

Regional Whistleblowing Hotline Benchmark Report 2021

Data and analysis to help you benchmark your ethics and compliance programme by region, against the world's largest whistleblowing hotline and incident management database.



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Introduction

Good analysis and benchmarking of whistleblowing hotline data helps organisations answer crucial questions about their risk and compliance programmes. Does the organisation's culture encourage employees to raise concerns? Is the investigations process effective? Do employees need further training on how and what to report on?

Comparing your internal data to help answer these questions is important, but getting a perspective on how your performance matches up to industry norms is critical.

NAVEX Global has taken anonymised reporting data collected through our hotline and incident management systems, which collectively form the largest database of whistleblowing reports in the world, to provide the benchmarks in this report. Organisations can use these benchmarks to compare the performance of their speak-up programmes to others operating in the same geographic region.

Each whistleblower report used in this benchmark has been categorised by the region where the company's headquarters is based. That has allowed us to create individual benchmarks for each of the four global regions represented in this report: North America, South America, Europe and Asia Pacific (APAC).

NAVEX Global's Risk and Compliance Solutions

NAVEX Global is the worldwide leader in integrated risk and compliance management software and services. Our solutions help more than 13,000 organisations every day to manage risk, address complex regulatory requirements, build corporate ESG programmes and foster ethical workplace cultures.

For the first time this year, we also included a number of additional benchmarks for the UK as we identified some clear variances in trends from this region compared to Europe as a whole. Please note that all European benchmarks shown in this report includes UK reporting data, unless otherwise indicated, in order to provide like-for-like yearly comparisons.

Ethics and compliance professionals can trust these benchmarks to help guide decision making and to better understand how their programmes compare against peers based in their own region.

This report is an excellent starting point for organisations committed to benchmarking and improving programme effectiveness. To leverage more advanced benchmarks, NAVEX Global offers custom benchmarking options as part of our GRC Insights™ benchmarking services.

You can work with us to get tailored benchmarking based on industry, size or other facets of your organisation. Learn more about this service on our website at www.navexglobal.com.

Executive Summary

The COVID-19 pandemic had enormous influence on internal incident reporting around the globe, and organisations are still trying to find the “new normal” of incident reporting in the new hybrid business world.

Perhaps that should be no surprise, considering how disruptive the pandemic has been to every other part of the corporate world; internal reporting programmes are no exception. But given the insights that boards and senior management can derive from a strong internal reporting programme – as well as the importance of whistleblowing that regulators around the world continue to emphasize – understanding the pandemic's ongoing effect on whistleblower programmes is vital. Organisations will face more risk and less predictability, even as regulators' expectations for effective programmes continue to rise.

With so much at stake, board members and executives will need to increase their engagement and oversight with the organisation's whistleblowing programme. Boards may need to provide additional investment to improve programme outcomes and ensure the organisation remains compliant. Most importantly, they will need to play an active role to assure that employees can truly feel safe in speaking up about their concerns at work.

Below are some of the key insights that this year's regional whistleblowing benchmark reveals:

- **COVID-19 affected whistleblowing around the world.** Reporting volumes declined for the first time since our benchmark reports began. The sharpest reductions came from organisations based in APAC and the UK, although declines also corresponded to lockdowns in various parts of the world in 2020 (and rebounded once lockdowns ended). Reporting about health and safety concerns rose for organisations based in Europe, and North America.
- **Long-term trends in reporting changed with the rise of remote working.** Employees adopted web channels as they moved to remote working, particularly in Europe and APAC, where the shift to remote working was smoother. Reports about business integrity (bribery, corruption, fraud, and so forth) fell significantly in Europe, possibly due to the difficulty of noticing and reporting such misconduct in remote environments.

- **Compliance programmes are managing these new challenges well (mostly).** Case closure times improved across most regions, while substantiation rates held steady. A decrease in overall reporting, however, means that programmes require additional awareness and assurances (especially for remote employees).
- **Reports of retaliation – and substantiation rates for such reports – declined.** As research tells us, a lack of reporting is not good news. In addition, if employees are not reporting instances of retaliation internally but are instead taking retaliation reports to regulators or the media, that is highly problematic for organisations. The forthcoming EU Whistleblower Directive will strengthen the need for anti-retaliation controls to be in place.
- **The EU Whistleblower Directive may be influencing programme performance.** When we exclude data from the UK, reporting volumes increased across the rest of Europe in 2020, while all other regions decreased or remained flat. Case closure times for Europe also fell (as they did in most other parts of the world, excepting the UK). Most Europeans now say they're at least aware of internal reporting and the EU Directive, even if they need more information about what the regulation requires organisations to do.
- **Whistleblowing activity varies considerably by headquarters location.** A stark difference in case closure exists between North American organisations and the rest of the world, demonstrating the impact that regulation, workplace culture, and compliance programme maturity can have on reporting. Harassment reporting rates also varied considerably around the world, demonstrating how cultural differences can affect reporting trends.

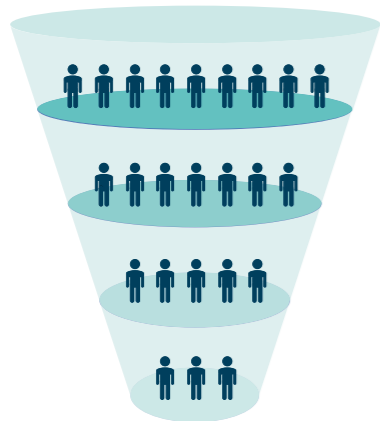
A Snapshot of Our Database

NAVEX Global Customers Generate the World's Largest Database of Reports

54M

Over 54 million employees

generated over 1.3 million reports in 2020 representing

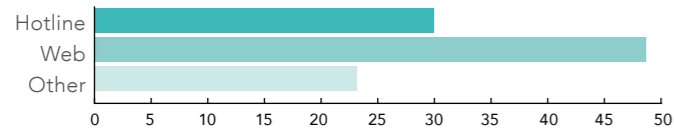


3,028 customers

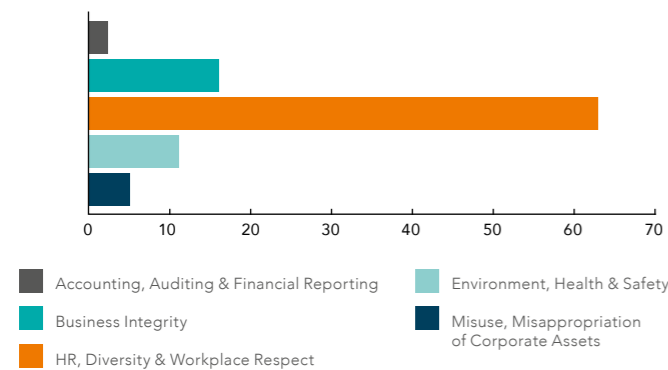
that received 10 or more reports in 2020

Methodology

Our report reflects all intake methods:

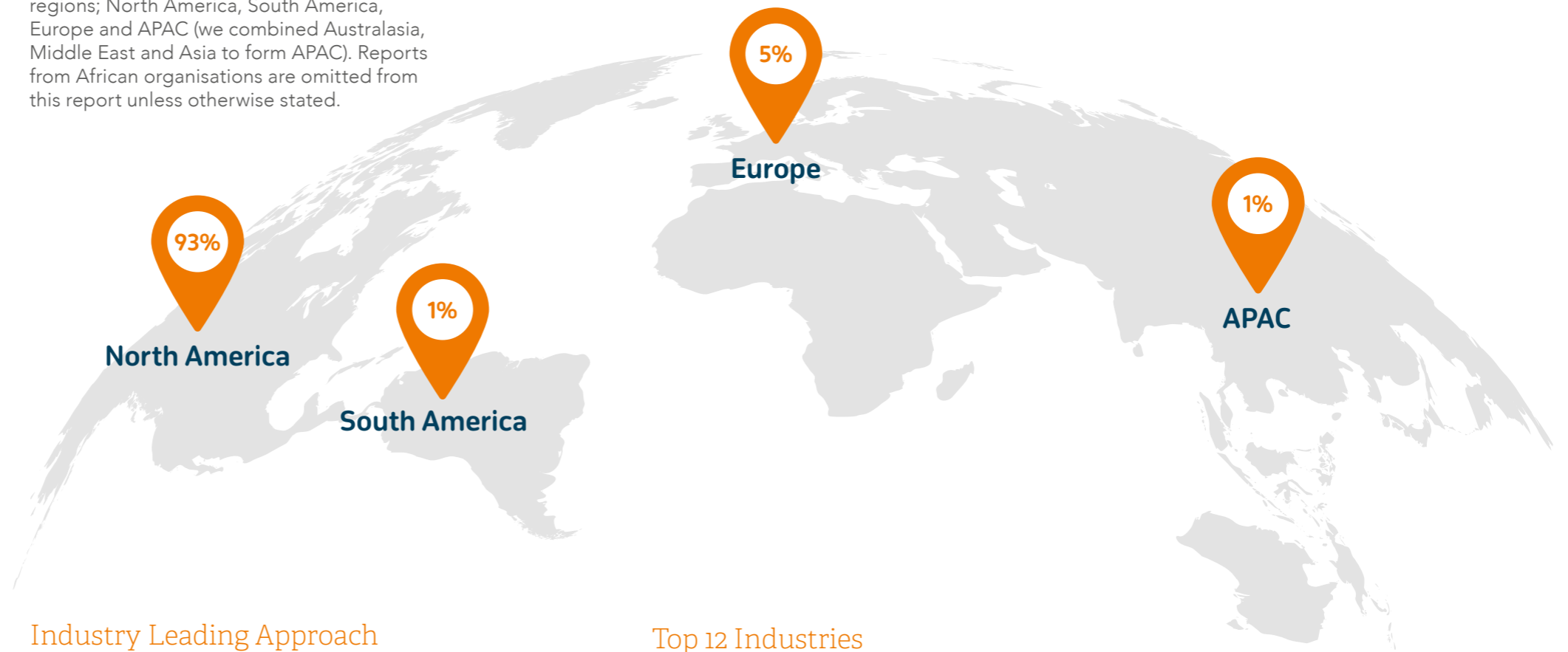


Our report reflects many issue types:



Reports from Around the World

The reports used in this benchmark are categorised by company HQ location. We then grouped these organisations into four regions; North America, South America, Europe and APAC (we combined Australasia, Middle East and Asia to form APAC). Reports from African organisations are omitted from this report unless otherwise stated.



Industry Leading Approach

We use Medians or Midpoints rather than averages to reduce the impact of outliers

We calculate ranges to help identify extreme data points as potential areas of concern

Medians and ranges provide context for your individual benchmarks

Top 12 Industries



1. Report Volume per 100 Employees



1 a. How Does Your Report Volume Compare to Others?

Using *Report Volume per 100 Employees* enables organisations to compare the total number of reports submitted from all reporting channels – including web forms, telephone hotlines, and all other channels.

Findings

- The median reporting volume for European and North American organisations held steady in 2020 at 0.5 reports and 1.5 reports respectively per 100 employees, despite an overall global reporting decline.
- Median reporting volume for APAC and UK-headquartered organisations declined precipitously, from 2019 to 2020.

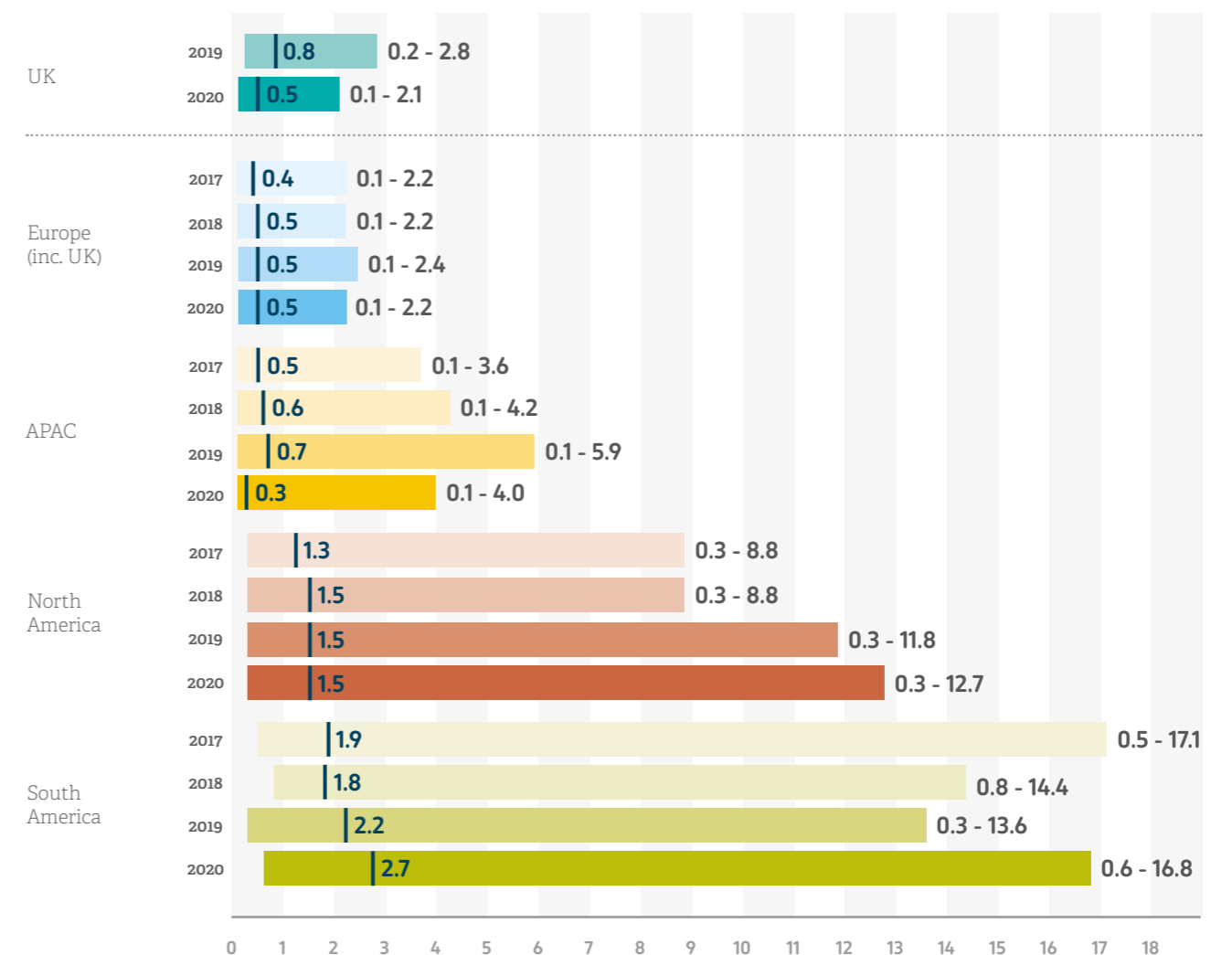
Analysis

European reporting trends held remarkably steady through the crisis. European median report volumes maintained at 0.5 reports, and the overall reporting range decreased by 8.7%. However, this relative stability belies some significant national differences. While Europe as a whole maintained its report

volume median, UK reporting (presented here for the first time) decreased precipitously, with medians declining from 0.8 reports in 2019 to 0.5 in 2020 (a decrease of 37.5%). In fact, if UK reporting is excluded, report volume medians for the rest of Europe actually increased relative to 2020. These opposing trend lines may well be attributable to the EU Whistleblower Directive, which is driving the adoption and enactment of new national whistleblower protection laws across the EU.

