

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

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ABC Widgets, Inc.



- Fortune 1000
- 25,000 employees
- Houston, TX
- 4th largest widget producer in the country
- They do have an E&C program and a helpline
- We have access to some limited helpline data

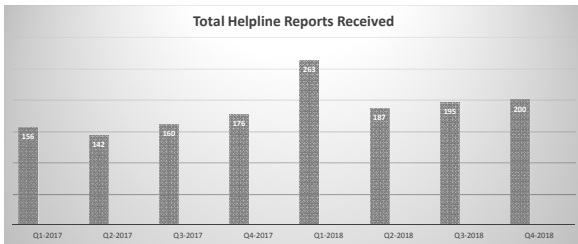
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Overall Report Volume

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

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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
 - $500/25,000 \times 100 = 2$
 - 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?

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Report Rate	FY2015	FY2016	FY2017	FY2018	Benchmark
	2.2	2.5	2.4	2	1.4

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

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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

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Case Disposition	FY2015	FY2016	FY2017	FY2018	Benchmark
Substantiated	53%	57%	54%	49%	40%
Unsubstantiated	47%	43%	46%	51%	60%

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

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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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Reason for Contact	FY2015	FY2016	FY2017	FY2018	Benchmark
Reporting a violation, allegation or concern of wrongdoing	98%	95%	90%	88%	80%
Question or request for guidance	2%	5%	10%	12%	20%

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

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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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Report Type	FY2015	FY2016	FY2017	FY2018	Benchmark
Anonymous	23%	22%	18%	16%	61%
Named Reporter	77%	78%	82%	84%	39%

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

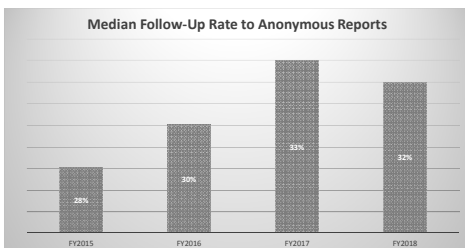
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Reporter Follow-up to Anonymous Reports

- 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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Reporting Method

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

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Reporting Method	FY2015	FY2016	FY2017	FY2018	Benchmark
Helpline - Phone	45%	49%	53%	54%	32%
Helpline – Web Submission	24%	19%	20%	19%	23%
Other – Intranet, phone, fax, email, walk-in	31%	32%	27%	27%	45%

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

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Report Source

Where are your reports coming from?

- Employees
- Customers
- Vendors
- Other outside parties

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Report Source	FY2014	FY2015	FY2016	FY2017	FY2018	Benchmark
Employee	91%	89%	87%	90%	91%	94%
Customer	6%	8%	8%	5%	4%	1%
Other	4%	3%	5%	5%	5%	4%

Benchmark source: 2006 Survey of Ethics & Compliance Officer Association (ECA) Sponsoring Partner Members

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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	FY2016 (597 total)	FY2017 (634 total)	FY2018 (845 total)
Accounting or Auditing Practices	7 (1%)	2 (<1%)	4 (<1%)
Conflict of Interest	30 (5%)	9 (1%)	11 (1%)
Discrimination	12 (2%)	14 (2%)	20 (2%)
Environmental Health & Safety	4 (<1%)	6 (<1%)	2 (<1%)
Gifts	6 (1%)	3 (<1%)	9 (1%)
Harassment	58 (10%)	13 (2%)	12 (1%)
Misuse of Resources	36 (6%)	31 (5%)	14 (2%)
Retaliation	7 (1%)	6 (<1%)	4 (<1%)
Theft	2 (<1%)	3 (<1%)	3 (<1%)

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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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Sanction	FY2015	FY2016	FY2017	FY2018
Termination	31 (11%)	22 (9%)	13 (7%)	26 (10%)
Written Warning	71 (25%)	48 (20%)	27 (16%)	25 (19%)
Discussion Memo	154 (54%)	136 (57%)	109 (63%)	81 (60%)
Coaching	31 (11%)	33 (14%)	25 (14%)	31 (12%)

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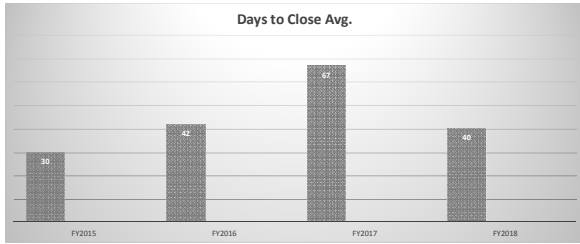
Case Closure Time

- 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: Nexis Global 2017 Ethics & Compliance Hotline & Incident Management Benchmark Report

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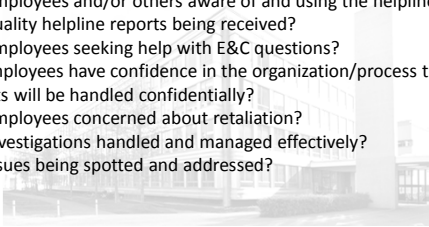
ABC Widgets, Inc.



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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?



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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
 - 38.5 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**

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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!

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Questions? Thoughts? Ideas?

Thank You!



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