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Getting to a functional 'Speak up' culture

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Many published articles extoll the virtues of an active 'Speak up' campaign in a company. Two positive effects of a speak-up culture are that when people feel free to speak up, employee retention goes up and so does financial performance. The opposite is also true, when people do not speak up, the work environment and the positive input of employees are suppressed. Retention also goes down.

Secondly, it is only the exceptional manager, who has fully embraced the concept of a speak-up culture, that will benefit from the free input of employees. Research shows that many people are more likely to 'keep mum' than to raise important questions or suggest new ideas and, as a result, companies often undermine their own efforts.[1]

The importance of speak-up programs

In a review of enhancing performance through employee engagement,[2] data shows that companies with a highly engaged workforce improved operating income by 19.2% over a period of 12 months, while those companies with low engagement scores saw operating income decline by 32.7% over the same period.

Furthermore, anonymous programs such as hotlines do not address issues as to why employees do not speak up in the first place. As Michael Volkov has pointed out, if a company experiences declining numbers of complaints coming in on a company hotline, is corporate misconduct going down or are employees losing trust in the company's speak-up system?[3]

This could pose a significant risk for the company's risk profile in that misconduct could then spread undetected throughout the company, enhancing compliance risks, decreasing productivity, and potentially compromising the company's reputation.

We are all aware of situations where employees find it difficult to raise issues of compliance, effective hotline or not. A complete compliance program must address the main issues why employees choose not to speak up if they are to gain the benefits of a speak-up culture. Such issues have been detailed on several occasions, for example by Stephen Priest. In a series of articles, Priest places the failure by employees to believe it will do any good as the most important issue contributing to the failure of speak-up programs.[4] Raising issues that will result in negative consequences, followed by several smaller reasons underpinned by the desire for prejudicial justice, are also key issues.[5],[6]

Parameters of the speak-up campaign

In 2017, we embarked on a campaign to raise awareness of potential compliance issues through a speak-up program. At the time, I was responsible for compliance across Asia Pacific, including Australia and New Zealand (ANZ), Japan, Singapore, South Korea, and Taiwan, so we ran the 'Speak up' campaign in each of these country

affiliates. The aim of our 'Speak up' campaign was to establish a process for employees to raise potential compliance concerns or events that they became aware of, so that compliance could act on any issues before they had the potential to escalate. I should emphasize, that we were not dealing with any significant compliance issues associated with regulatory action at the time, and this was purely a proactive campaign. We wanted to enhance our compliance culture by engaging employees to question policy or processes that needed clarification, improvement or, if required, correction.

Such a program might not immediately gain the support of the legal department on the premise that issues of significance may be raised, leading to a compromised organization. Similarly, HR may be hesitant that such a campaign would become nothing more than a portal for employees to complain about everything related to a broad range of HR issues.

We were very careful at the start of the campaign to clearly define the boundaries. The issue being raised had to relate to a compliance process that was lacking, not working, or needed improvement. The issue also had to be related to events that employees did not feel were appropriate and that could potentially have a negative effect on the compliance or ethical status of the company.

Issues could be reported to compliance, legal, HR, their direct line management, or any other portal they felt comfortable with. It was also reinforced that the intent was not to commence a 'witch hunt', rather it was the event we were interested in. The commitment was given that where an individual reported the issue directly (i.e., not anonymously), they would be kept informed on the progress of its resolution.

Given the countries in which we ran the campaign, there were cultural sensitives that we needed to be cognizant of, such as in countries where it is culturally a challenge for employees to question their management. In this respect, it was made clear that anonymous reporting would not implicate them but would provide the necessary information with which we (compliance) could address the issue.

The campaign also aimed to reinforce that 'compliance is everyone's responsibility' and that a healthy culture of accountability would grow and accomplish goals. By learning from mistakes, we would continually improve our reputation and enhance employee morale though a sense of ownership and achievement. This intent was shared with all employees in a formal launch meeting to give the campaign the appropriate level of exposure. Reminders of the 'Speak up' campaign were provided in the form of posters and individual drink coasters (Figure 1). Even compliance needs to market itself!

Figure 1: 'Speak up' campaign branding on a coaster.

Effectiveness of the campaign

In the initial 18-month campaign, a total of 177 events were logged; 47 in ANZ, three in Japan, 25 in Singapore, 54 in South Korea, and 48 in Taiwan. As the head of compliance for the region, I was the only person with access to the log, which maintained the anonymity of the employees raising the concern.