Geographical analysis of reporting volumes also demonstrates considerable variation between North American, South American, and APAC regions. Like Europe, North American organisations saw no change in its report volume median (though its reporting range continued to increase). APAC organisations, however, witnessed a decrease in report volume median from 0.7 to 0.3 – effectively erasing the year-over-year gains the region had been making since tracking began in 2017. Meanwhile, South America experienced an 22.7% increase in median report volumes. While this shift likely represents real market changes, the relatively small number of organisations represented in this region leads us to treat this outcome with an element of caution.

Report Volume per 100 Employees



1 b. Impact of Using a Unified Incident Management System on Report Volume

The next two graphs compare the level of reporting received by two groups of organisations. The first group, 'Organisations That Track Reports from Web & Telephone Only', shows the median reporting volumes for organisations that track reports from their telephone hotline and web reporting channels only. The second group, 'Organisations That Track Reports from All Sources', shows the median reporting volumes for organisations that use their incident management system to track reports from all sources including web, telephony, open door reporting and walk-ins, manager submissions, direct email and postal mail. By comparing the reporting volumes between these two groups we can determine the impact of using an incident management system in a more robust way.

Findings

- The median reporting volume remains significantly higher across all regions for organisations that track reports from all sources.
- For the first time, organisations that track reports from all sources experienced declines in their median report volumes, regardless of region.
- European organisations that track reports from web and telephone only did not see a decline in their median report volumes.

Analysis

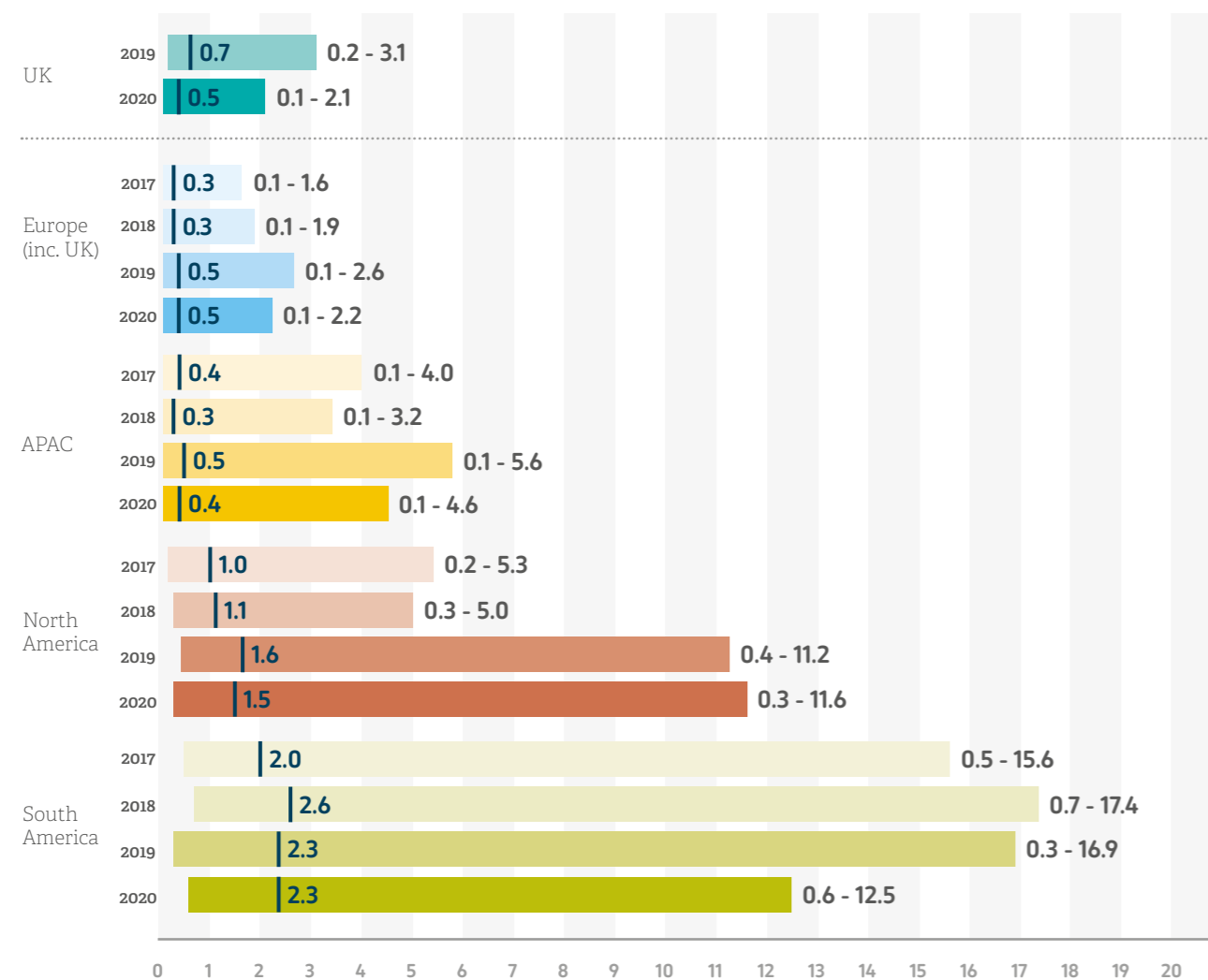
For a speak-up programme to be truly effective, employees must be offered relevant, accessible channels through which they can raise their concerns. The most common channels typically fall into three categories; web intake, telephony and all other sources. Only tracking reports made by web and telephony limits the ability to have a more holistic view of issues occurring across the organisation.

As in previous years, organisations tracking all reporting channels demonstrate significantly higher reporting medians relative to those which only track web and telephony reports. However, for the first time, programmes tracking all sources experienced a decrease in report volume, regardless of region.

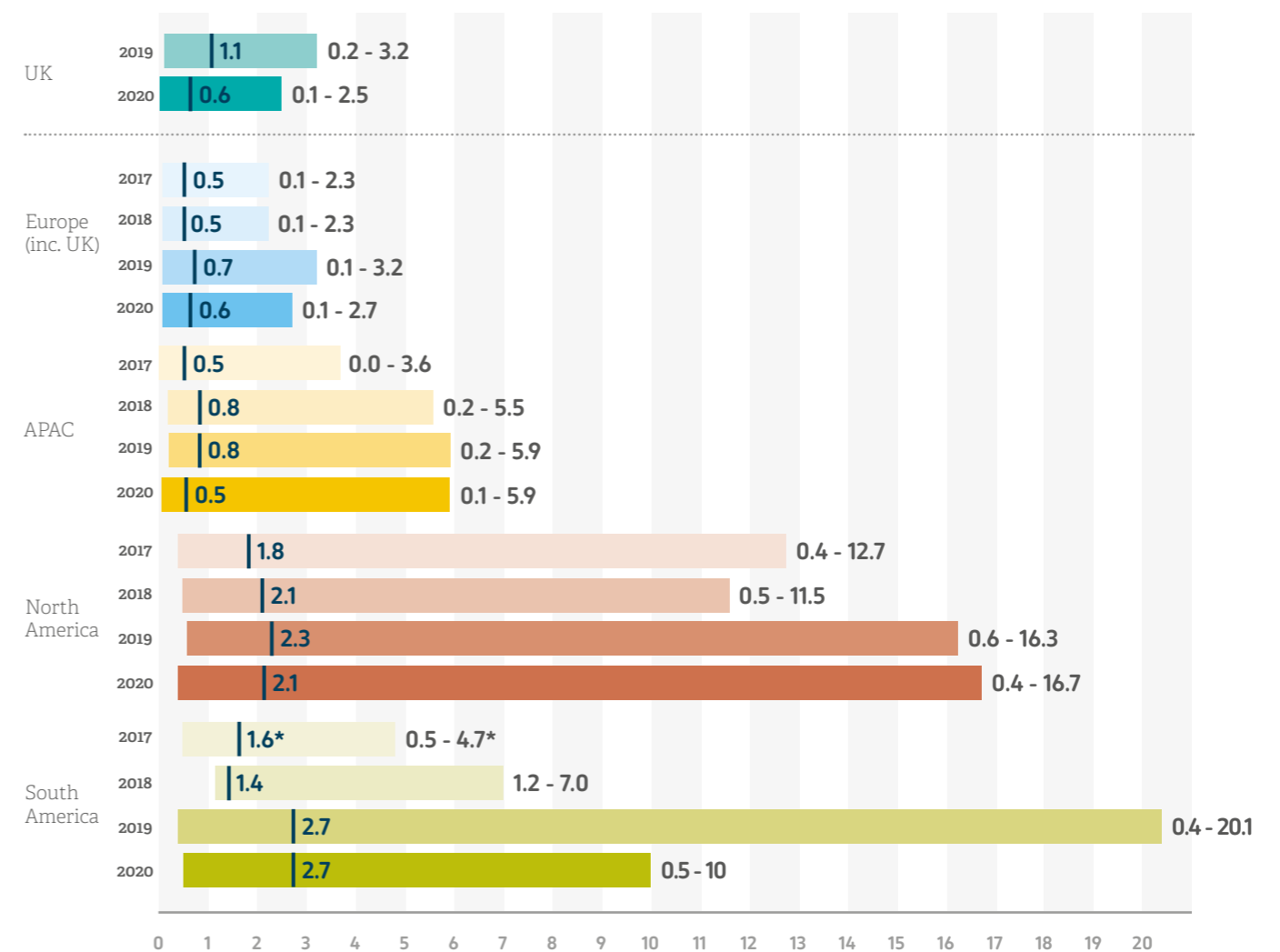
This is almost certainly a consequence of the COVID-19 pandemic, which negatively impacted the opportunity for face-to-face reports as workers turned to virtual and remote working.

COVID-19 also resulted in reporting median declines amongst organisations that track reports from web and telephone only across most regions. However, European programmes did not witness this decline – with the notable exception of UK programmes, which experienced steeper year-over-year declines than any other region. This is further indication that increasing awareness of the EU Whistleblower Directive may have helped the region resist pandemic-driven macro trends.

Organisations That Track Reports from Web & Telephone Only



Organisations That Track Reports from All Sources



1 c. 2020 Report Volume per 100 Employees – By Month

This year, NAVEX Global examined report volumes across all regions on a month-by-month basis. This allowed for a more detailed view of precisely how external events – including the COVID-19 pandemic – influenced internal reporting.

Findings

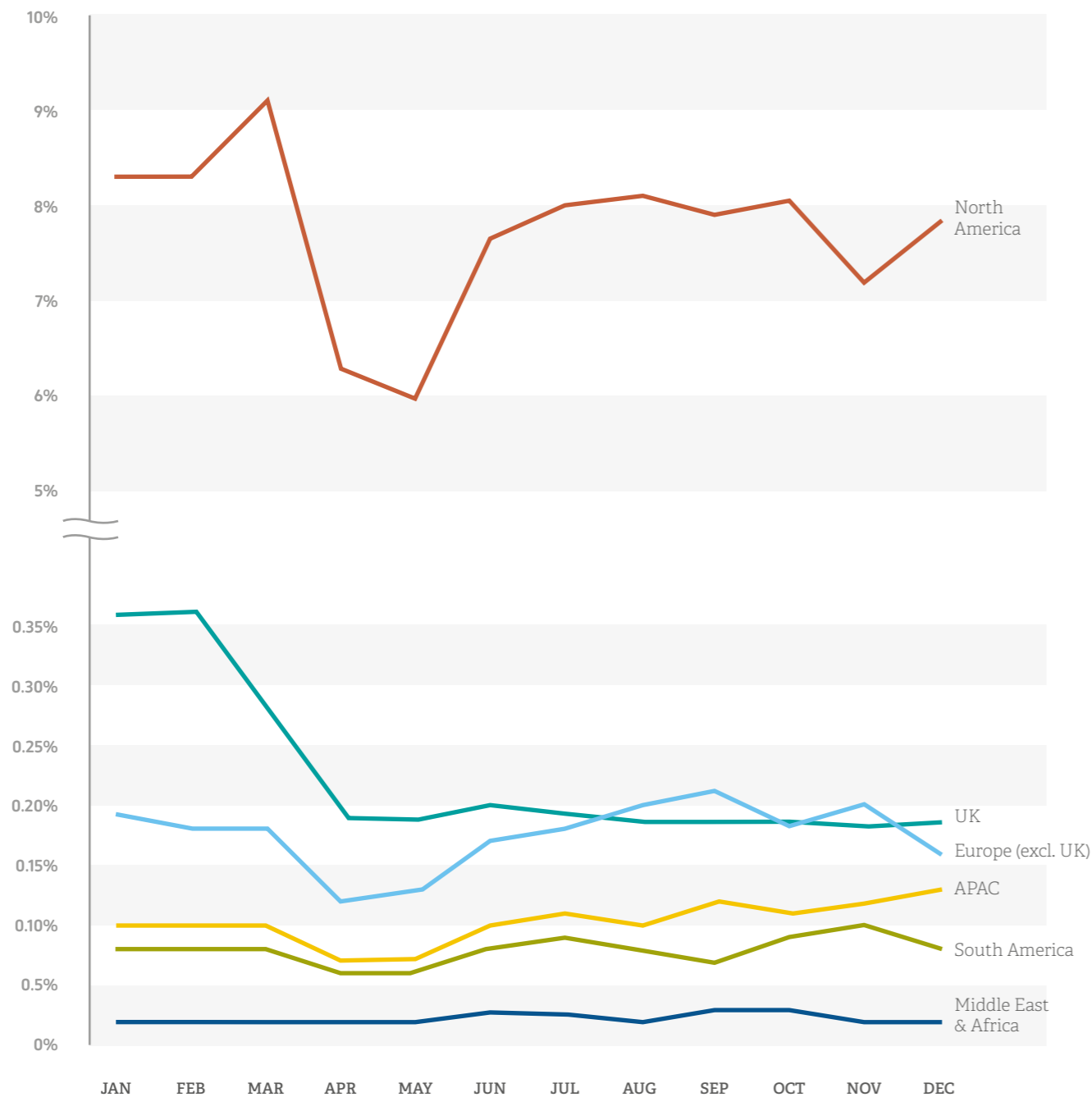
- Report volumes dropped abruptly from February to April, with the steepest declines experienced for UK organisations.
- Report volumes began to rebound from June with the steepest inclines witnessed for North American organisations.

