

NAVEX data reveals gaps in Europe's whistleblowing culture

The EU Whistleblowing Directive will come into force in December 2021, signalling big changes on the horizon for whistleblowing legislation

An effective whistleblowing programme can help protect companies from reputational risks, empowers employees and shows an appetite for continuous improvement. But is Europe ready to reap these benefits under the new Directive?

NAVEX Global has surveyed 2,250 people across nine European countries to explore the level of awareness and preparedness across the region for the [EU Whistleblower Protection Directive](#), while also exploring the cultural perceptions and opinions around whistleblowing and its value to organisations.

The EU Whistleblowing Directive will be applied across all 27 member states, providing new legally enforceable protections for whistleblowers. Be they reporting cases of fraud, issues of public safety or health, or consumer protection, all employees must be

given a way to come forward, without risk of dismissal, degradation or other discrimination.

Suffice to say, it's imperative that companies understand and comply with the Directive, not only to stay on the right side of the law, but also to enable early action to tackle issues raised and avoid problems festering.

But, as exclusive research from NAVEX shows, many organisations remain unprepared. Our survey of EU and UK business leaders shows that a significant minority of 16% have never heard of the Directive. Even among the 83% of respondents that said they were aware of the Directive, just 46% said they fully understood it. And, as 42% of organisations agreed, this lack of awareness is a serious barrier when it comes to compliance.

The Directive is not fully understood across Europe

Are you aware of the new EU Directive to legally protect people who report breaches of EU law, which comes into force in December 2021?

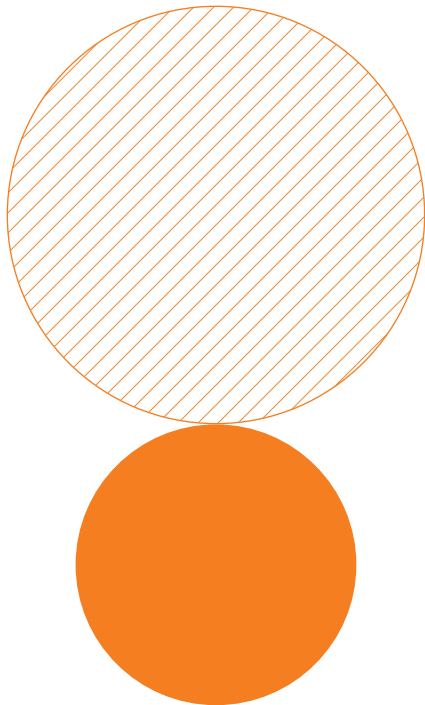
■ Yes, I am fully aware



YEAR OF THE WHISTLEBLOWER, NAVEX, 2021

The C-suite may be overestimating their organisations' preparedness

My organisation's whistleblowing processes are clearly defined



40%

C-suite

27%

Manager

YEAR OF THE WHISTLEBLOWER, NAVEX, 2021

That's why, in the upcoming report, NAVEX will explore practical steps to comply with the Directive, the human factors associated with whistleblowing, and the nature of whistleblowing in a post-pandemic world.

Challenging organisational culture

Perhaps the most complex hurdle an organisation faces is culture. As we'll reveal, 26% of respondents argue their company culture simply doesn't support compliance right now. Country culture also seems to have an influence on attitudes towards whistleblowing, with only 14% of business leaders in Spain believing that more reporting is beneficial for a firm, compared with 45% in Sweden.

We'll explore how constructive attitudes toward whistleblowing can act as a positive feedback loop on an organisation's wider health and help spread these healthy values internally and externally.

Bringing the C-suite on board

Talk of culture can feel nebulous at times, of course. Which is why the message that speaking out is welcomed and compliance with the EU Directive is critical must come from the top. The report will also take a close look at executive perceptions and preparedness, and, with managers up to 15% less likely than the C-Suite to agree their business is prepared for the new Directive, explore whether current C-suite confidence may be misplaced.

Practical tips on 'putting a price on compliance' will be offered on how to make the case for prioritising whistleblowing and convince senior leaders to move it up the value chain.

Motivations for whistleblowing

In the US, companies convicted of wrongdoing can be fined millions by the government, and the whistleblower is rewarded with a percentage (between 10-30%) of the monies recovered for their part in bringing the guilty parties to justice. Just last year, an individual was awarded \$50 million for their whistleblowing efforts - the largest individual whistleblower award announced by the U.S. Securities and Exchange Commission since the inception of the programme.

Should whistleblowers be financially rewarded, or does the promise of huge sums of money sully the intentions of those who draw attention to potential wrongdoing, and encourage spurious claims? Alternatively, is it realistic and right to expect whistleblowers to put themselves at professional and personal risk with no material reward at the end?

We will host a debate between these two perspectives, aimed at providing food for thought on this complex issue.