Each event was coded as either an issue relating to people, policy, or process; in some issues it was more than one. Classification into these three categories permitted us to provide de-identified feedback to each of the respective country affiliate offices as a mechanism for feedback trends to be addressed and shared with employees. Where people issues extended beyond compliance and the concerns were more appropriately dealt with by HR, the events were passed on to HR to address.

Despite the initial concerns of HR, few HR issues were raised as 'people' concerns, (7.4%; see Figure 2). Of these, only three individual concerns were not relevant to a compliance issue and were passed directly to HR to address.

Figure 2: Classification of 'Speak up' issues
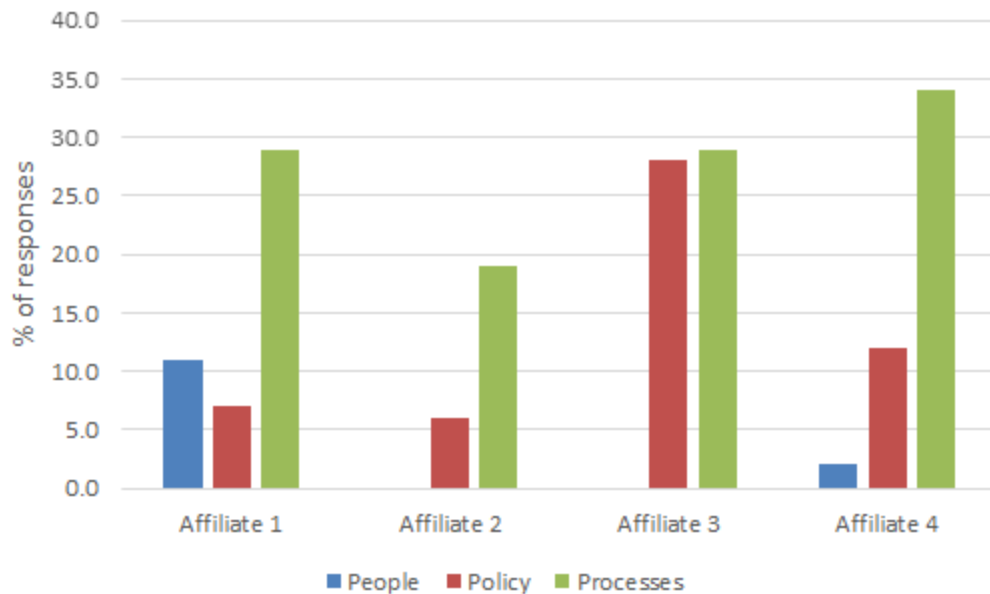
Concerns (raised prior to the program) that the process would undermine the corporate hotline portal were also addressed. Any issues raised that warranted more detailed investigation were immediately passed onto the legal department and addressed through the Corporate Investigation Council. Less than 5% of events were escalated.
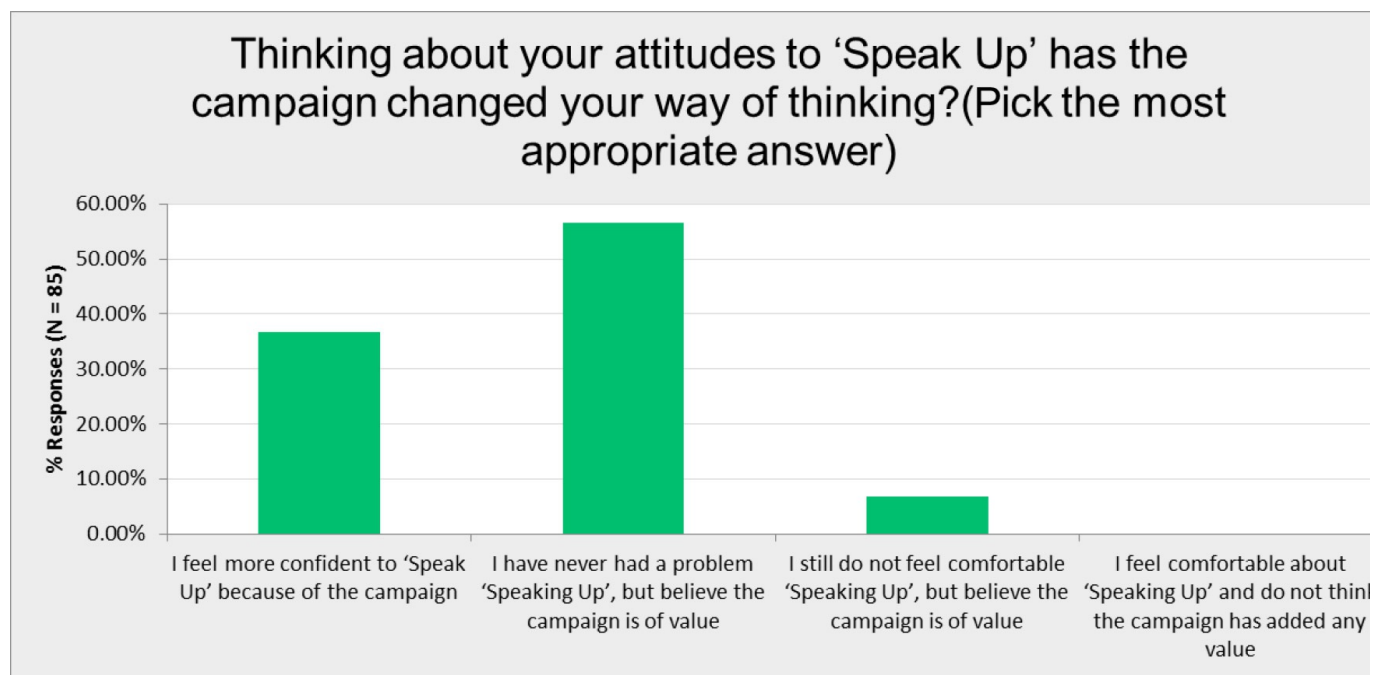
The most predominant responses (63%, see Figure 2) related to processes or understanding and interpretation of policy (30%). This was the intended purpose of the campaign. Several processes were enhanced, and some new processes were introduced because of the campaign.