Analysis

Examination of 2020 report volumes over time reveals considerable volatility month-by-month. Interestingly, if unsurprisingly, these shifts align with major world events, particularly around the COVID-19 pandemic. The drop in reporting, which was fully realised in April of 2020, coincides with the introduction of pandemic-driven regional lockdowns. It is also important to note that Europe and APAC, which experienced reporting declines as early as February, were also the first regions to be impacted by the COVID-19 virus. Conversely, the reporting rebound witnessed in June is concurrent with the relaxing of stay-at-home orders following the “first wave” of COVID-19 infections and deaths.

While all regions witnessed these periods of reporting decline and rebound, they experienced them to differing degrees. North American and UK organisations experienced relatively steeper reporting drops. The UK in particular experienced the biggest relative drop in volume triggered by the initial regional lockdowns, and was the only region which did not see signs of recovery in reporting volumes throughout the year (possibly due to the fact that the UK had one of the longest lockdowns in the world during the first wave of COVID-19). This is concerning for organisations based in this region who rely on their speak-up programme to understand why employees are reluctant to speak up and the long-term impact around safety and employment concerns.

2020 Report Volume by Month



2. Report Allegation Categories



2 a. Reports By Allegation Category

The NAVEX Global whistleblowing report data is organised into the five primary categories shown here, the definitions of which can be found in the 'How we Calculate our Benchmarks' section of this report. Categorising the types of reports an organisation receives, and tracking their numbers, can reveal programme gaps and successes. Please note these numbers reflect a category's share of total reporting, so an increase in percentage does not necessarily reflect an increase in volume.

Findings

- The percentage of Environment, Health & Safety (EHS) reporting increased for North American and European organisations – but not for APAC or South American organisations.
- The percentage of Business Integrity reporting declined for European organisations, while the percentage of HR, Diversity and Workplace Respect reports declined for North American organisations.

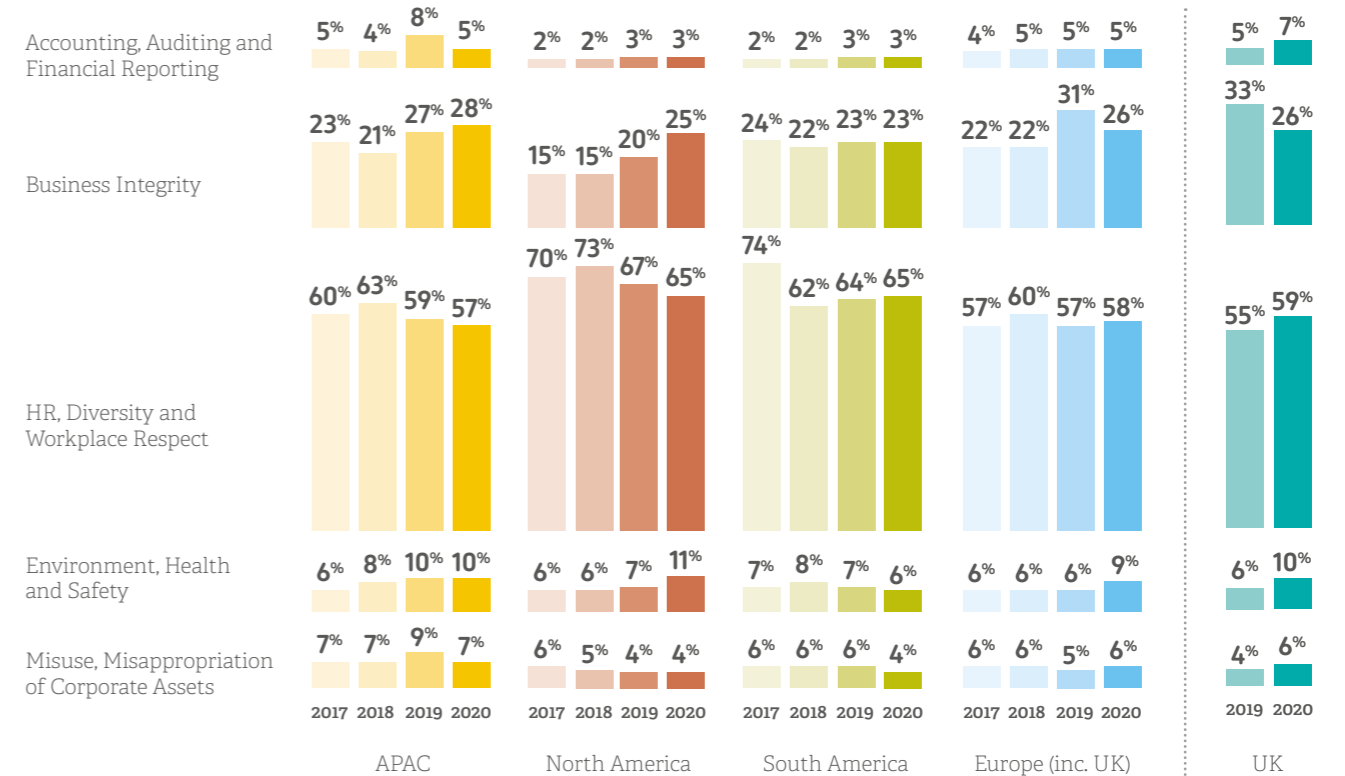
Analysis

The COVID-19 pandemic not only impacted reporting volume and method; it also affected what types of reports were received. Environment, Health and Safety reporting rose significantly as a share of total reporting for North American and European organisations. This is to be expected, given the number of EHS-centric COVID-19 concerns. It is interesting, then, that this increase was not realised across all regions, and raises the question of whether there are other factors influencing employees within APAC and South American based organisations from refraining to report these concerns.

While the relative share of EHS reporting increased in both European and North American organisations, the corresponding declines varied by region. For North America, these gains were accompanied by relative declines in HR, Diversity and Workplace Respect reporting. This is most likely due to that reporting category's designation as the default for otherwise unidentified claims.

More interesting is the decline in the percentage of Business Integrity reporting amongst European organisations. Context is important; this reporting category reached a record 31% for Europe in 2019, and its current share of overall reporting remains greater than it was in previous years, and is larger than the share of Business Integrity reports for North America (which rose this year to 25%). However, the decline in 2020 figures highlights the difficulty of identifying business integrity concerns within a remote working environment and should prompt businesses to have the necessary controls in place to ensure their workforce continues to make the right decisions and conduct business in an ethical manner.

Median Percentage of Allegation Categories



Note: Medians will not necessarily total 100%

2 b. Industries with the Highest Median Reporting Rate per Allegation Category

In addition to examinations of report category by region, NAVEX Global reviewed the data to determine which industries received the highest reporting rate in each category for organisations headquartered in EMEA and APAC combined.

Findings

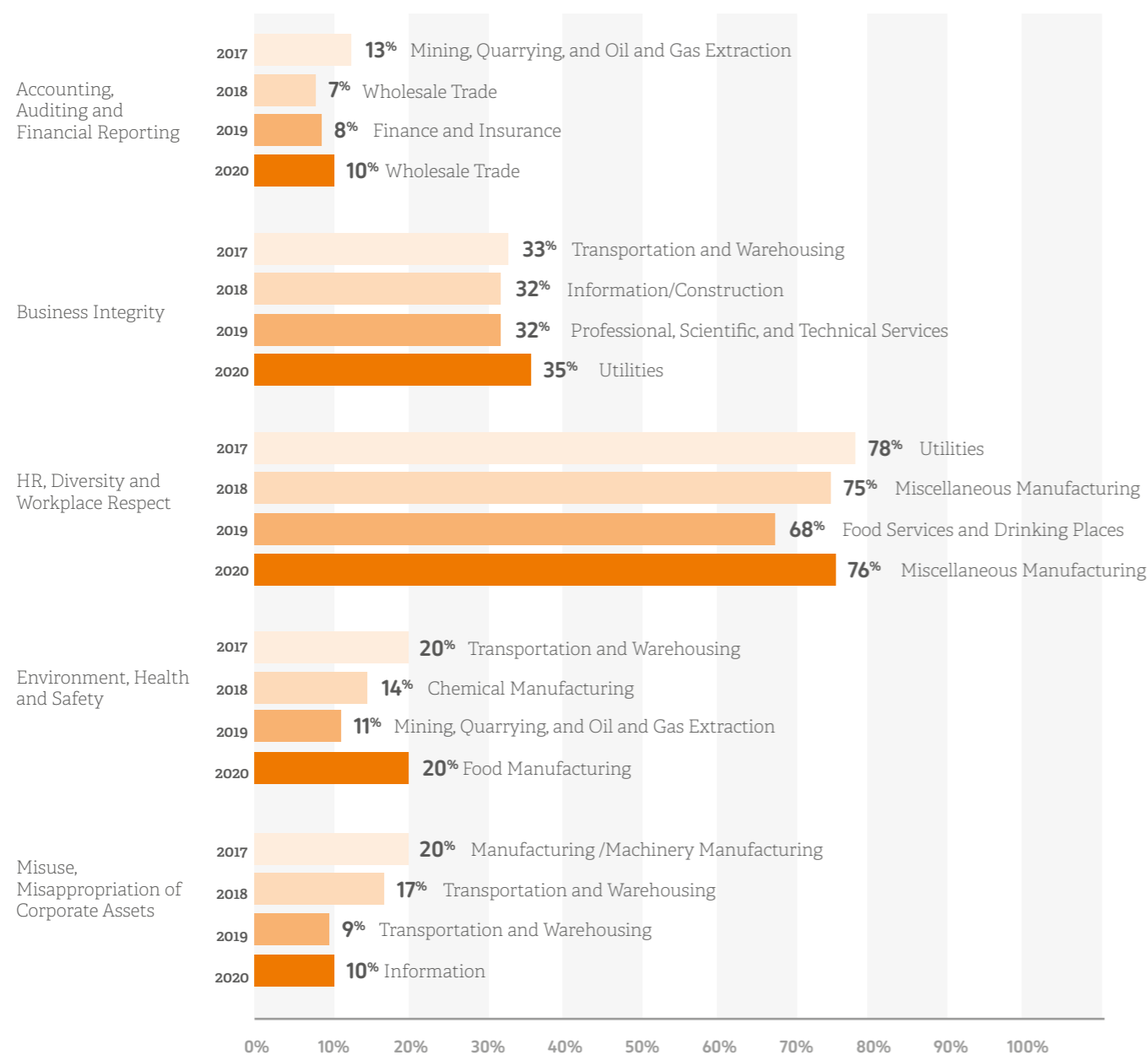
- Industries requiring in-person work during the pandemic had the highest median reporting rates.
- Misuse and Misappropriation of Corporate Assets reporting saw significant increases within the information sector.

Analysis

In 2020, an industry's ability (or inability) to shift to remote working appeared to play a significant role in its reporting outcomes. Manufacturing sectors, whose workforces remained largely onsite during lockdowns, dominated the HR, Diversity and Respect and Environment, Health and Safety reporting categories. This is especially true of the food manufacturing sector, which witnessed several high-profile COVID-19 outbreaks.

Meanwhile, the information industry – which includes the software publishing, news syndication, and subscription programming – lead in Misuse and Misappropriation of Corporate Asset reporting, possibly due to the sector's unique vulnerability to misuse in a mass remote-work environment.

EMEA & APAC Highest Median Report Rate per Industry



2 c. Reporter Allegations vs. Inquiries

Reports raised by employees can be categorised as either allegations or inquiries. Allegations are important for organisations to capture through an incident management platform so that any concern or incident can be investigated before it turns into a crisis. Inquiries are also important as they can highlight a lack of understanding over a policy or where additional training may be required.

Findings

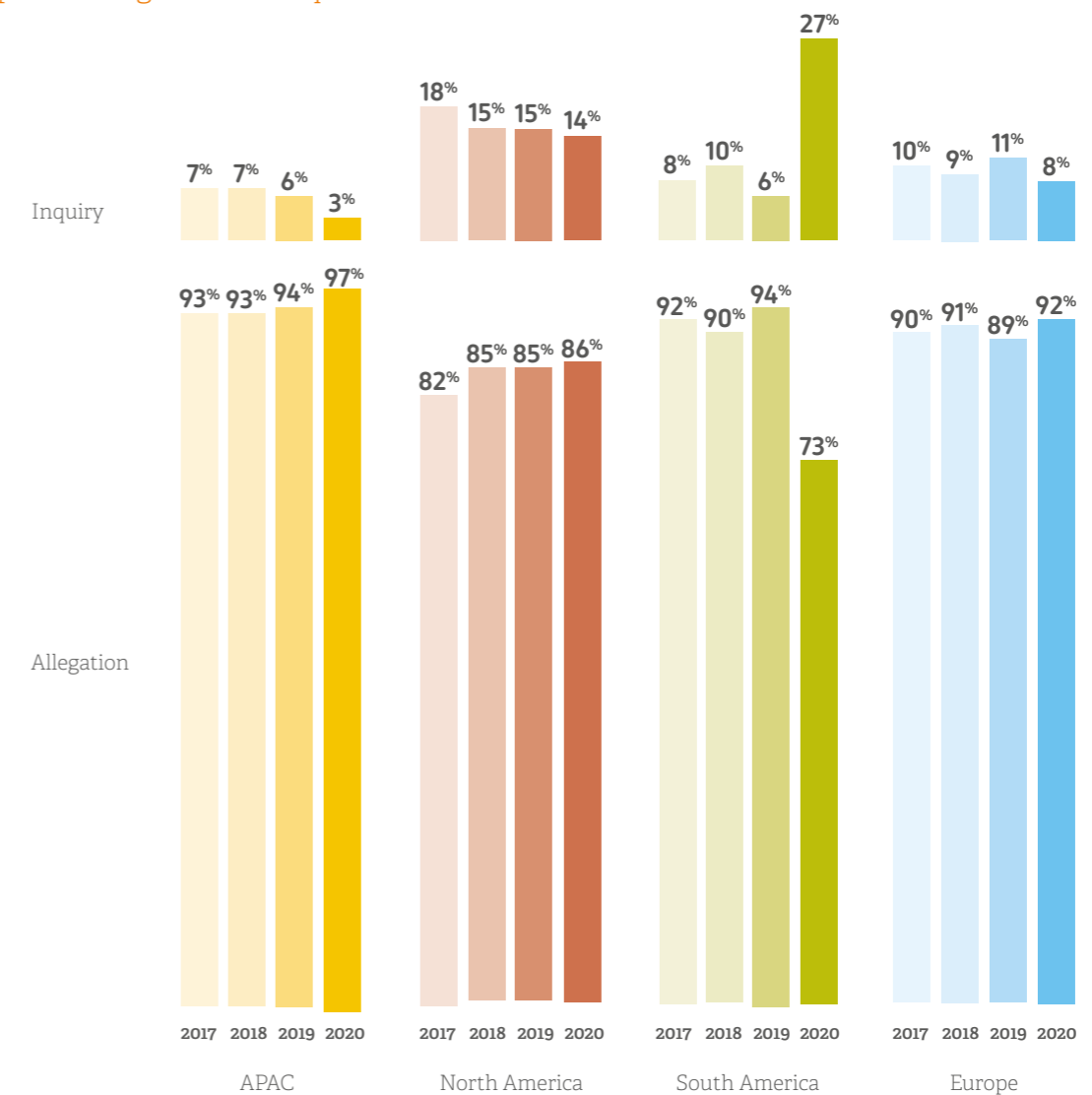
- APAC, North American and European organisations all witnessed declines in the percentage of inquiries they received relative to allegations.
- Organisations are missing an opportunity to gain additional compliance insight by not capturing inquiries.

