



THE TOP 5 REASONS  
EMPLOYEES DON'T  
SPEAK UP ABOUT  
WORKPLACE CONCERNS

...and how to fix it.



Neighborhood Watch  
for Corporations®

# Proactive employee communication about workplace concerns is vital.

Managers of risk from across the enterprise necessarily rely on the eyes and ears of the workforce.

Managers of workplace risk including safety, security, ethics (and more) rely on the eyes and ears of the workforce to proactively surface issues that could result in serious and costly incidents. Whether part of a job description, an employment agreement or a cultural expectation, proactive communication about workplace concerns is vital to avoiding serious incidents and the fines related to regulations such as SOX, FINRA, HIPAA, NISPOM and BSA.

A recent survey by Arbor Insight, the parent company of Neighborhood Watch for Corporations®, revealed that fully 30% of employees in sectors such as Finance, Insurance and Advanced Manufacturing observed multiple concerns in the workplace (think fraud, harassment or safety) in the past year and chose *not* to report it to their employer. This should concern not only managers of risk, but also the Auditors, CEO's and Directors to whom they report.

For many workplaces, impersonal reporting channels such as forms, department emails and phone hotlines remain the preferred “check the box” solution. This is a problem for two significant reasons. First, it creates a roadblock to reporting as it relies on technology that fewer and fewer members of today's workforce prefer or trust. Second, the generic nature of an email, scripted hotline call or form means that vital details that could significantly impact an investigation come too late. Too often, investigations reveal one or more people who could have, but didn't, “say something when they saw something.” Professional managers of risk appreciate that such findings will not play well, either with the C-suite, in legal proceedings or the court of public opinion.

Negative impacts on employee morale, exposure to regulatory fines, increasingly costly lawsuits and significant damage to brand reputation await those who fail at ensuring effective employee communication.

According to the Association of Certified Fraud Examiners 2017 Report to the Nations, the cost of an average incident of fraud doubles from \$100,000 to \$200,000 when a workplace lacks an [effective] employee hotline. Beyond this, you need only turn to recent headlines to appreciate that the immediate loss related to a fraud, cyber security breach or theft of Intellectual Property only foreshadows the losses to come in terms of consumer loyalty, increased insurance fees and, of course, legal fees.

We have to communicate on terms the staff prefers.

- ✓ Culture is critical
- ✓ Respond to concerns
- ✓ User experience is key

## Reasons staff do not speak up are similar across industries.

Our findings are informed by interviews, surveys and observations of professionals with deep experience in ethics, audit, safety, security and intelligence gathering.

Within industries where significant emphasis is placed on speaking up, such as aerospace and defense, creating inadvertent barriers to reporting by using outdated methods carries the risk of inordinate financial and national security impacts. While more frequent but arguably less critical breaches of trust occur in, for example, general manufacturing, reasons employees don't speak up until after an incident can be traced back to a shared set of fundamental issues.

As discussed in more detail on the following page, any successful effort to engage staff about risk, regardless of industry, must include 1) a culture where speaking up is valued, 2) taking visible action on reported concerns and 3) a willingness to place staff preference first when selecting an impersonal reporting method(s). Short of this, you end up placing workforce safety and security, your reputation and the bottom line at risk in an environment where no employee hotline solution will deliver expected value for staff or management.

# The 5 most common reasons employees don't speak up about workplace concerns.

## Reporting channels are inconvenient.

An increasingly transient and distracted workforce is not taking the time to first find and then fill out a long form. Buyers of hotline services must more carefully consider the preferred user experience of today's workforce - a short, meaningful interaction - and how to balance this with the investigator's need for a more robust interaction that builds detailed context.

## Concerns about anonymity when making a call or sending an email with their employer-issued device.

If the only impersonal channel to report a concern is calling a hotline where speaking to someone may feel too revealing, filling out a paper form or sending an email on their employer-issued device, you can forget

about getting that tip in time to do some good with it. Also important is the hesitation many feel regarding their desire to not get others in trouble and, relatedly, their fear of retaliation. Any of these concerns makes assuring users they can truly be anonymous a priority for any solution, whether a phone hotline, app, text message or chatbot.

