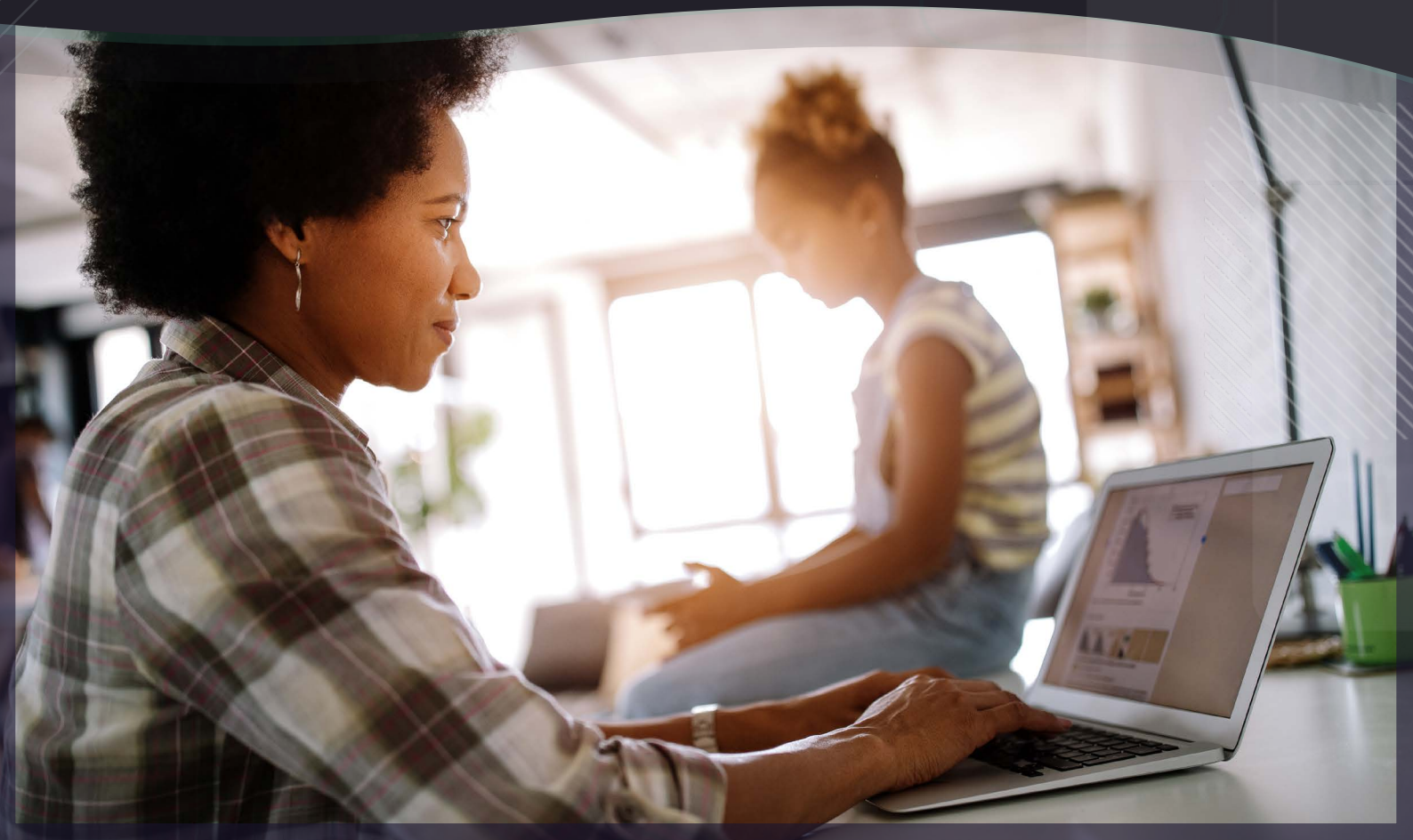




vault.

