Getting The Most From Your Hotline Program

Leveraging the Data to Gain Key Insights into Your Institutional Culture

SCCE Higher Education Compliance Conference 2019

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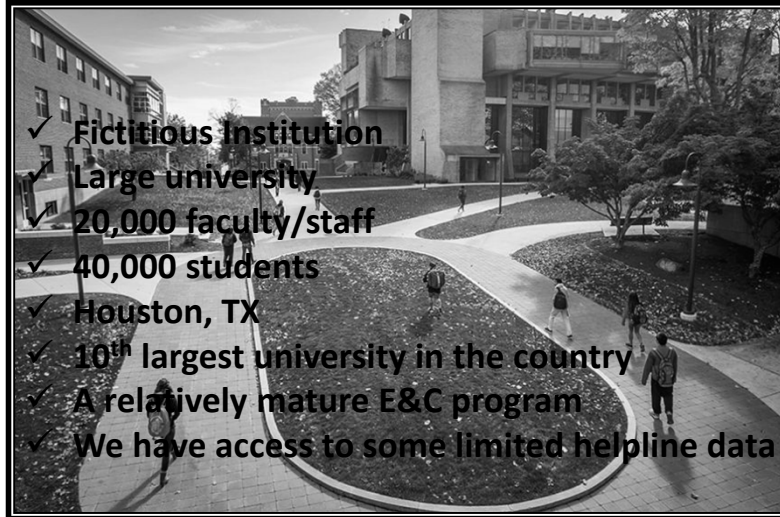Institutional Compliance Officer, Sam Houston State University

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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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Columbia Eastern Pacific (University)

✓ **Fictitious Institution**
✓ **Large university**
✓ **20,000 faculty/staff**
✓ **40,000 students**
✓ **Houston, TX**
✓ **10th largest university in the country**
✓ **A relatively mature E&C program**
✓ **We have access to some limited helpline data**

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Hotline Data/Reports

1. Overall Report Volume
2. Report Rate per 100 Employees
3. Substantiation Rate
4. Anonymity Rate
5. Reporter Follow-up to Anonymous Concerns
6. Reporting Method
7. Reporting Source
8. Report Type
9. Sanction Type
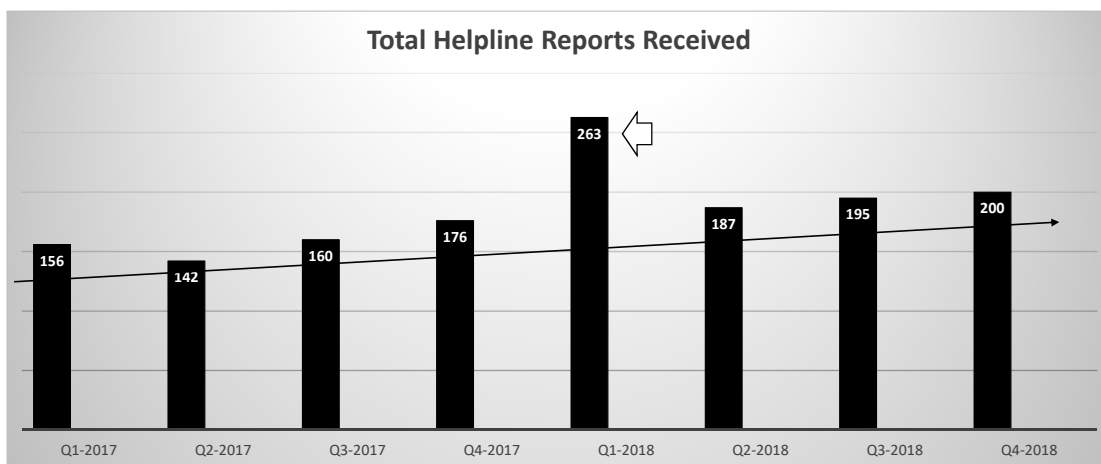10. Case Closure Time

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1. Overall Report Volume

✓How many reports/contacts are we getting vs. how many should we be getting?

✓Do employees know you have hotline/helpline?

✓Are they using it?

✓If so, to what extent?

✓If not, why?