Analysis

In 2020, the APAC, North American and European regions all saw declines in the number of inquiries they received relative to allegations. South American organisations received a large spike in the percentage of inquiries received; however, this result is incongruous with previous data, and may be influenced by individual organisations.

The COVID-19 crisis is a powerful demonstration of why providing and promoting systems for employees to ask and answer questions about organisational policy is so important. All organisations should work to capture more inquiries within their reporting system by including options such as 'ask a question' and by increasing awareness of this source of advice. Organisations that do not are missing out from tracking trends that may indicate gaps in their compliance programme, as well as an opportunity to provide compliance and ethics advice that may reduce future issues from occurring.

Reporter Allegations vs Inquiries



2 d. 2020 EMEA & APAC Percentage of Reports By Allegation Category – By Month

This year, NAVEX Global examined reports by report categories on a month-by-month basis. This allowed for a more detailed view of precisely how external events – including the COVID-19 pandemic – influenced reporting types.

Findings

- Reporting types varied significantly month-to-month within EMEA & APAC organisations.
- Environment, Health and Safety (EHS) reporting rose in March as COVID-19 spurred lockdowns across the globe.
- Business Integrity claims rose in August amid increasing concerns around “COVID corruption”.

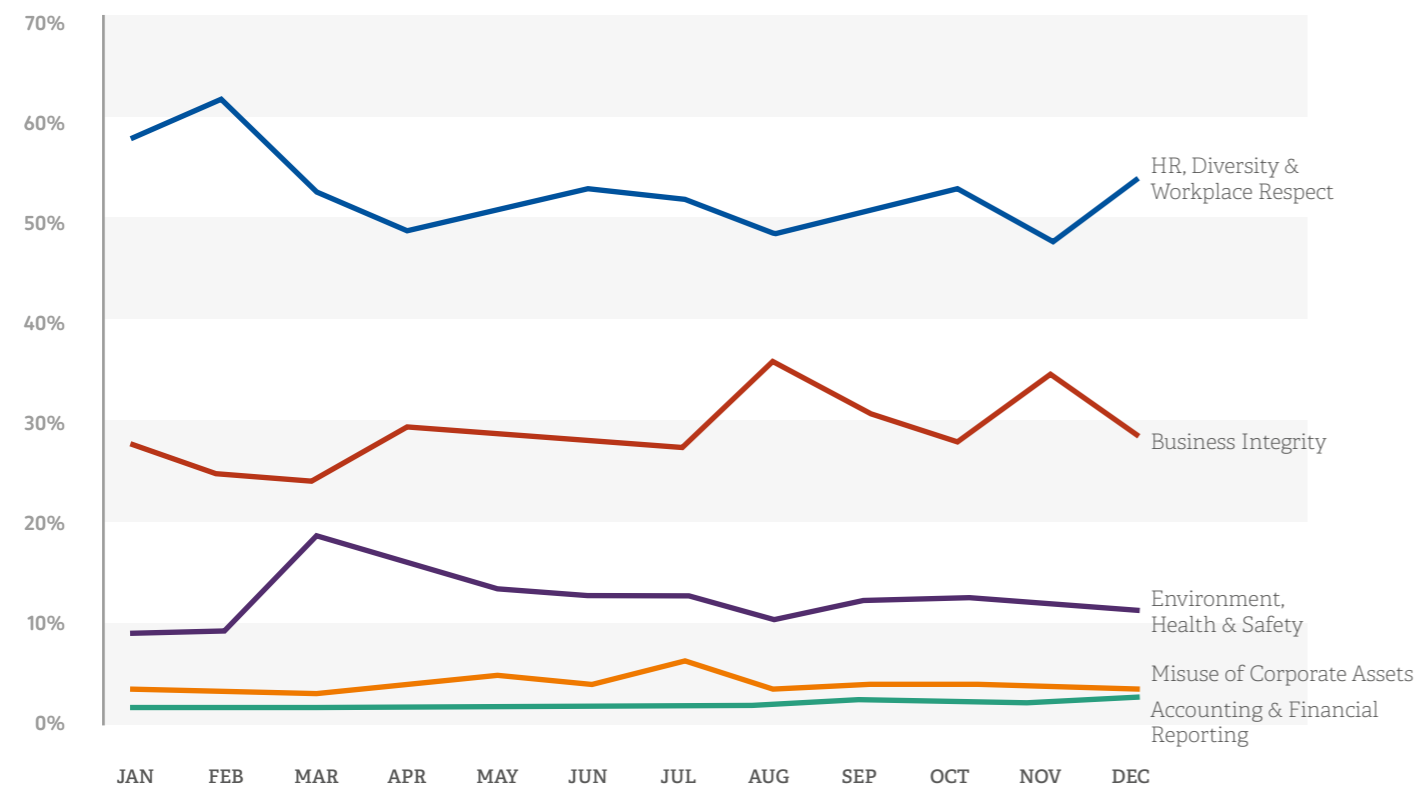
Analysis

Report categories witnessed significant volatility in 2020 – yet another sign of the impact the COVID-19 pandemic had on reporting. In March, there was a spike in EHS reporting which coincided with the rise of COVID-19 infections and the onset of national lockdowns. This is likely the result of an increase in COVID-related health and safety concerns amongst employees as the threat of infection grew.

The increased share of EHS reports came largely at the expense of HR, Diversity and Workplace Respect reporting. While this may be attributable to the category’s status as the default reporting designation, anxiety over job security during this period may have also played a role. Historically, periods of economic contraction are usually accompanied by depressed HR reporting, as employees’ fear of retaliation overrules their desire to report abuse.

By August, we see that the relative share of reporting had shifted towards Business Integrity claims. This aligns with the brief period between the first and second COVID-19 infection waves, during which we witnessed increased attention paid to corruption issues that had likely been unidentified or ignored during (or enabled by) the early COVID-19 lockdowns and response.

2020 Share of Reporting Categories for EMEA & APAC By Month



3. Anonymous Reporting Rates



3. Median Anonymous Reporting Rate

The *Anonymous Reporting Rate* shows the percentage of all reports submitted by individuals who chose to withhold their identity when making a report.

Findings

- Anonymous reporting rates increased for European organisations, aligning with those for North American organisations.
- Anonymous reporting rates declined for APAC organisations for the 4th year in a row, while rates for South American organisations decreased for the first time.
- This data may point to a normalisation across all regions towards a possible global standard median anonymous reporting rate.

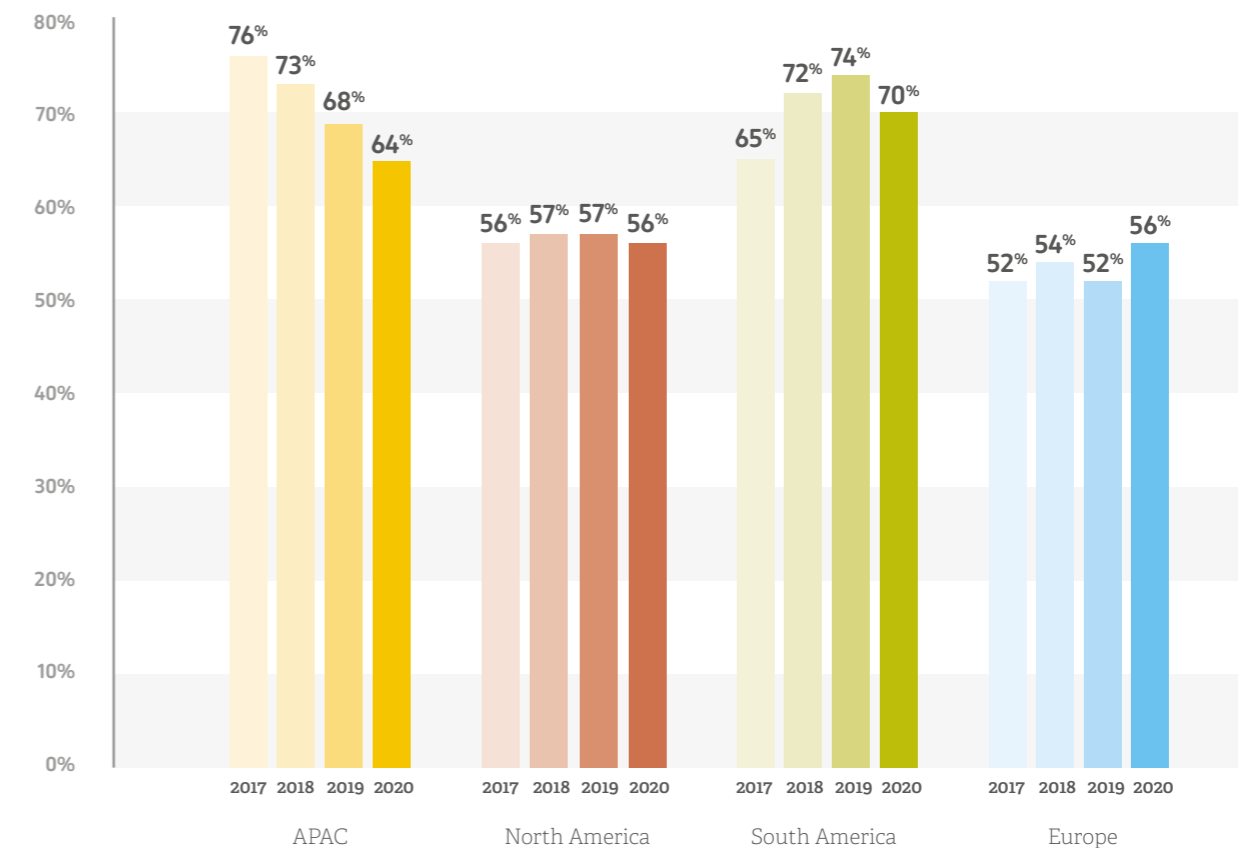
Analysis

In 2020, we saw anonymous reporting rates increase for European organisations from 52% to 56%. This increase may signal a growing lack of trust with the reporting process and fear of retaliation or reprisals against the whistleblower. However, we should take this increase into perspective; European and North American anonymous reporting rates are now in alignment, and are both significantly lower than those found for the APAC and South American regions.

For APAC organisations we continue to see a steady decline in anonymous reporting, with South American rates also falling in 2020. It is especially positive to see the once-high anonymous reporting rates continue to decline for APAC. With four years of regional benchmark data now available, we can start to see longer-term trends appearing. It will be interesting to see if next year's figures continue to show a decline in anonymous reporting rates for both APAC and South American organisations.

Overall, the gap in anonymous reporting across regions, while still present, is at its lowest point since tracking began. Taken collectively, these converging multiyear trends – decreasing anonymous reporting rates for APAC, slightly increasing rates for Europe, and stability in anonymous reporting for North America – point to a normalisation across all regions, with a potential global standard for median anonymous reporting rates in the near future.

Median Anonymous Reporting Rate



4. Substantiated Reports



4 a. Median Substantiation Rate

The *Median Substantiation Rate* reflects the rate of allegations from both named and anonymous reporters that were determined to have at least some merit to them, termed as substantiated or partially substantiated.

Findings

- Substantiation rates for European organisations declined again in 2020 – but rose for the UK.
- APAC and South American substantiation rates dropped to their lowest recorded levels.
- Substantiation rates held steady for North American organisations.

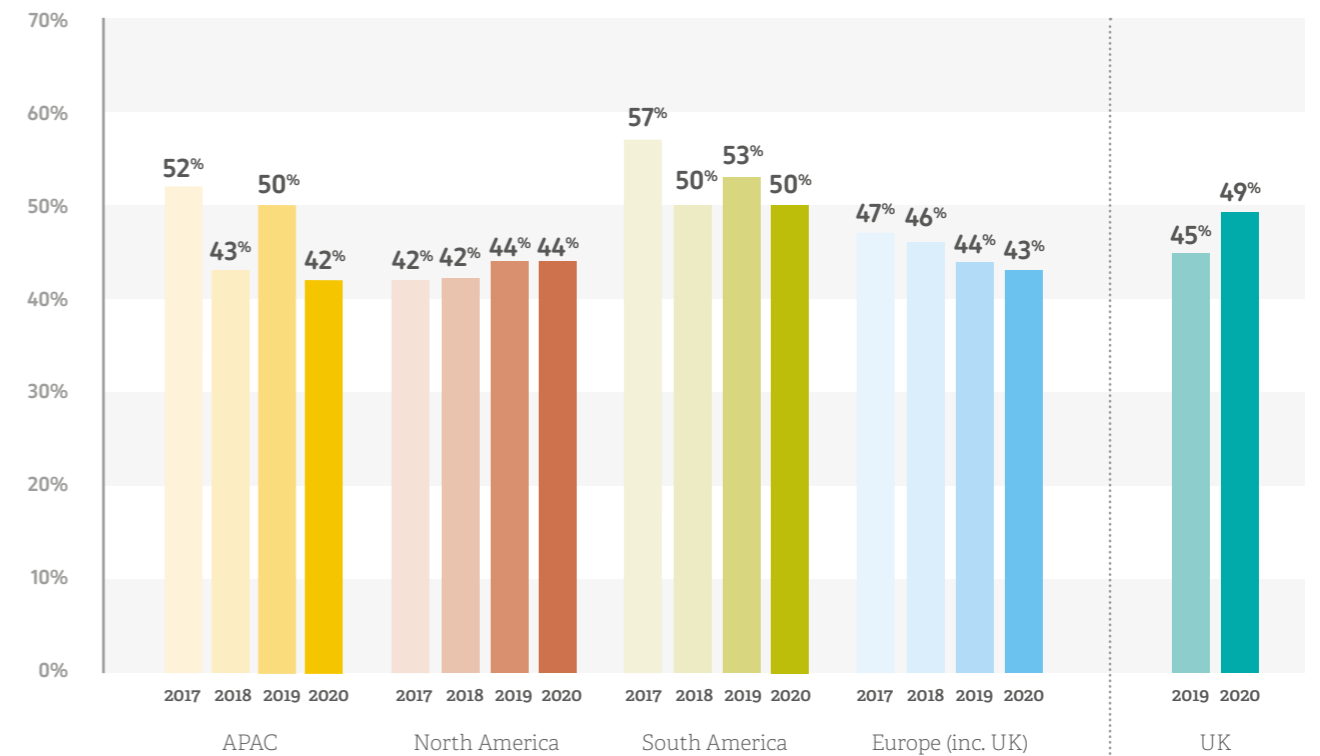
Analysis

We have seen a slow but continual decline in substantiation rates for European organisations over the past four years, reaching a new low of 43% in 2020. However, the increase in substantiation rates seen for UK organisations helped to minimise the overall decline in Europe in 2020. If we exclude the UK data from Europe, the European substantiation rate drops to 41%.