# Why Technology Should be at the Forefront of Your **Ethics, Compliance,** and **Risk** Strategies





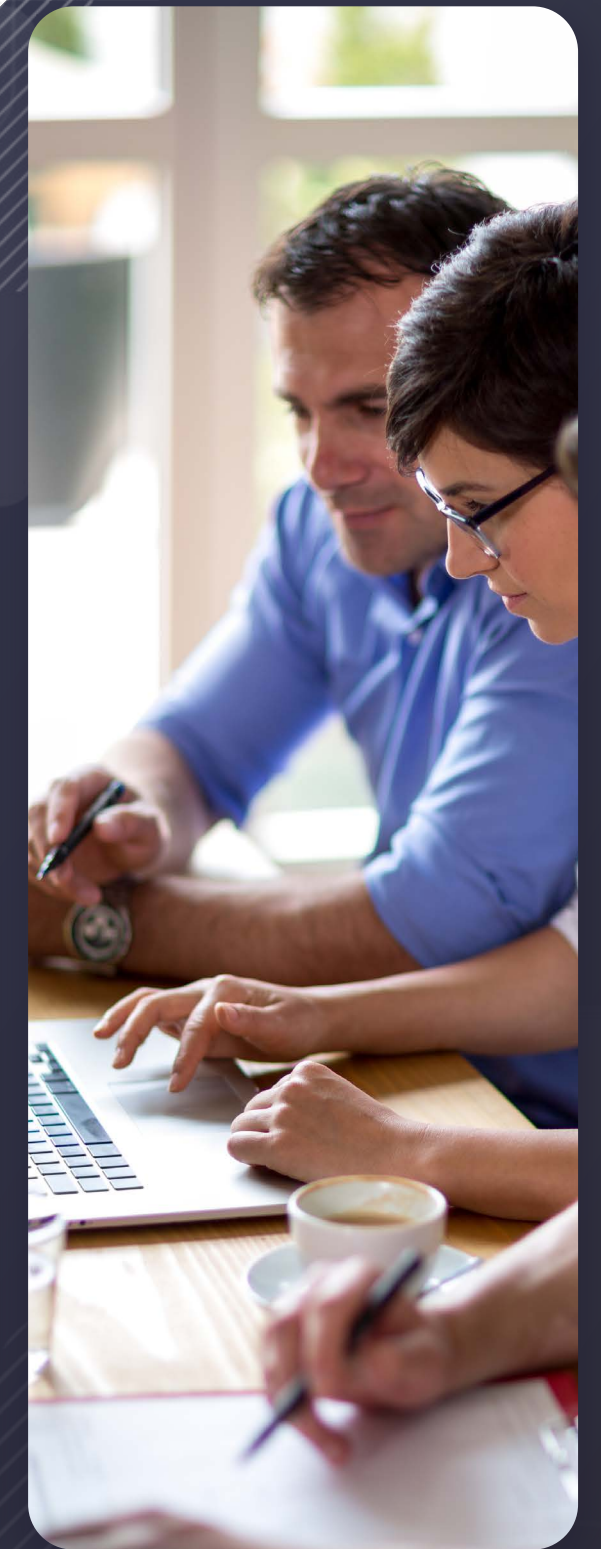
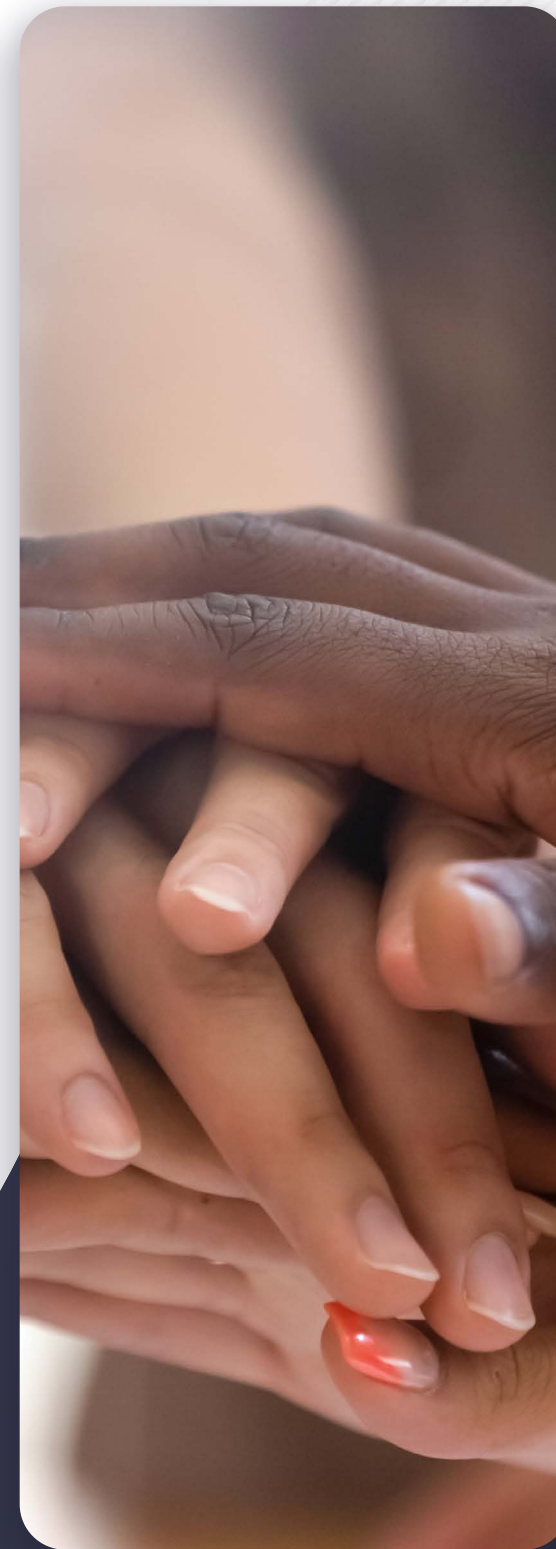
01

