

CEP Magazine – October 2021

Essential components of employee compliance feedback programs

By Calvin London, PhD

Calvin London (calvin@thecomplianceconcierge.com) is the Founder and Principal Consultant for The Compliance Concierge in Melbourne, Victoria, Australia.

Feedback programs have become a cornerstone of compliance—regardless of discipline or industry. Such programs sound really good and can portray a sense of well-being and concern for employee welfare. Senior management often views such programs as an easy win: “We want to know what you are thinking and feeling so we can fix the easy complaints but not address the deeper compliance issues.”

As the business world tries to reorientate processes to accommodate a post-pandemic work environment, the concept of speak-up or compliance feedback programs is even higher on the to-do list. Michael Volkov has pointed out that with the upsurge of environmental, social, and governance (ESG) initiatives, prudent companies will take stock of their speak-up cultures as a first step toward implementing such initiatives.^[1]

Leaders can gain invaluable knowledge about the status of their organization by listening to employees. However, in order to be able to listen, employees need to speak up, and this will only occur if certain criteria are satisfied that provide them with the reassurance that management can be trusted. Below are some of the key elements of compliance feedback programs and the implications of getting it right (or wrong).

What leaders need to consider

If leaders are serious about a feedback program of any description (especially if it concerns compliance), they need to embrace open and honest communication, provide an unabridged reassurance of anonymity without any retribution, and be structured to ensure feedback is heard and acted upon.

Open and honest communication

Any feedback program is based on the concept of trust. To a large degree, compliance itself is based on trust. It follows that if leaders in an organization exhibit a willingness to be open and honest in their communication and transparent in their actions, these qualities will be recognized by employees as desirable. If a manager commits to doing something, it is their opportunity to win the confidence and trust of the employees by following through. Conversely, if the action is never done, the opposite—distrust—will follow.

There are many barriers to effective communication.^[2] Failure to be open and honest will destroy the integrity of any feedback program, whether compliance-based or not. Emotionally intelligent leaders will thrive in the execution of such programs; those that are not emotionally intelligent will destroy it. The concept of emotional intelligence is based on the ability of a manager to see the bigger picture and not to be personally offended by what employees are saying. This can inadvertently result in a middle management brick wall, a point discussed below.

Unabridged assurance of anonymity and no retribution

One of the major roadblocks to overcome is the middle management brick wall. This wall is created from the insecurity that many middle managers have. They see employees speaking up as an assault against them, rather than a proactive assessment of a situation that needs to be fixed.

Too often (especially where there is a strong cultural management hierarchy), middle managers will actively prevent employees from speaking up. The end result is that employees stop thinking about talking because the consequences are not worth the effort or the risk of retaliation. As a result, an issue that could have been discovered and acted upon is allowed to continue until it is discovered by an audit or, even worse, one of those employees that wasn't listened to tells their story outside the company (whistleblowing).

In order to avoid this, effort has to be channeled toward the emotional intelligence levels of managers and the clear mandate that the aim of the program is to discover and eradicate instances that, if allowed to persist, could cause significant damage to the company. There needs to be a very consistent and clear message: "It is not a witch hunt, and we do not want to shoot the messenger." This has been discussed in a previous article that highlights the benefits of a proactive and constructive speak-up culture that is underpinned by tone from the middle and reinforced by emotionally intelligent middle managers.^[3]

A very clear message supported by actions that reinforce there will be no retaliatory action for anyone raising an issue has to be delivered at every opportunity. Furthermore, individuals identified as potentially noncompliant in their actions must be dealt with fairly and as defined by your policies.

A structured program to ensure feedback is heard and acted on

The basis of most speak-up concerns will lead to an investigation of some sort in order to substantiate the claim. In the initial stages, there is a lot to be said for creating a group of employees across all levels of the organization who can review claims; the normal representatives (chief compliance officer and legal, for example) should be excluded from this group. This early review group can filter issues to ensure a fair assessment. Should this team find substantial grounds for further investigation, the more formal process can then be engaged.

The benefit of an early review group is that employees feel their issue is more likely to be heard and acted on if it is considered by a less formal review before progressing to a more formal investigation process. It also provides a vehicle to revert back to the organization about intended actions, which in turn provides confidence that issues are being heard and acted upon in a timely fashion (given that formal investigations can take long periods of time to resolve).

This document is only available to members. Please [log in](#) or [become a member](#).

[Become a Member Login](#)