>FY2017 (634 total)</th>
<th>FY2018 (845 total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting or Auditing Practices</td>
<td>7 (2%)</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>30 (5%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>Discrimination</td>
<td>12 (2%)</td>
<td>14 (2%)</td>
</tr>
<tr>
<td>Environmental Health &amp; Safety</td>
<td>0 (1%)</td>
<td>0 (1%)</td>
</tr>
<tr>
<td>Gifts</td>
<td>6 (2%)</td>
<td>3 (1%)</td>
</tr>
<tr>
<td>Harassment</td>
<td>20 (2%)</td>
<td>1 (3%)</td>
</tr>
<tr>
<td>Housing of Resources</td>
<td>36 (3%)</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>Retaliation</td>
<td>7 (2%)</td>
<td>6 (1%)</td>
</tr>
<tr>
<td>Theft</td>
<td>2 (1%)</td>
<td>3 (1%)</td>
</tr>
</tbody>
</table>
Sanction Type

For those cases that are substantiated, what is the severity? What types of sanctions are being levied?

- Coaching/Verbal Warning
- Discussion Memo
- Written Warning
- Termination

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<table>
<thead>
<tr>
<th>Sanction</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination</td>
<td>31 (11%)</td>
<td>42 (9%)</td>
<td>22 (7%)</td>
<td>31 (10%)</td>
</tr>
<tr>
<td>Written Warning</td>
<td>71 (25%)</td>
<td>65 (20%)</td>
<td>27 (16%)</td>
<td>35 (11%)</td>
</tr>
<tr>
<td>Discussion Memo</td>
<td>154 (54%)</td>
<td>136 (57%)</td>
<td>109 (63%)</td>
<td>81 (60%)</td>
</tr>
<tr>
<td>Coaching</td>
<td>31 (11%)</td>
<td>33 (14%)</td>
<td>25 (14%)</td>
<td>31 (12%)</td>
</tr>
</tbody>
</table>

Case Closure Time

- Benchmark average is 42 days
- Typically 30-45 days is seen as a reasonable time frame
- The longer it takes the more opportunity for a negative impact for all involved
- Longer time frames can erode trust in the system/program and ultimately quell future reporting

Benchmark source: Navex Global 2017 Ethics & Compliance Hotline & Incident Management Benchmark Report
ABC Widgets, Inc.

Thoughts about ABC Widgets Culture?

- Are employees and/or others aware of and using the helpline?
- Are quality helpline reports being received?
- Are employees seeking help with E&C questions?
- Do employees have confidence in the organization/process that reports will be handled confidentially?
- Are employees concerned about retaliation?
- Are investigations handled and managed effectively?
- Are issues being spotted and addressed?

Benchmarking Sources

- SCCE Compliance Effectiveness Survey
- Navex E&C Hotline & Incident Management Benchmark Report
  - 12,500 Global Clients
  - World's largest database of reports
  - 5,132 clients using hotline and/or incident management system
  - 36.5 million employees total
  - Generate nearly 1 million reports per year
  - Covering 26 industries and 45 sub-industries
- ECI's Global Benchmark on Workplace Ethics Report
- LRN Ethics & Compliance Program Effectiveness Report
- Your own past performance
Some Best Practices to Consider

- Use a good case management system
- Measure, track and report
- Keep it simple
- Use multiple benchmarking sources if possible
- Survey employee perceptions of your Helpline program
- Do periodic quality control check-ups
- Make sanitized results available to employees
- Learn and share best practices!

Questions? Thoughts? Ideas?

Thank You!

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