## Belief in whether managers will take action and if changes will be made.

Especially in areas like sexual harassment, a deciding factor is often whether or not that staff member believes sharing their concern will have an impact. Given the personal and professional risk of speaking up, many simply won't share a concern if they don't feel management will value their input and take meaningful action as a result.

## Telephone calls are no longer the single-best solution.

Many hotlines, especially those outside of the ethics arena, still rely on a telephone call as the primary method for staff to share concerns. While still important to many that calling remain an option, today's workforce increasingly prefers mobile interactions that feel less personal and are more convenient.

## Users are looking for a more meaningful, guided experience.

Deciding to speak up is rarely an easy decision. People want to know that they are sharing information that will be useful. A lack of understanding about what details are most important to share in a report unintentionally creates a barrier to a meaningful engagement.

# The Three C's of Better Reporting

You don't just need more employees reporting, you need more relevant, actionable and detailed reporting.

**Context:** It's not just about what users want to say, it's about what you need to know. Details that can dramatically impact an investigation are often missed when users are left to fill out a form on their own or when operators (or chatbots) use a basic script. With the benefit of critical context up front, you can reduce the time and cost of research, structure interviews that more quickly build insight, and close investigations more quickly, reducing risks and costs.

**Confidentiality:** Respecting anonymity and confidentiality builds trust with those who speak up, helping ensure they are forthcoming with details. As important, it can encourage others, who might otherwise stay silent due to concerns about retaliation, to speak up.

**Convenience:** Most everyone appreciates that people just don't make phone calls as much as in the past. For more evidence as to why a mobile-focused user experience is vital, in 2015 The New School for Social Research published research showing that precision, disclosure and satisfaction all increased when automated interviews were conducted on mobile devices.



- ✓ Context
- ✓ Confidentiality
- ✓ Convenience



## Intelligent Apps

Increase proactive user engagement and uncover the vital context that leads to lower costs by adopting innovations in machine intelligence and mobile apps

## Increase Employee Engagement

- ✓ Mobile-first design is now commonplace with regard to employee engagement tools. Our research shows that the most complete coverage of your workforce's user preferences regarding impersonal communication comes when you pair mobile apps with telephone hotlines and texting. Need more convincing? Our anonymous 2018 study<sup>1</sup> showed that those who experienced sexual harassment in the workplace were **58% more likely to report it if they had an anonymous, guided, third party mobile app available.**

## Increase Disclosure, Precision and Satisfaction

- ✓ Anecdotal evidence that today's workforce prefers apps over phone calls is everywhere. In their June 2015 study "Precision and Disclosure in Text and Voice Interviews on Smartphones", The New School for Social Research, New York showed **increases in precision, disclosure and satisfaction during automated interviews on mobile devices.** If your vision for keeping ahead of costly risks includes adopting innovations in the hotline space by evolving to an app that includes some type of guided user experience, this should be music to your ears.

## Uncover Critical Context That Is Too Often Missed

- ✓ Newly available hotline apps that combine Machine Intelligence and expert knowledge can generate tailored interviews that help **uncover often missed details that can dramatically impact the pace at which investigations are completed and risks are mitigated,** helping contain sometimes massive costs. Much like an ATM or airport check-in kiosk, a so-called "intelligent hotline" can effectively extend your workforce, freeing up your managers of ethics, compliance, safety and/or security to focus on more complex and valuable tasks.

## Show Stakeholders That You Are "Leaning In"

- ✓ It is as important as ever to effectively engage the workforce on issues like harassment, workplace violence, fraud, and cyber security. **Failing to "Lean In" by adopting reporting methods that today's workforce prefers opens the door to decreased morale and incidents that carry with them a lasting negative impact on reputation as well as massive legal and insurance costs.** Consider also that SEC, OSHA and ISO are increasingly apt to look for indications that hotlines are truly effective, rather than simply present.

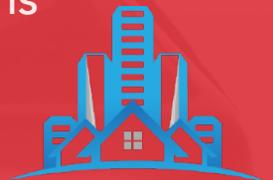
<sup>1</sup> Arbor Insight Survey "Key Concerns When Reporting Workplace Sexual Harassment", January 2018 (available via <http://bit.ly/ReportingSexualHarassment>)



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