The importance for generating greater awareness and training around whistleblowing is clear. As more European organisations implement speak-up programmes, and as employees transition to a hybrid working environment, training the workforce on when to report and what concerns should be reported is a critical part of any compliance programme.

APAC organisations meanwhile, continue to show inconsistent substantiation rates. The drop in 2020, when taken together with the drop in the median reporting volume, should be of some concern for organisations based in this region. We would not usually expect to see substantiation rates decline when the report volumes drop, so this may be a result of the pandemic creating uncertainty around whistleblowing, the process involved, and a lack of communication and training caused by the switch to remote working.

Median Substantiation Rate



4 b. Median Substantiation Rate By Allegation Category

The *Median Substantiation Rate By Allegation Category* shows the Median Substantiation Rate for each of the five primary reporting categories (the definitions of which can be found in the 'How we Calculate our Benchmarks' section of this report).

Findings

- Substantiation rates declined across nearly every category and region in 2020.
- Substantiation rates for Accounting, Auditing and Financial reporting dropped significantly for South American and European organisations.

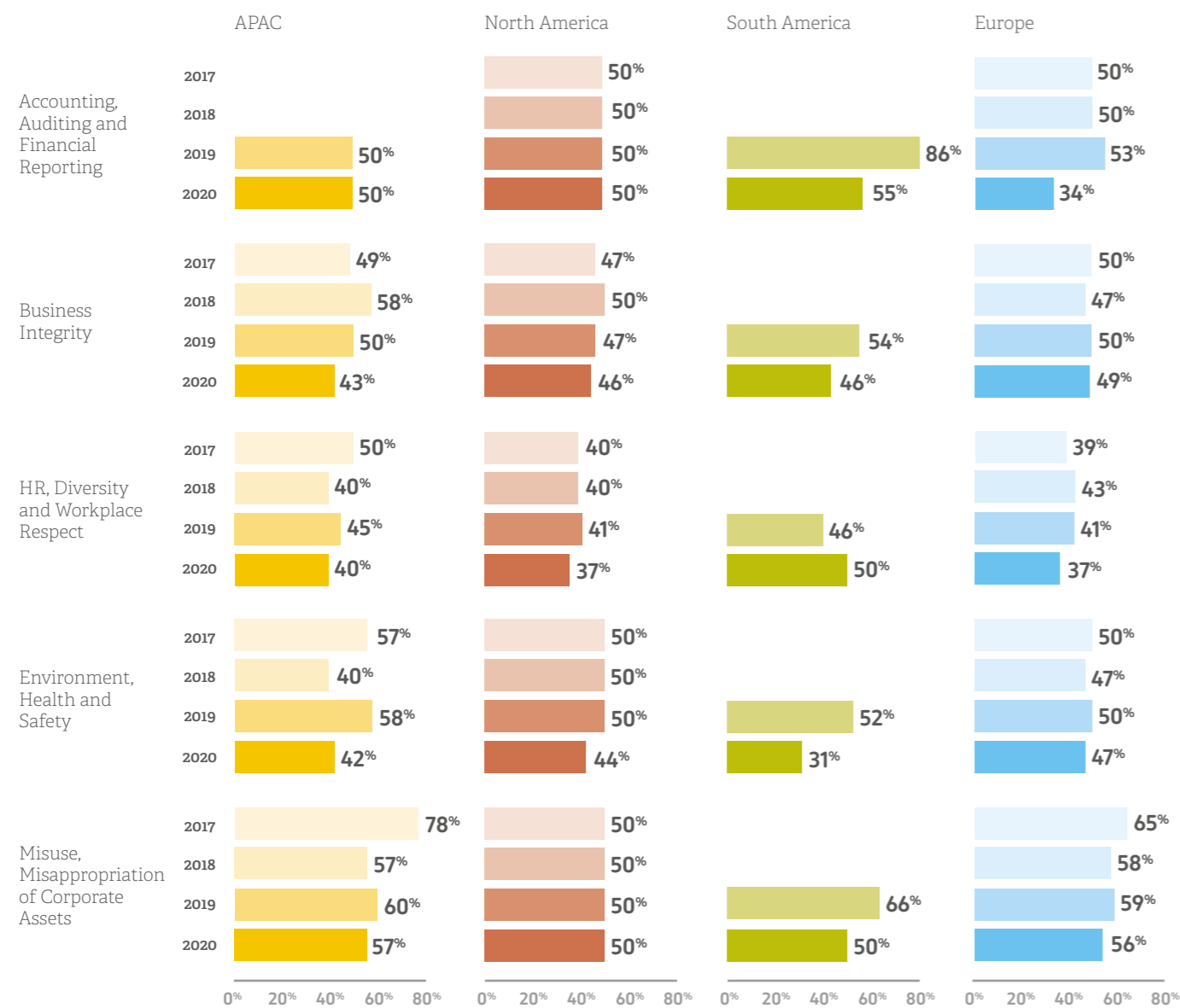
Analysis

In 2020, substantiation rates dropped for nearly every category and every region. We may speculate this could be the impact of the move to remote working or a general change in workplace welfare affecting all reporting concerns.

While some regions reported an increase in Environment, Health and Safety volumes during 2020, all regions saw a significant drop in EHS substantiation. We should again look to the pandemic as a key external influence. This highlights the importance of educating an organisation's workforce on what issues to report and for extending speak-up programmes to offer advice and guidance on recent events and concerns.

For European organisations, we witnessed an especially significant drop in substantiation rates for Accounting and Finance reports from 2019 to 2020. This could be due to the difficulties in auditing in a remote working environment or placing the same emphasis on due diligence on accounting practices in light of a challenging economic environment.

Median Substantiation Rate by Allegation Category



4 c. Substantiated Anonymous vs. Named Reports

The *Comparison of Substantiation Rates Between Anonymous & Named Reports* shows the percentage of all reports submitted by reporters who chose to remain anonymous versus the percentage of all reports submitted by reporters who did disclose their identity.

Findings

- The substantiation gap between named and anonymous reporting widened in all regions except APAC which saw a significant reduction in named substantiation.
- Named substantiation rates held or increased in all regions except APAC.
- Anonymous substantiation decreased across all regions.

Analysis

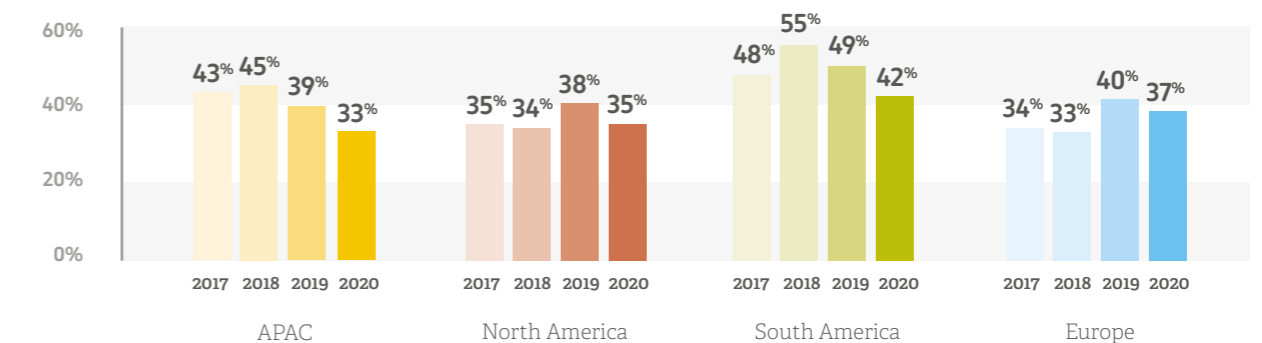
While median substantiation rates fell in the majority of regions, a view of substantiation rates amongst named vs. anonymous reports details a more nuanced picture. In all regions except APAC, named substantiation rates held steady or improved slightly in 2020, which is encouraging. APAC did see a significant decline, though this is in part due to the atypically high substantiation rate it achieved in 2019. However, organisations headquartered in the APAC region also experienced the largest drops in anonymous substantiation.

Overall, this year's declines in substantiation have occurred amongst anonymous reports. It should be noted that anonymous reporting continues to spark global debate. The EU Whistleblower Directive allows member states to determine how they will approach reporter anonymity, and some states, such as Spain and Portugal, take comparatively restrictive stances on anonymous allegations.¹

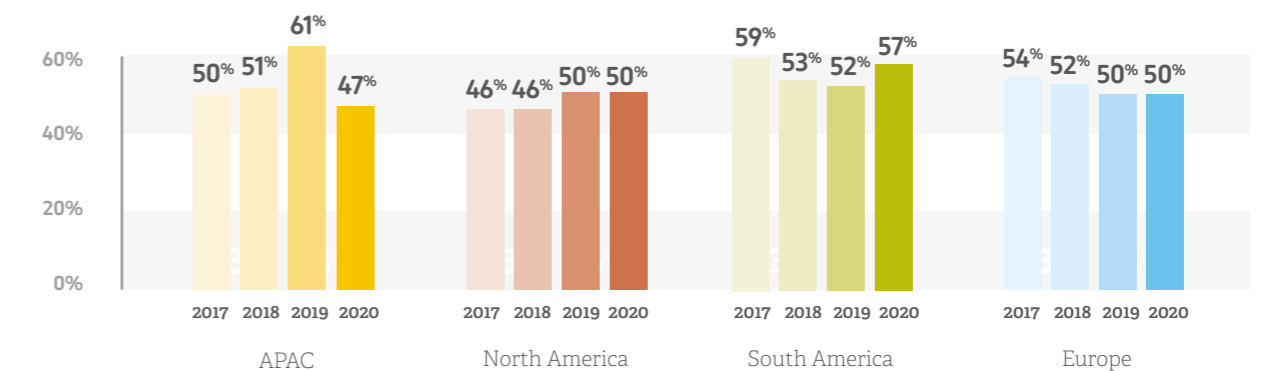
However, anonymous reporting channels still provide valuable risk insights to organisations. Even those not positively predisposed toward anonymous reporting will want to closely monitor anonymous substantiation rates as a measure of programme effectiveness.

Comparison of Substantiation Rates Between Anonymous & Named Reporters

Anonymous Substantiation



Named Substantiation



1. Stappers, Jan. "What Is Happening with the EU Whistleblower Protection Directive in the Different Countries." WhistleB (blog), February 25, 2020. >>>

5. Case Closure Time



5 a. Median Case Closure Time in Days

Median Case Closure Time measures the number of calendar days it takes an organisation to close a case. Reducing case closure times is a vital step towards increasing employee engagement and trust in your speak-up programme.

Findings

- Case closure times fell across every region in 2020 except for UK organisations.
- North America continues to outperform other regions, taking a median of 37 days to close a case.
- Despite improvement, European organisations continue to have the longest case closure times.

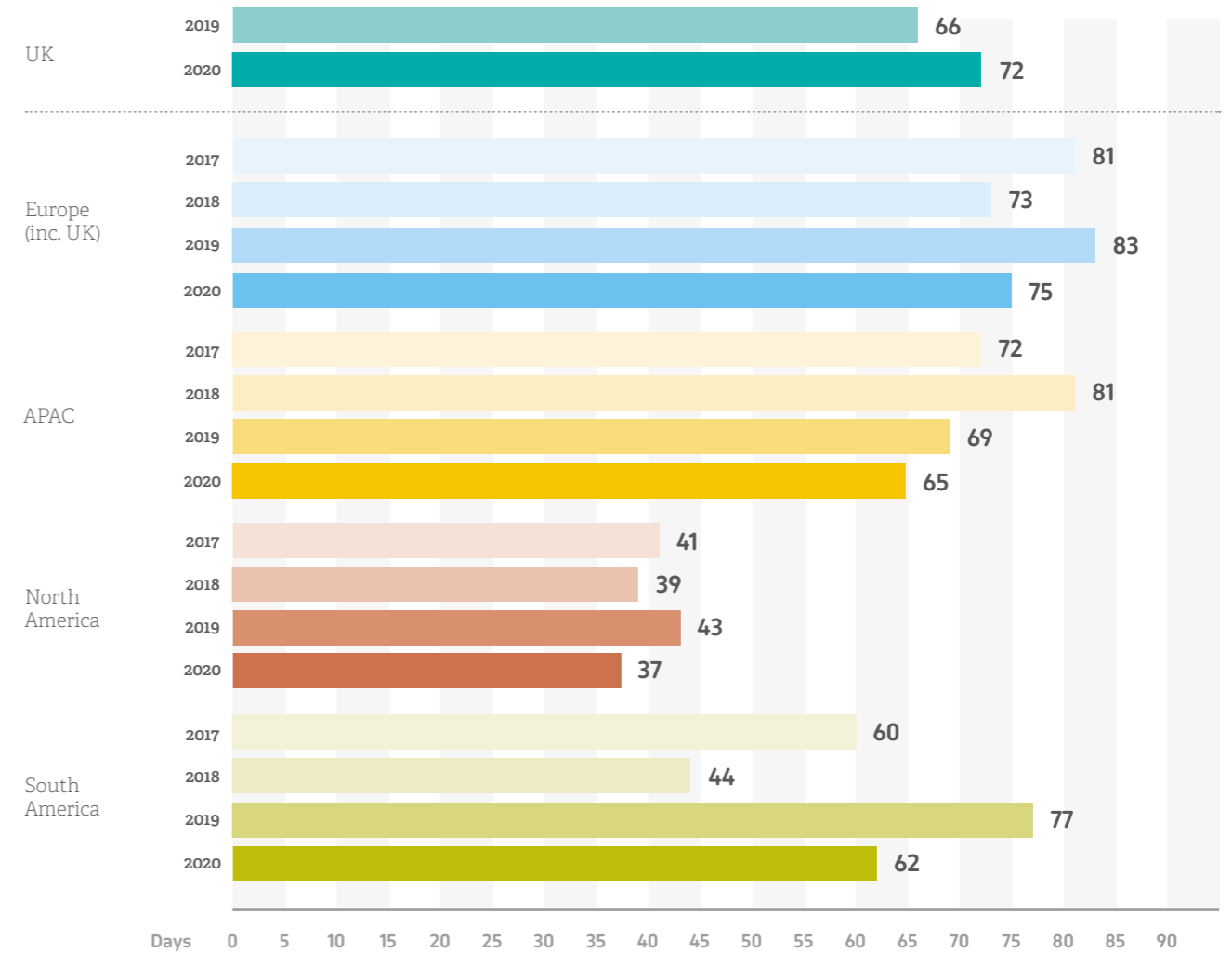
Analysis

North American organisations saw a median of 37 days to close a case compared to 62 days for South America, 65 for APAC and 75 for Europe. Historically, US organisations have always shown better case closure rates. This could be driven by several factors, including the regulatory structure, SEC incentives, and greater programme investment.