✓Research and track anomalies

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CEP University

Total Helpline Reports Received

Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018
156	142	160	176	263	187	195	200

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2. Report Rate per 100 Employees

✓ Volume per 100 Employees
- CEP University has 20,000 employees and received 634 reports in 2017, this would equate to 3 out of every 100 employees reporting
- 2017 - 634 / 20,000 x 100 = 3.17 (3)
- 2018 - 845 / 20,000 x 100 = 4.22 (4)

✓ No or few reports at all
- Why this is important?

CEP University

Report Rate	FY2015	FY2016	FY2017	FY2018	Benchmark
	1.5	2	3.2	4.2	**1.4**

When compared to the benchmark we see that CEP consistently receives more reports than the average. What might this mean?

✓ Well socialized hotline/helpline program – employees know why, how and where to report concerns

✓ Strong ethical culture/E&C program in which employees recognize the importance of reporting concerns

✓ Employees believe that reports will be taken seriously and trust the institution to handle appropriately

✓ Can a high number here also be perceived as a negative?

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

3. 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 an issue of improper or malicious use of hotline by employees
- Maybe investigative staff is in need of training
- Maybe too much pressure being placed on speed as opposed to quality
- Maybe investigators don't have the tools they need (an e-forensics team?)

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CEP University

Case Disposition	FY2015	FY2016	FY2017	FY2018	Benchmark
Substantiated	34%	38%	37%	42%	**40%**
Unsubstantiated	66%	62%	63%	58%	**60%**

When compared to the benchmark we see CEP aligned with it. What might this indicate?

✓ High quality of reports from reporters
- Employees know what to report
- Not reporting bogus concerns or abusing hotline for malicious purposes
- Both of these are signs of a strong ethical culture

✓ Well trained investigative staff/process

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

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4. Anonymity Rate

✓The benchmark average for anonymous reporting is approximately 60/40
✓Why might 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**

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

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CEP University

Report Type	FY2015	FY2016	FY2017	FY2018	Benchmark
Anonymous	66%	63%	59%	52%	**60%**
Named Reporter	34%	37%	41%	48%	**40%**

CEP has been trending in the right direction and is now beating the benchmark. What might this tell us?

✓ A strong ethical culture/E&C program

✓ Strong indicator that employees <u>trust</u> the institution and have confidence their reports will be handled confidentially and appropriately

✓ Employees generally not in fear of retaliation

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

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5. Follow-ups to Anonymous Reports

✓Reporter 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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CEP University

Median Follow-Up Rate to Anonymous Reports

FY2015	FY2016	FY2017	FY2018
28%	30%	33%	32%
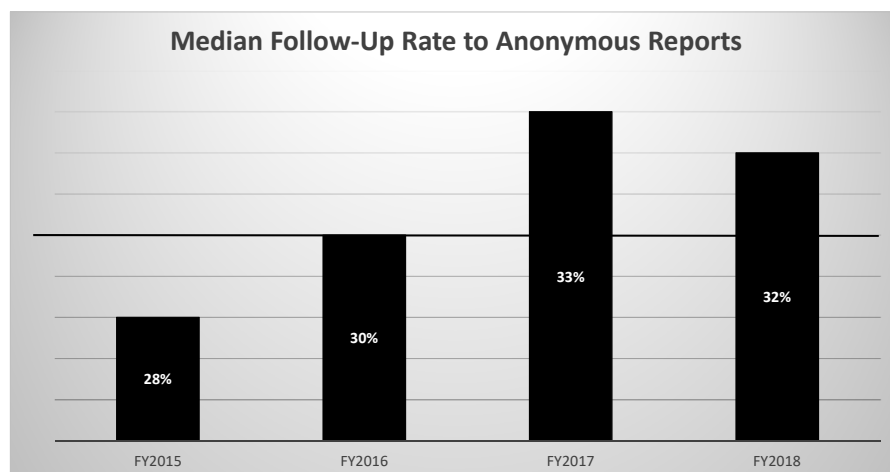
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6. Reporting Method

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

CEP University

Reporting Method	FY2015	FY2016	FY2017	FY2018	Benchmark
Helpline - Phone	45%	49%	53%	54%	**34%**
Helpline – Web Submission	24%	19%	20%	19%	**26%**
Other – Intranet, phone, fax, email, walk-in	31%	32%	27%	27%	**40%**