## The Importance of Adopting World-Class Ethics, Compliance, and Risk Strategies

The ethical shortcomings of organizations have dominated headlines in recent years, particularly given the rise in social movements such as Me Too and Black Lives Matter. While some companies fail to live up to the standards of the modern workplace, others thrive, largely because they've thoroughly embraced ethics, compliance, and integrity matters, and are using technology to leverage these areas as a competitive advantage.

E&C and integrity programs are critical elements of mitigating risk. Financial settlements, legal proceedings, productivity costs, and damaging news headlines are just some of the outcomes faced by companies that don't take their obligations to employees and the public seriously enough.

In this article, we take a look at the role technology plays in facilitating a Speak Up culture, how it can be leveraged to encourage employees to report incidents of misconduct and how to factor technology into your E&C and risk strategies.





## The Evolving Landscape

In 2019, the global pandemic forced many organizations to rethink and restructure, with IT, Security, HR, and other functions related to infrastructure having to quickly adapt. Employees, meanwhile, had to get up to speed using virtual communication tools like Slack, Google Meets, and Zoom, as well as establish home offices. With many parents having to contend with the closure of schools and other challenges facing employees around the world, questions around flexibility and the work-life balance flourished.

## The Great Resignation

Coinciding with the changes brought about by the pandemic was the rise of the 'passion economy', leading to a growing number of startups offering a variety of new products and services. Whether to seize the chance to start their own businesses or seek out opportunities that better reflect their ideal work-life balance, people are quitting their jobs at a higher than usual rate in what has been dubbed the Great Resignation.

The cost of employee turnover is expensive for any organization, as revealed in our 'Trust Gap' survey. We found that office-based employers in the UK and US are likely to have spent over \$22 billion in re-hiring costs over the last 12 months. So what can businesses do to avoid these growing costs of rehiring and to retain their workers for longer?

Businesses struggling with talent retention should be taking steps to review the value they're offering workers. Employees are choosing environments where they can feel safe, valued, and more empowered to make choices, so these are critical areas to review. Above all, employers should prioritize trust and transparency as a way to retain talent.





## Technology Facilitates Trust



Technology is the key to trust and transparency. Our Trust Gap survey highlighted that **83% of employees** want their companies to make it easy and secure to report an incident of workplace misconduct. Additionally, **86% of employees** believe that businesses should find safe and secure ways to collect and leverage misconduct data to support long-term strategies to combat it.

Meanwhile, Salesforce's [State of IT report](#) highlights that **71% of employees** want their employer to provide them with the same level of technology as they use in their personal lives, such as mobile apps, to help keep them informed, connected, and engaged.

## Tone at the Top

According to the [Ethics and Compliance Initiative \(ECI\)](#), **72% of employees** surveyed globally indicated that top management talks about the importance of workplace ethics and doing the right thing in the work they do.