Case closure times fell last year across every region. This could be due to factors such as reduced report volumes and lower case complexity (EHS reports – which increased in 2020 – tend to be more straightforward than other report types). Considering organisations have had to undertake many of their investigations remotely, these universal reductions are a particularly positive result.

However, while European case closure times decreased overall, the UK case closure rates increased last year, making it a global anomaly. It could be argued we are witnessing the impact of the EU Whistleblower Directive, as UK-based operations will not be required to reach the minimum response times to provide feedback on cases it outlines.

Median Case Closure Time in Days



5 b. Median Case Closure Time By Report Category for EMEA & APAC

The *Median Case Closure Time By Report Category* metric measures the number of calendar days it takes an organisation to close a case for each of the five primary reporting categories (the definitions of which can be found in the 'How we Calculate our Benchmarks' section of this report).

Findings

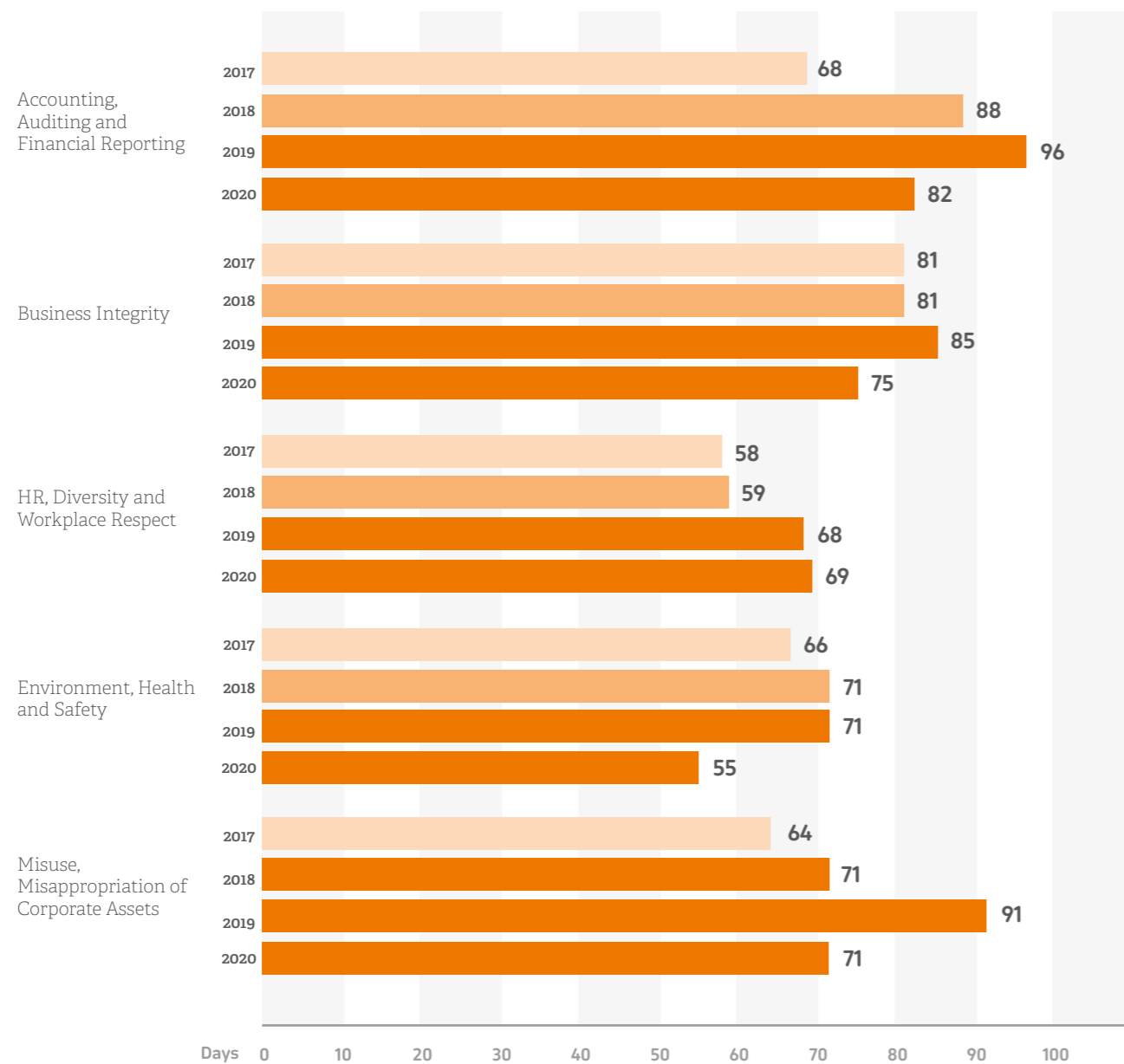
- All report categories other than HR, Diversity and Workplace Respect saw substantive reductions in case closure times.
- Environment, Health and Safety claims dropped by 22.5% to 55 days, making it the category with the lowest case closure time.

Analysis

The reduction in overall case closure times by region is reinforced when viewing the data by allegation category. Every allegation category experienced significantly lower case closure times in 2020, with the sole exception of HR, Diversity and Workplace Respect reports – and even those case closure times remained nearly unchanged.

Environment, Health and Safety reports saw the greatest reduction, shrinking from a median of 71 days to 55 days in 2020. This dramatic reduction may be due to the number and type of EHS allegations made as a result of COVID-19, many of which were related to the use of personal protective equipment (PPE).

EMEA & APAC Case Closure Time by Report Allegation Category in Days



5 c. Median Case Closure Time By Anonymous vs. Named Reports

The *Median Case Closure Time By Anonymous vs. Named Reports* metric measures the number of calendar days it takes an organisation to close a case, segmented into those submitted by reporters who chose to remain anonymous versus the percentage of all reports submitted by reporters who did disclose their identity.

Findings

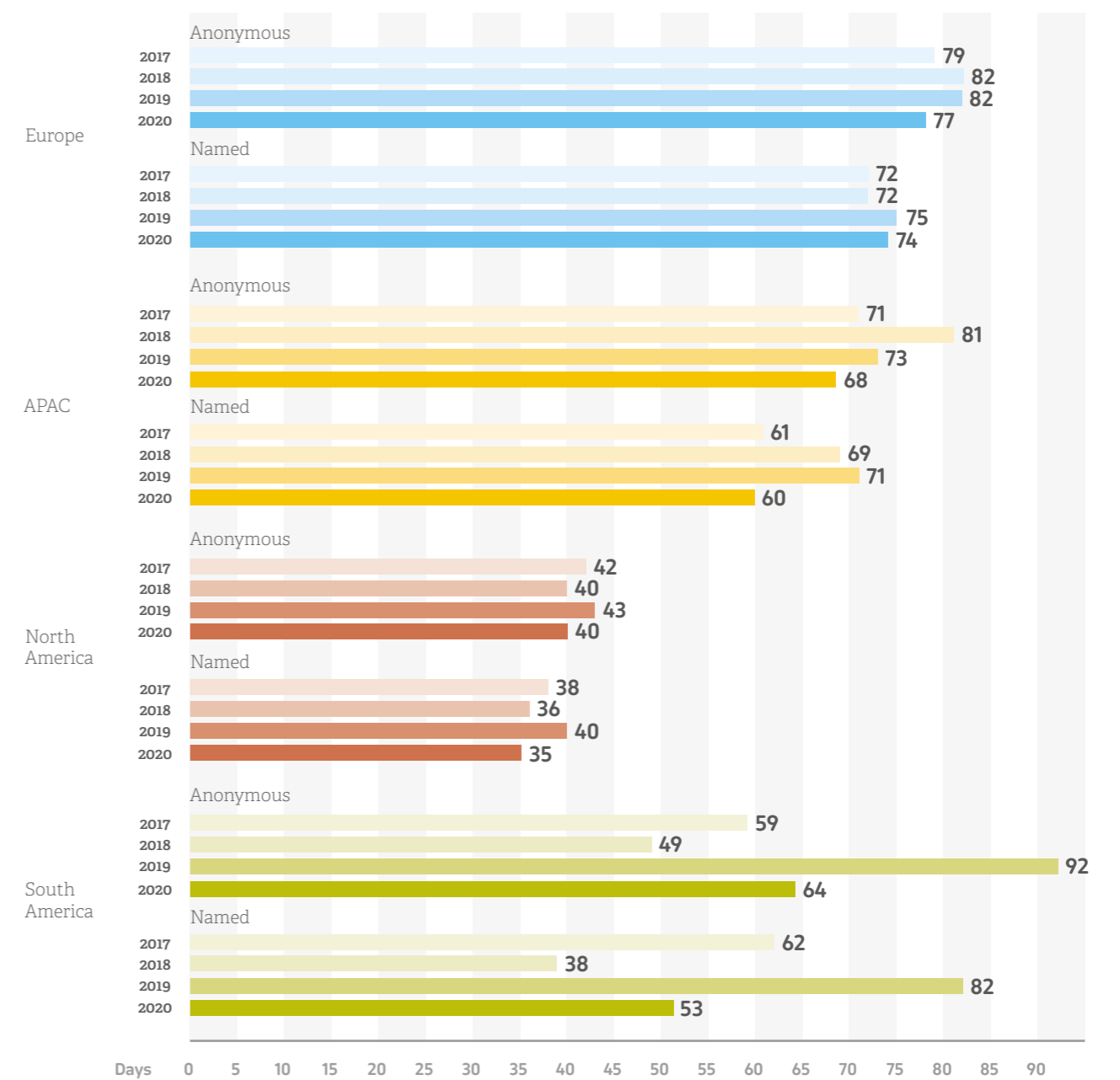
- All regions except Europe show significantly reduced case closure times for named reports relative to anonymous ones.
- All regions except Europe saw greater relative and absolute reductions in their named case closure times.

Analysis

While reductions in case closure times were realised for both named and anonymous reports, the most significant improvements were made in named reports – both in absolute (number of days) and relative (percentage change) terms. European organisations, however, proved an exception to this rule where named report case closure times improved by only one day in 2020 over 2019.

The nominal gains made by European organisations came almost exclusively from anonymous report case closure times, another indicator that improving case closure times should be a top priority for European programmes.

Case Closure Time in Days by Anonymous vs Named Reporters



6. Reporting Intake Method



6 a. Report Intake Method Comparison

Offering a variety of options for employees to make a report such as telephone, web and open-door conversations allows employees to choose the communication method they most prefer and trust, increasing the likelihood of a report being submitted.

Findings

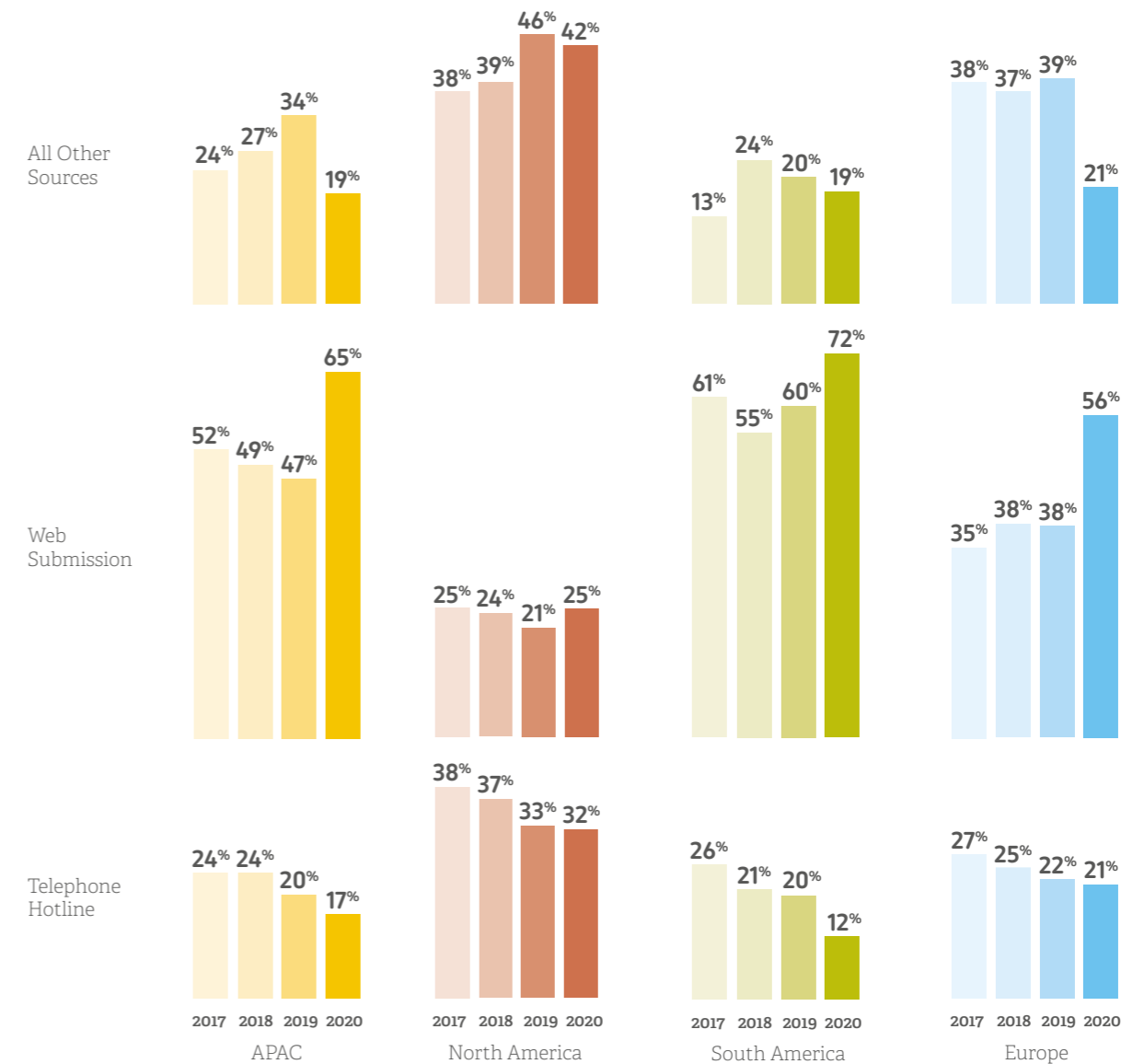
- Web submissions increased significantly during 2020 across every region.
- Non-web and telephone reporting has decreased across all regions in the past year.