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

7. Report Source

Where are your reports coming from?
- ✓Employees
- ✓Students
- ✓Vendors
- ✓Other outside parties

CEP University

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

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

8. Report Type

✓Standard allegation categories
- Accounting, Auditing & Financial Reporting
- Business Integrity
- HR, Diversity and Workplace Respect
- Environmental, Health and Safety
- Misuse, Misappropriation of Assets

✓More specific breakdowns based on your needs/industry
- Clery Act violations
- FERPA
- Title IX
- Athletics Compliance

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CEP University

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	10 (2%)	14 (2%)	43 (5%)

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9. 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%)

✓ Sanctions above appear relatively consistent and static year over year
- • These results are viewed as positive
- • If employees are not sanctioned fairly across the board or higher level employees are sanctioned differently than lower level employees for similar infractions, this is counterproductive
- • *Organizational Justice as a Key Metrics of Ethical Culture* (Cherepanova, 2018)

✓ If there were drastic increases or decreases in sanctions this could be something to look into

✓ Could be very helpful for those institutions with multiple locations, schools, subsidiaries

10. Case Closure Time

✓Benchmark average is 45 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 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

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Days to Close Avg.

FY2015	FY2016	FY2017	FY2018
30	42	67	40
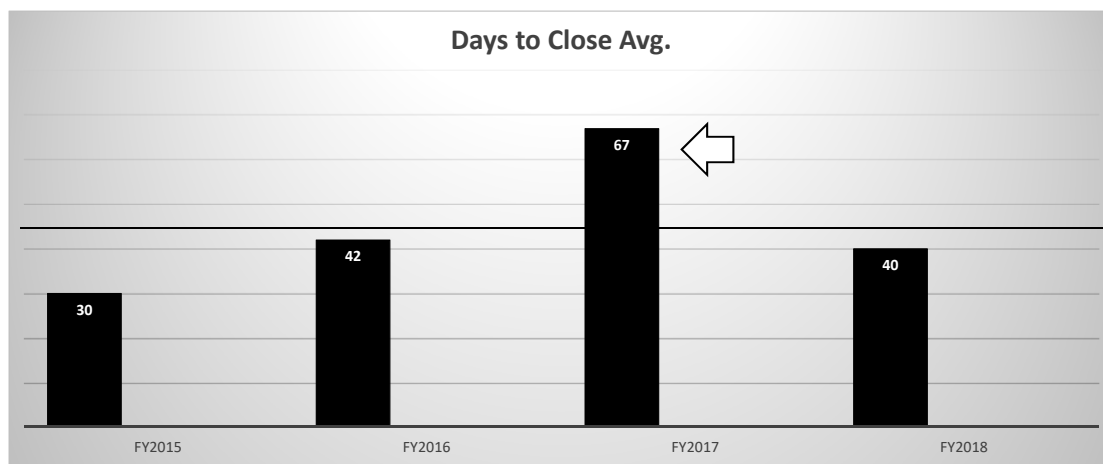
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Thoughts about Culture at CEP?

- ✓ 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?
- ✓ Is the E&C function adding value?
- ✓ Is this an institution you would like to work for?

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CEP University's Grade?

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Additional Report Examples

✓ Geographical reporting for schools with multiple locations
✓ Measuring specifically against the education industry
✓ Measuring against similarly sized institutions
✓ Reports of retaliation
✓ Percentage of reports involving students
✓ Primary incident types received per period
✓ Sexual Harassment cases
✓ Athletics related
✓ Reports vs. Inquiries

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Benchmarking Sources/Resources

✓ SCCE Compliance Effectiveness Survey
✓ Navex E&C Hotline & Incident Management Benchmark Report
  • 13,000 Global Clients
  • World's largest database of hotline reports
  • 5,132 clients using hotline and/or incident management system
  • 350+ Higher Ed Institutions
  • 42.1 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
✓ Mining for hotline gold: What your hotline can tell you about your culture. *Compliance & Ethics Professional Magazine.* 16(4), pp. 48-50. April 2019
✓ 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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