Ethical leaders are the backbone of an ethical culture, and therefore, board members, leadership teams, and managers need to role model ethical behavior. By adopting a 'do as I do' mentality and **guiding their employees** on how to escalate reports through the appropriate channels, leaders can set a trend that permeates the organization at every level. By **protecting their employees** from retaliation, they can also solidify a reputation as a **trustworthy employer**.

Another key consideration is how to **model ethical behavior**. For example, a formalized ethical framework can help to underline how data is being used to inform decisions and how the company handles challenging 'grey-area' situations e.g. where 'the right thing' is difficult to assess.

## Why Technology is Worth the Investment

**Technology can be a sizable investment, and every department's budget is under the microscope from leadership teams and board members keen to ascertain value.**

For E&C professionals, it's critical to promote the importance of their programs and the need for investment in supporting technology, as ethical companies are known to perform better in their respective markets.

## Legislative Changes

In 2019, the EU Commission determined that potential whistleblowers are often discouraged from reporting their concerns or suspicions for fear of retaliation in the form of dismissal, harassment, or even physical harm.

On 17th December 2021, the EU unveiled the Whistleblower Directive, which ensures common minimum standards of protection are in place in all 27 member states to protect those who Speak Up about breaches of EU laws from retaliation or recrimination.

**Under the Directive, a three-tier reporting structure has been introduced whereby employees can report their concerns through:**

### 01. Internal reporting channels:

facilitated by the organization either through its own developed channels or supplied by external providers, such as Vault Platform. Reporting through internal channels should be directed to an internal dedicated team.

### 02. External reporting channels:

facilitated by the relevant national authorities or the appropriate EU institutions. Reporting through external channels should be directed to the designated authorities.

### 03. Public reporting channels:

such as going directly to the media, or via a public forum such as Twitter.

This structure encourages companies to adopt trustworthy technology that facilitates reporters with the means of keeping the public safe while providing the right safeguards for confidentiality and anonymity. Organizations can therefore encourage reporters to report internally first, facilitate getting to resolution efficiently, and identify and address risk patterns and trends through data analytics while minimizing risk.



## Identifying the Right Solutions

When it comes to encouraging and capturing reports of [workplace misconduct](#) or ethical and compliance breaches, incumbent solutions like hotlines have proved to be ineffective. The adoption of a technology solution in the form of a safe, secure, and agile digital platform, meanwhile, demonstrates a company's willingness to truly support a [Speak-Up, Listen-Up culture](#).

Vault's end-to-end platform provides employees with a robust, accessible, and trustworthy digital reporting system that lowers the barriers for coming forward. Businesses can use Vault Platform to drive operational efficiencies with automated triage and transform their case resolution with easy collaboration between teams. They can also connect the dots and identify risk patterns before they become problems.