Analysis

Significant year-over-year changes seen in 2020 are the rise in web reporting and the corresponding decline in reporting from all non-web and non-telephony sources. While occurring across all regions, this flip is most pronounced for APAC and European organisations, where employees have moved to using on-line channels more effectively than elsewhere.

The move to remote and hybrid working in 2020 reversed the gains that 'All Other Sources' reporting had made in previous years, as employees swiftly found themselves having less direct access to management, thus lowering the opportunities for direct and in-person reporting. With research showing that nearly half of employees will continue to work remotely at least some of the time post pandemic it is important that they are kept aware of how to report, the channels that are available to them, and what they should be reporting on.

Report Intake Method Comparison



Note: Percentages may not total 100% due to rounding.

6 b. Median Substantiation Rate By Intake Method

The *Median Substantiation Rate By Intake Method* metric measures the rate of allegations from both named and anonymous reporters that were determined to have at least some merit to them, segmented by the method in which they were received – either telephone hotline, web intake, or other forms such as open-door, email, postal mail, and manager submissions.

Findings

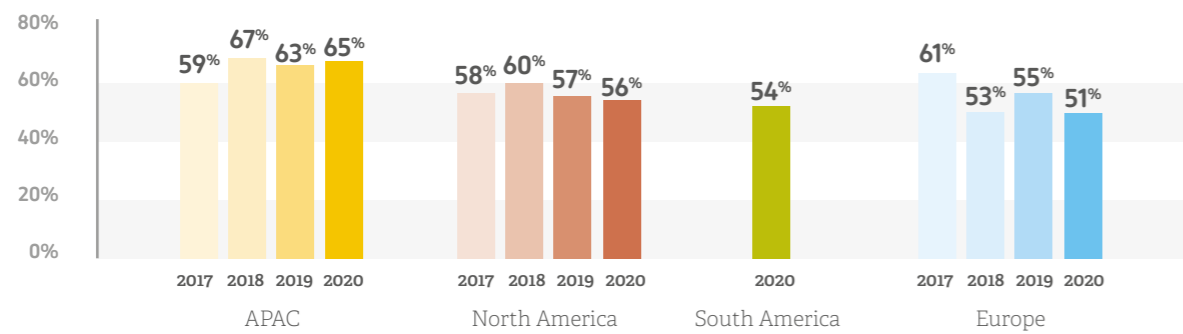
- Substantiation rates continue to be highest amongst reports received from non-telephony and non-web intake submissions.
- APAC organisations have seen small but consistent year-over-year declines in the substantiation rate of their web and telephony-based reports.

Analysis

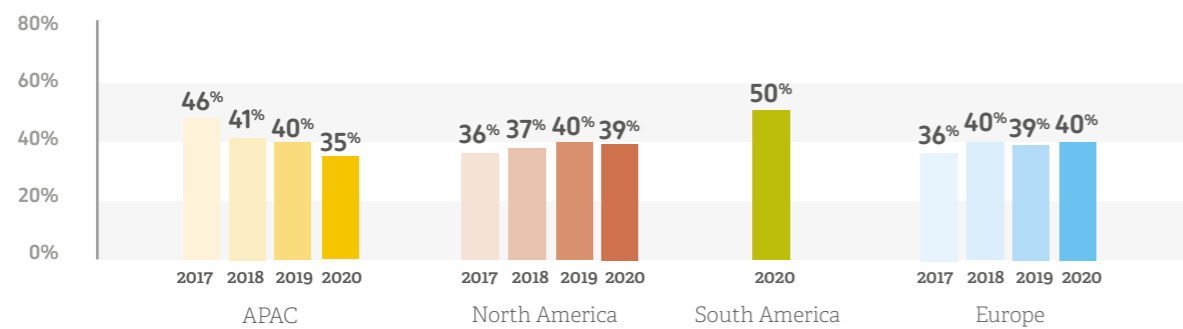
One of the most remarkable aspects of this metric is its consistency. Of the 9 year-over-year changes measured here, only 3 reflect shifts of over 2 percentage points. Two of those shifts reflect multi-year declines in substantiation within the APAC region, for reports received via telephone hotlines and for web-based submissions. The third shift is the 4 percentage point decline seen in the European substantiation rate for reports received by non-telephony and non-web sources in 2020. Unlike the APAC declines noted above, this year-over-year trend is less consistent; however, Europe has tended to lag behind the other regions surveyed for several years now, making this another area European-based programmes should prioritise.

Substantiation Rates via Report Intake Method

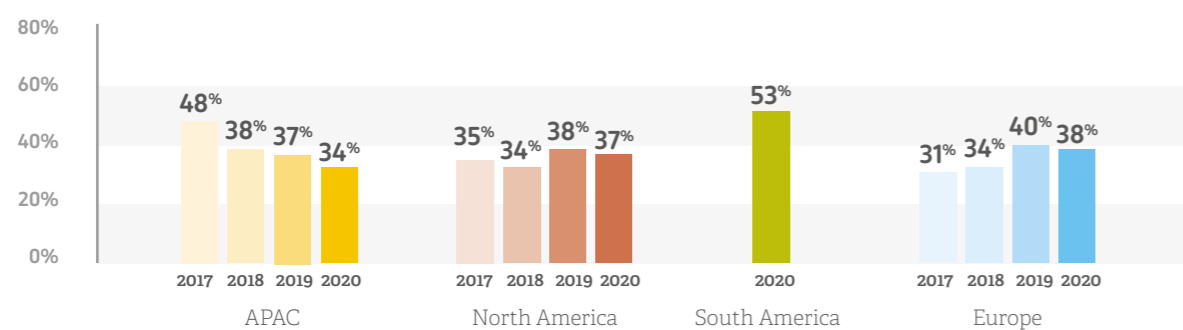
All Other Sources



Web Submission



Telephone Hotline



7. Reports of Retaliation



7. Percentage of Retaliation Reports

Reports of retaliation are a key metric enabling compliance functions to effectively protect reporters, promote reporting and measure an organisation's cultural health. The ability of an employee to report wrongdoing without fear of retaliation is both a legal necessity and critical to improving overall programme effectiveness. Please note that we're not able to show data for APAC or South American organisations as the dataset is too small.

Findings

- European retaliation reports grew as a share of total reporting for yet another year – but substantiation rates have dropped significantly.
- For North American organisations, retaliation reports again declined as a share of total reporting.

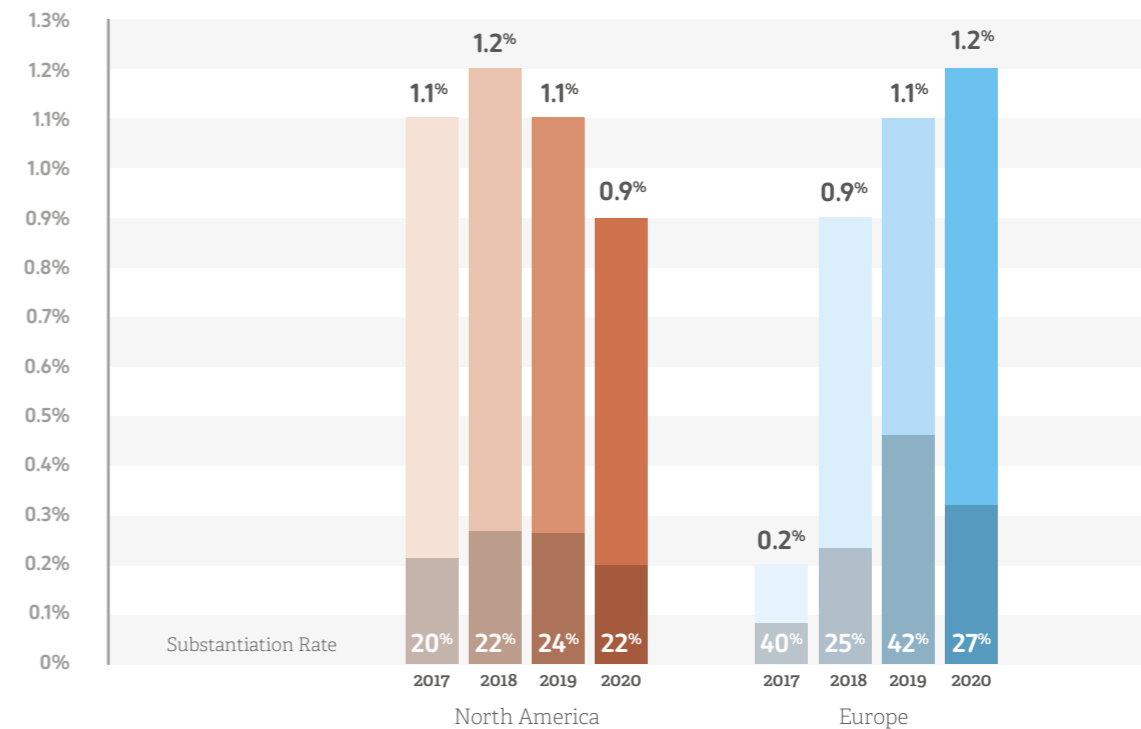
Analysis

NAVEX Global's data shows a stark contrast between European and North American organisations when it comes to the issue of retaliation reporting. In the former, retaliation reports have grown as a share of total reporting for four years running – a positive indication that speak-up culture is on the rise. However, there are some signs that should give European organisations pause, specifically the 36% (15 percentage point) decline in substantiation rates.

North American organisations, in contrast, saw the percentage of retaliation reporting decline for yet another year; retaliation reports currently constitute less than 1% of all reporting. While the region experienced a nominal substantiation decrease of 2 percentage points, its overall rate is still five percentage points behind that of its European counterparts.

The lack of retaliation reports has been a consistent concern within our benchmarks over the years, and is further examined within NAVEX Global's 2021 survey, 'The State of Whistleblowing in Europe'. Recent data suggests that organisations are failing to put adequate protections in place to protect those who speak up – an issue that will only grow in importance in the years to come.

Percentage of Retaliation Reports



8. Reports of Harassment and Discrimination



8. Percentage of Harassment and Discrimination Reports

Findings

- Harassment reports vary considerably by region, ranging from 4% of all reporting for North American organisations to 18% of reporting for APAC-headquartered organisations.
- North American organisations have both the lowest percentage rates of harassment and the lowest substantiation rate for harassment claims.
- Discrimination reporting is broadly consistent across all regions.

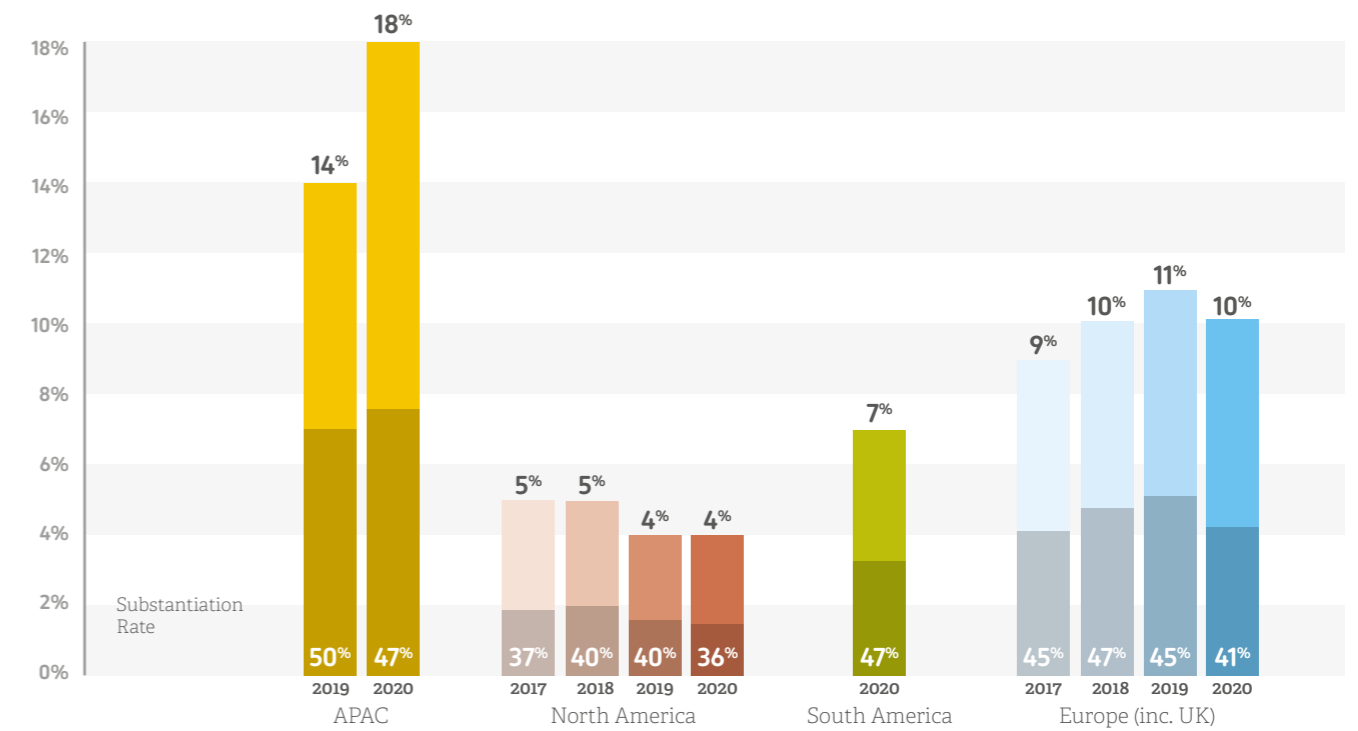
Analysis

While harassment reporting rates vary considerably across regions, APAC organisations have the highest rates of harassment claims, with nearly one out of every five reports being an allegation of workplace harassment. This high reporting rate is actually an encouraging sign, as it can serve as an indication of how positively the reporting of these concerns is viewed in this region.