Employee acceptance and engagement

The acceptance of the campaign was assessed as part of a compliance culture survey of 30 employees towards the end of the initial campaign. Employees were asked questions to determine whether the campaign had been successful in raising their awareness of speaking up, their level of comfort, and if they felt their concerns had been adequately addressed when they were raised.

Results indicated that not only was the awareness of the campaign successful (100%), but employees had been following the campaign (90%). More than two-thirds (78%) of employees felt more engaged in speaking up after the campaign. Most employees surveyed (80%) felt that they could speak up without fear of retaliation, and that management would listen (90%). Employees who had raised issues also felt that when they did, their concerns were adequately addressed (78%).

Figure 3: Change of attitudes resulting from the 'Speak up' campaign

Thinking about your attitudes to 'Speak Up' has the campaign changed your way of thinking?(Pick the most appropriate answer)

Several employees from the survey (37%) also indicated that they felt more confident to speak up after the campaign, compared to only 7% who still did not feel comfortable speaking up. All employees, regardless of their comfort level in speaking up, felt the campaign was of value in terms of awareness and education (see Figure 3).

Conclusion

The campaign raised several issues that assisted in enhancing our compliance program and one would like to think circumvented an issue growing into a bigger concern if it had been left unattended. We were also able to address the two main concerns that prevent employees from speaking up—principally that we took action on events raised and that raising an issue did not lead to retaliatory behavior. Furthermore, the employees also felt more engaged in an area that would typically be shunned 'as not my job' and reinforced the principle that 'compliance is everyone's responsibility.'

The campaign has now become a formal part of our compliance program and culture within the ANZ affiliate. Addressing the need to take action on issues, prevent retaliation, and provide feedback underpinned the success of the campaign. I would also emphasize that a successful campaign needs to be driven by constant reinforcement of these principles and the importance of speaking up. Compliance programs like any form of culture change (of which this is an example) need to be driven. Setting up a program and not driving it can result in employees adopting a level of complacency. Employees need to feel that if they are going to buy into a speak-up culture, they are not alone. Your level of enthusiasm will dictate their level of involvement.

[1] David De Cremer, Leander De Schutter, Jeroen Stouten and Jess Zang, "Can Employees Speak Up Without Retribution?" *Harvard Business Review,* October 2016. https://bit.ly/2e4VkaF
[2] David MacLeod and Nita Clarke. *Engaging for success: enhancing performance through employee engagement,* 2015. https://bit.ly/2rpTSXU
[3] Michael Volkov, "What Happens When Employees Stop Speaking Up?" August 6, 2017. https://bit.ly/2Ydhyv1
[4] Stephen Priest, "Why employees don't speak up: It doesn't work." Compliance & Ethics Professional, April 2018, page 27.
[5] Stephen Priest, "Why employees don't speak up: Fear of negative consequences." Compliance & Ethics

Professional, June 2018, page 31

6 Stephen Priest, "Why employees don't speak up." Compliance & Ethics Professional, August 2018, page 27. https://bit.ly/2LxnuxF

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