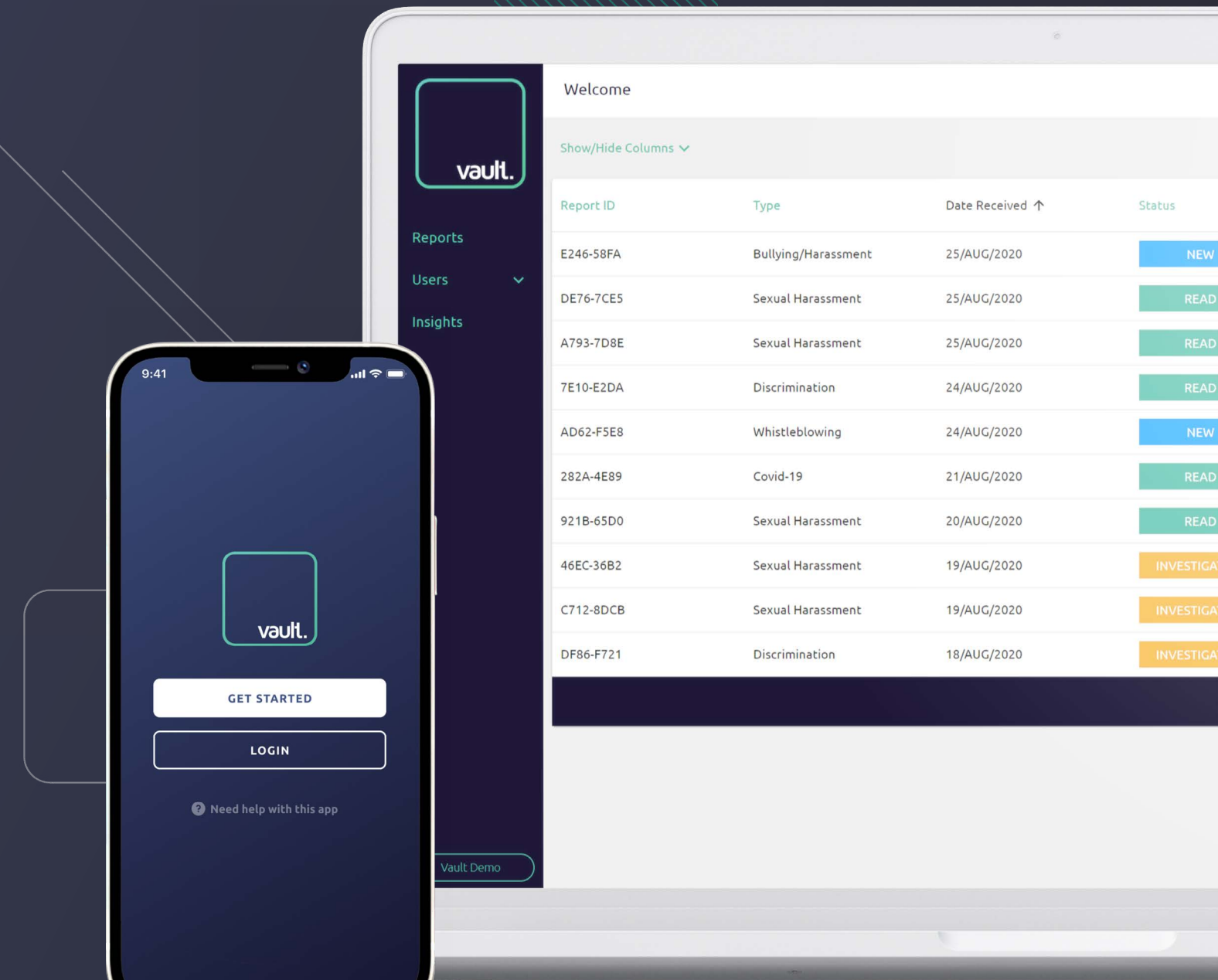
## The Growth of AI and Automation

In recent years, voice assistants like Siri and Alexa, search engines like Google and Bing, and social media platforms like Facebook and Twitter have become a huge part of day-to-day life. Each one uses some form of artificial intelligence (AI) - software that learns as it performs its function - to process and deliver information. The more it learns, the better its performance becomes.

However, if misused, artificial intelligence can be detrimental to society. 'Fake news', for example, has become common practice and has adversely impacted trust in reporting institutions and social media platforms.

For large organizations, AI has the power to support business interests as well as that of employees by providing greater data insights, better threat protection, and greater efficiency. For example, machine learning programs can learn to recognize and report potentially fraudulent activity. Intelligent software can also be used by HR professionals to support diversity and reduce unconscious bias when it comes to job applicants. Natural Language Processing (NLP) can be used to extract, categorize and analyze large amounts of natural language data.

With greater adoption and such a breadth of use, it can often fall to E&C professionals to establish guidelines for the use of artificial intelligence in the workplace and ensure its being used to strengthen trust.







## Keep Stakeholders Front of Mind

Leadership teams, board members, customers, investors, and employees all have a growing interest in E&C and risk strategies, so it's important to keep them all in the loop, and technology is at the heart of this communication.

For example, it might be that E&C professionals need to prove to reporters that they've received submitted reports to give them peace of mind that their claims are being investigated and that the organization is fully committed to ethical action.

It's therefore important for E&C professionals to devote enough time to measuring and promoting their company's ethical culture internally and externally. By leveraging both qualitative and quantitative business data, businesses can benchmark measurable success in their E&C and risk strategies. This way, they can identify areas for improvement and places where a lack of trust may be an issue.



Create a culture of  
trust by empowering  
employees to Speak Up!

[vaultplatform.com](https://vaultplatform.com)

[hello@vaultplatform.com](mailto:hello@vaultplatform.com)