Whistleblowing in a WFH world

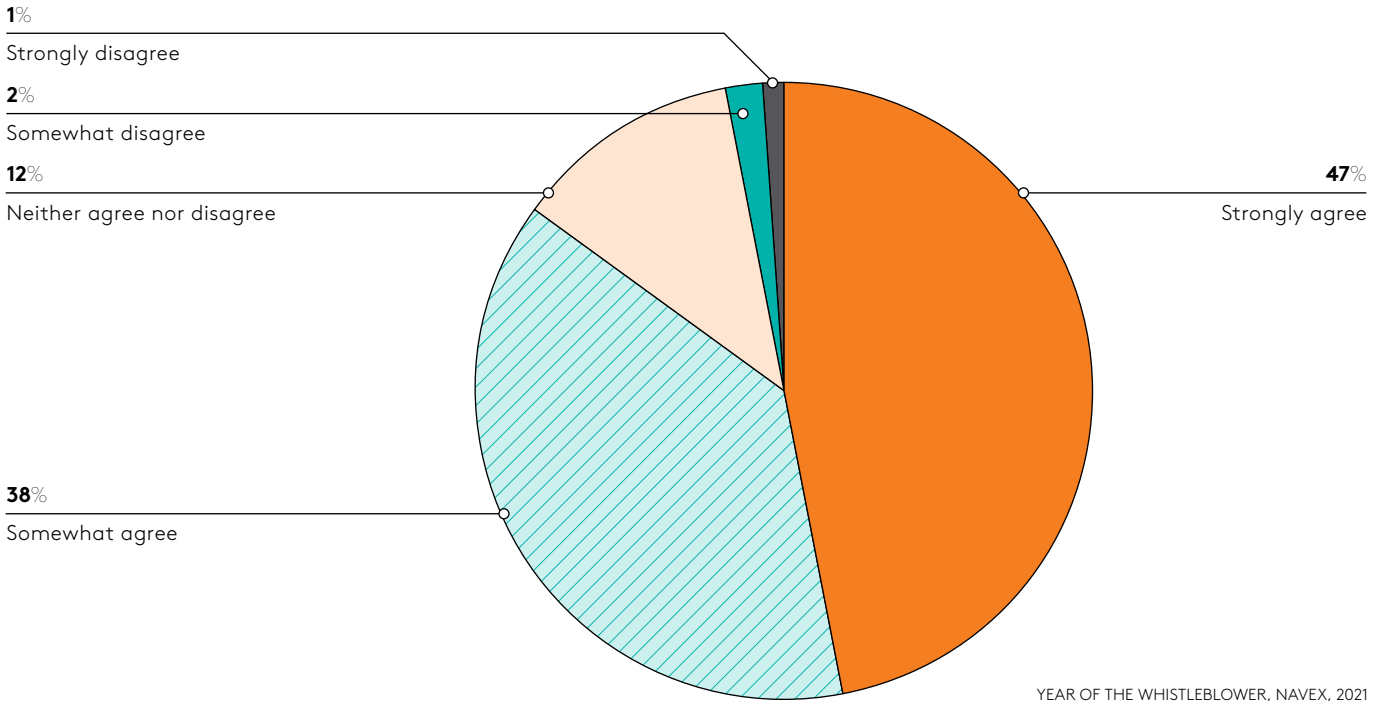
As we'll examine too, the work-from-home culture that has developed in the last 18 months may add further challenges when it comes to compliance. COVID-19 has accelerated the digital transformation of the workforce, as restrictions not only required millions to switch to remote work but forced organisations to develop new digital services and tools. This transformation looks set to be a much longer term legacy of the pandemic too.

This has all sorts of implications for whistleblowing. In the short term, data published in NAVEX Global's [2021 Incident Management Benchmark Report](#) shows it put a dent in the number of reports being made, with these volumes not yet back to their pre-COVID levels. Of those reports that were being made, our data showed an initial spike in those related to environment, health and safety topics, quickly followed by an increase in those reports touching on business integrity. This reflected public discussions among business leaders and politicians of the potential for fraud, waste and abuse in the midst of the crisis.

In the longer term though, this digital transformation of the workforce will create a shift to online reporting channels, while telephone systems decline. Our 2021 Incident Management Benchmark Report shows online reporting in 2020 reached a median of 48% - a 26% increase from 2017. And if current trends persist, as they're expected to, that means 2021 could mark a real turning point to the vast majority of such reports being made online.

Most people agree that whistleblowers should be protected by law

People who highlight potential breaches of law in a workplace context should be legally protected from retaliation or detrimental treatment



YEAR OF THE WHISTLEBLOWER, NAVEX, 2021

Integrating the right technology

Technology can be a major facilitator when it comes to reflecting the sort of cultural shifts driven by both COVID-19 and other external catalysts.

On a simple level, it can allow organisations to quickly meet growing demand for online reporting channels that are accessible while working remotely, but which guarantee the same credibility as in-person or telephone reports. It can also support organisations in communicating with a more digital workforce, be that via digital training materials, online platforms to raise awareness of various whistleblowing initiatives, or collections of resources to increase confidence around reporting.

Even more than this, technology can provide the sort of overarching insights that a non-specialist hotline may struggle to. It can collate data in such a way as to flag areas of concern, where complaints converge on a single issue. This allows corrective action to be taken long before complaints escalate and can save an organisation significant time, money and effort in the longer run. It can also check for compliance with regional legislation, such as the EU Directive, and benchmark performance against that of other organisations globally.

Getting ready for the 'year of the whistleblower'

The arrival of the EU Directive on Whistleblowing signals a clear change in attitudes at a regulatory level.

With the right culture and processes in place this regulatory change needn't be regarded with trepidation. Companies that foster transparency and encourage openness and communication among their employees are ultimately those that will adapt, innovate and bypass the competition.

But is this regulatory change reflected in wider attitudes toward whistleblowing? Do outdated views persist? How engaged is senior leadership in the process of preparing for a change in the law? Are companies making the best use of technology to reflect shifting attitudes toward reporting?

NAVEX's upcoming report will explore these questions and more, offering exclusive data and insights into what it takes to cultivate a positive whistleblowing culture, examining some of the pitfalls organisations may face and identifying potential blind spots that pose a risk to compliance.

Subscribe to our newsletter for an invitation to download the report the day it's published.

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