CEP Magazine - May 2023

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Metrics and assessing the effectiveness of compliance ambassadors programs

By Renu Jha, C.A., C.F.A.P.

Setting up an effective compliance ambassadors program for a global organization requires gaining buy-in from management in various countries where the company does business.

While management may recognize that this program can be a cost-effective way to extend the reach of the ethics and compliance function, they might be apprehensive about the additional investment of time required from employees already handling full-time roles. Hence, they may not be convinced the program will provide commensurate value.

Having clear and measurable metrics is crucial to the program's success to show whether it is effective and is helping to meet the goals defined at the outset.

Why do we need metrics?

Here are a few reasons why metrics are so vital to your program's success:

- Metrics help to measure whether the program is effective and meeting its objectives.

- They provide transparency to the leadership team by giving them visibility into the work done by ambassadors to drive compliance deliverables.

- Metrics demonstrate the value of this program to internal and external stakeholders (e.g., executives, board of directors, auditors, regulators).

- They show how well the program is accepted by employees and the cooperation it receives from different business areas.

- Metrics enable us to proactively identify control gaps, address risks, implement remedial actions, and measure how the program evolves over time.

Despite the best intentions and efforts, things may sometimes not work as planned, some employees may not wholeheartedly support the program.

Escalating such noncooperation can be a sensitive matter. Having clearly defined metrics provides an *objective and fact-based* way to highlight business units or countries where the program is not working well and get support from the management to push for greater participation.

Using metrics to develop dashboards and reports gives useful information that can be analyzed to perform root cause analysis of issues and prioritize where to direct more resources to drive improvements.

Where to start

The following are some things to consider when setting up metrics:

- Consider the rationale behind setting up the program and the goals it seeks to achieve.

- Set up metrics to track and benchmark goals in accordance with the relevant regulatory and industry requirements.

- Use a mix of quantitative and qualitative metrics to measure the program's impact.

- Consider how metrics will be recorded and what evidence can be maintained.

- Think about how to convey a story by tying the data to the impact created by the program.

Metrics can't exist in isolation. While defining the metrics, challenge yourself with the question, "So what?" This reminds you to consider what activities the metrics measure, what goals they hope to achieve, and how they make the program more effective.

Define clear goals right at the beginning of the program

It is also helpful to clearly identify and define your goals at the start.

- Clearly identify the objectives the program was set up for in the first place.

- Are there any issues or challenges you are looking to solve (e.g., technical, regulatory, ethical, cultural, or behavioral issues; driving change and improvements to the ethics and compliance program)?

- How would you measure and show evidence of the positive impact being created?

- Link the metrics to specific goals.

- Build alignment with management to have a common vision of what the program seeks to achieve. If you get management buy-in at the start and agree on what success should look like, you are more likely to have their backing, which is helpful when asking for a time commitment from people.

- Establish a benchmark of the goals you want to achieve, and work backwards from those to set milestones along the way.

The end destination may well change with time (or new goals may get added), but it's essential to retain visibility on the original goal for consistency.

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