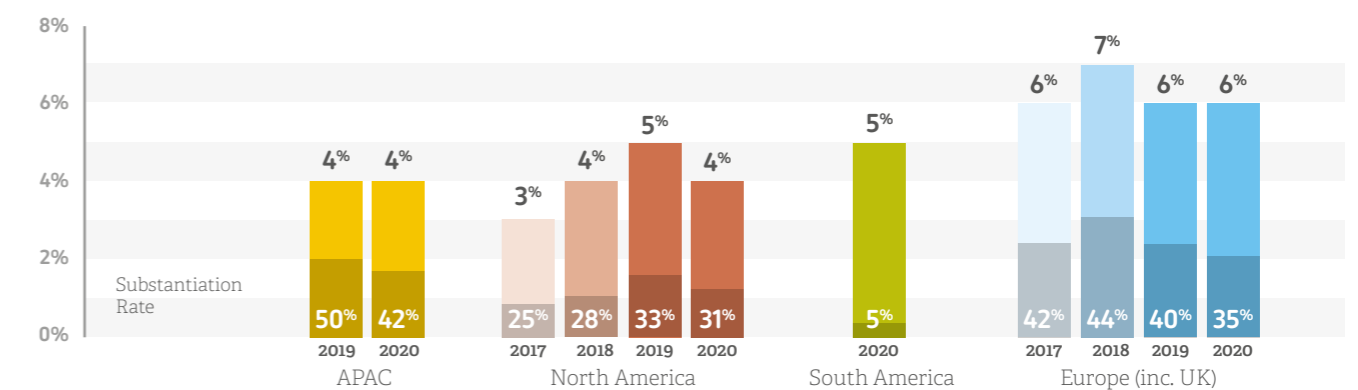
North American organisations, meanwhile, have a harassment reporting rate of only 4%, and a substantiation rate of 23% lower than their APAC and South American peers. As with retaliation reporting, this region's comparatively low harassment reporting rate is likely less a reflection of actual declines in misbehaviour and more likely a result of unemployment fears and the chilling effect they have historically had on this type of reporting.

In contrast to harassment reporting, discrimination reports are consistent across all regions.

Percentage of Harassment Reports



Percentage of Discrimination Reports



9. Report Origination



9. Report Origination Breakdown By Geography

The *Report Origination* data shows where the reports originate across our database. The graph below shows the region where each report included in our benchmark was submitted. **This should not be confused with the rest of the data provided in this benchmark which is based on where the organisation's HQ is located.**

Analysis

We show two sets of report origination data in our benchmark – report origination for reports taken from all organisations (“All Organisations”) and reports taken from only those organisations headquartered in EMEA and APAC, (“EMEA & APAC HQ”). As organisations continue to see larger and wider geographical footprints, we will continue to provide more detailed benchmarking by geography.

Findings

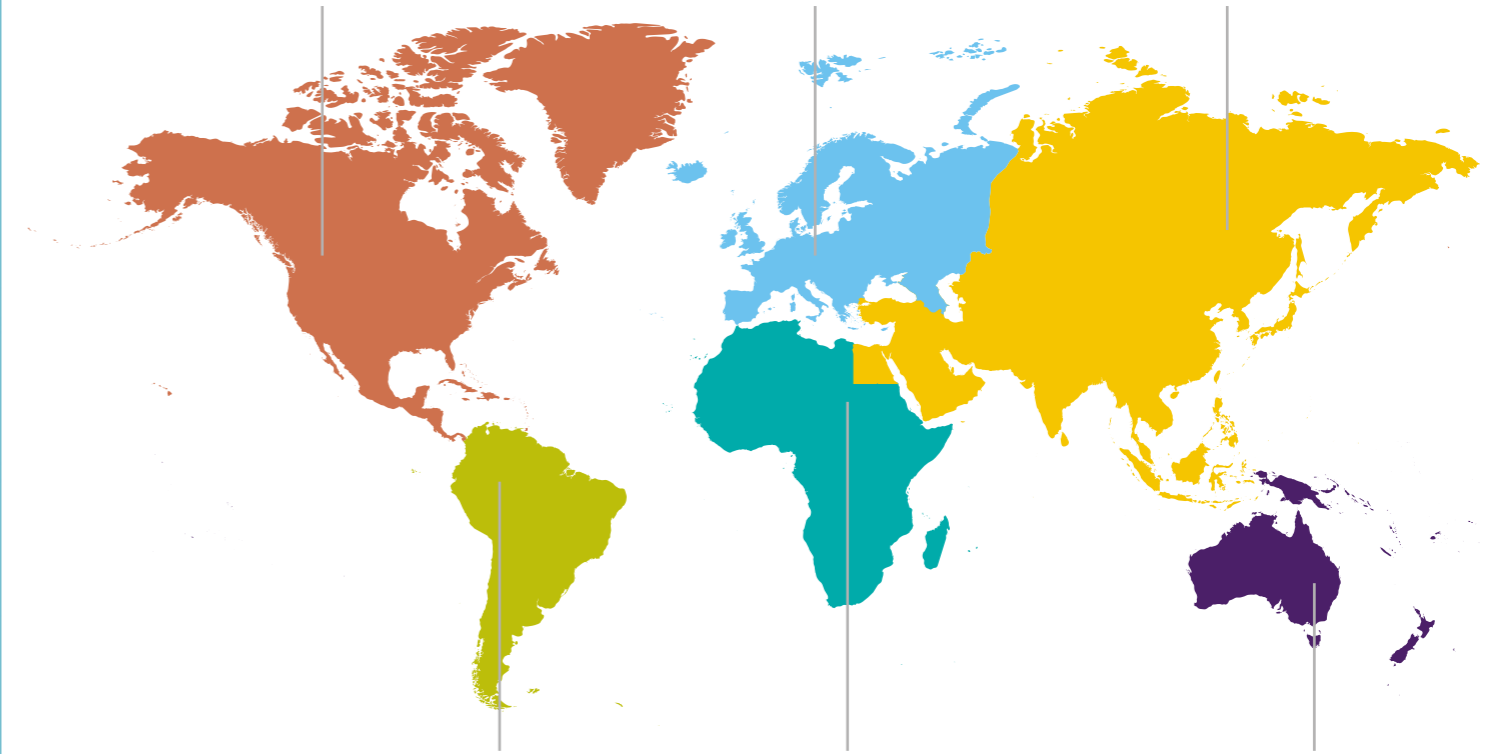
- While globally there is a greater percentage of reports being submitted in North America than in any other region, when we analyse reports taken from only those organisations based in EMEA and APAC, Europe outperforms all regions for the first time in 2020.

Percentage of Reports by Report Origin

North America				
All Organisations				
82%	83%	81%	80%	
2017	2018	2019	2020	
EMEA & APAC HQ				
34%	35%	28%	22%	
2017	2018	2019	2020	

Europe				
All Organisations				
3%	4%	5%	5%	
2017	2018	2019	2020	
EMEA & APAC HQ				
23%	24%	23%	30%	
2017	2018	2019	2020	

APAC & Middle East				
All Organisations				
9%	7%	8%	6%	
2017	2018	2019	2020	
EMEA & APAC HQ				
20%	21%	23%	19%	
2017	2018	2019	2020	



South America				
All Organisations				
4%	5%	4%	6%	
2017	2018	2019	2020	
EMEA & APAC HQ				
11%	9%	10%	12%	
2017	2018	2019	2020	

Africa				
All Organisations				
1%	1%	2%	1%	
2017	2018	2019	2020	
EMEA & APAC HQ				
6%	5%	6%	4%	
2017	2018	2019	2020	

Australasia				
All Organisations				
1%	1%	1%	1%	
2017	2018	2019	2020	
EMEA & APAC HQ				
6%	7%	10%	9%	
2017	2018	2019	2020	

Conclusion and Key Takeaways

Below are our recommendations, based on the key insights from this report, to help risk and compliance functions continually improve and develop their speak-up programmes.

Prepare for increases in report volume and case complexity

In 2020, organisations demonstrated considerable skill in adapting their reporting and incident management systems to the realities of work under COVID-19. Substantiation rates largely held or improved, as did case closure times. However, this shift did result in several potentially temporary changes – particularly decreased report volumes and increased EHS reporting – that eased the burden for many compliance programmes. As organisations transition to a post-COVID working environment, compliance programmes should anticipate a rise in report volumes and increased case complexity as straightforward EHS reports give way to more Business Integrity and HR allegations.

Raise awareness of, and access to, non-telephony and non-web reporting

While changes to report volume and allegation categories are almost certainly temporary, other shifts may prove to be long-lasting. This is likely to be the case with the shift away from intake methods such as open-door and manager submissions in favour of web-based reporting. This poses a challenge for compliance programmes, as the former are significantly more likely to be substantiated. As organisations transition from temporarily remote to (likely) more permanent hybrid work environments, it will be incumbent upon programmes to generate awareness of these alternative reporting methods, and to ensure that employees can safely and easily access them.

Prioritise improving case closure times (Europe)

While good advice for any programme, this recommendation is especially pertinent for those organisations headquartered within Europe. As this year's report again demonstrates, Europe is lagging behind other regions when it comes to case closure times; UK programmes even saw increases in this key metric. This issue is likely to grow in importance as the requirements of the EU Whistleblower Directive come into full effect. European organisations should dedicate the time, resources and staff necessary to bring their case closure times into closer alignment with the rest of the world.

Promote a speak-up culture (North America)

While European organisations have demonstrated a comparative weakness with respect to case closure times, those headquartered in North America have likewise shown a worrying trend with respect to reports of retaliation. The share of retaliation reports among these organisations has fallen yet again, dipping below 1% for the first time. While one can hope this is due to a lack of actual retaliation, it is instead likely that the decline is a reflection of employee fears and an underdeveloped speak-up culture. North American programmes should prioritise efforts to improve this key metric in the coming year.

Increase awareness and understanding of rapidly evolving regulation and legislation

This year's benchmark showed the EU region demonstrating trends that were likely influenced by the EU Whistleblower Directive. However, while awareness of the directive may be high, early evidence indicates that many organisations have yet to fully understand it. Moreover, comprehension can vary considerably by region and audience. Programmes should undertake significant effort in the coming year to prepare their workforce and leadership for rapid change as new whistleblowing legislation takes effect.

How we Calculate our Benchmarks

For statistical accuracy, our analysis includes only those organisations that received ten or more reports within a calendar year. To remove the impact of outliers that might skew the overall reporting data, we carefully calculated benchmarks for each organisation and then identified the median (midpoint) across the total for each region. This reporting methodology allows us to create a clearer picture of what is actually happening in our clients' organisations as well as to provide you with benchmarking data that is not skewed by organisation size.

All information gathered was anonymised and aggregated without the need to access any personal or identifiable information contained within the data and in accordance with all applicable data protection laws. Each whistleblower report used in this benchmark has been categorised by the region where the company's headquarters is based. That has allowed us to create individual benchmarks for each of the four global regions represented in this report.

Below are the methods of how each of the key benchmarks presented in this report were calculated:

1. Volume per 100 Employees – take the total number of unique contacts (incident reports, allegations and specific policy inquiry questions) from all reporting channels received during the period, divide that number by the number of employees in your organisation and multiply it by 100.

2. Report Categories – ensure that each report is placed into one of the five report allegation categories shown below. Then, divide the number of reports in each of the five categories by the total number of reports created during the reporting period.

Categories of reports used

- 1. Accounting, Auditing and Financial Reporting**
(i.e financial misconduct, internal controls, expense reporting)
- 2. Business Integrity** (i.e bribery, falsification of documents, fraud, COI, vendor/customer issues, HIPAA, GDPR)
- 3. HR, Diversity and Workplace Respect**
(i.e discrimination, harassment, compensation, general HR and cases marked as "other")
- 4. Environment, Health and Safety**
(i.e EPA compliance, violence, safety, substance abuse)
- 5. Misuse, Misappropriation of Corporate Assets**
(i.e employee theft, time clock abuse)

3. Anonymous vs Named Reporters – divide the number of contacts submitted by a reporter who withheld their identity by the total number of contacts received.

4. Substantiated Reports – divide the number of all reports that are fully or partially substantiated by the total number of reports that were closed as substantiated, partially substantiated, and unsubstantiated.

5. Case Closure Time – first calculate the number of days between the date a case is received and the date it is marked closed. Calculate for each case closed during the reporting period. Then, calculate the case closure time by dividing the sum of all case closure times by the number of cases closed in the reporting period.

6. Reporting Intake Method – group all non-telephone hotline and non-web reports (like open door, email, postal mail, fax and manager submissions) together as "All Other Methods," and then tally up the number of reports received by each method and divide by the total number of reports.

7. & 8. Reports of Retaliation, Harassment and Discrimination – take the number of retaliation, or discrimination, or harassment reports made as the primary allegation and divide that by the total number of reports.

9. Report Origination – first, identify the country location for each report, then categorise that country by region. To determine the report distribution, divide the total number of reports from each continent by the total number of reports received.

About the Authors



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Carrie Penman is the Chief Risk & Compliance Officer for NAVEX Global. Carrie has been with NAVEX Global since 2003 after serving four years as deputy director of the Ethics and Compliance Officer Association (ECO).

Carrie was one of the earliest ethics officers in America. She is a scientist who developed and directed the first corporate-wide global ethics programme at Westinghouse Electric Corporation. Since joining NAVEX Global she has conducted numerous programme and culture assessment projects for its clients and regularly works with, and trains, company boards of directors and executive teams. Winner of the ethics and compliance initiatives' Marshall Award for innovation in corporate ethics, and the first ever recipient of Compliance Week's Lifetime Achievement award, Carrie also served as a corporate monitor and independent consultant for companies with government agreements.

Carrie is the author of numerous compliance related articles and commentary and is regularly quoted as a compliance expert in press and publications including the Wall Street Journal.



Ian Painter

Director, International Marketing,
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Ian Painter is Associate Director, EMEA Marketing for NAVEX Global. A business graduate, Ian started his career in marketing communications with some of the world's leading high-tech brands.

Ian has authored many blogs, white papers and reports discussing best practice recommendations for businesses based in EMEA & APAC on topics including whistleblowing, sexual harassment, information and policy management, data privacy and third party risk. He has also conducted several market research projects on business, regulatory and compliance programme trends for European organisations.

As well as presenting at European compliance events, Ian has established NAVEX Global's risk and compliance roundtables and networking conferences that are free to attend for the risk and compliance community, now undertaken as virtual events.



Andrew Burt

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Andrew Burt is a writer and researcher for NAVEX Global, where he collaborates with risk and compliance experts to develop content offering information, education, and best practices on industry issues and trends. He is also responsible for the data collection and analysis that underlies the annual NAVEX Global Definitive Risk & Compliance Benchmark Report.

After obtaining his MPA from Indiana University, Andrew managed communications for the University of Oregon's Global Education Oregon initiative, where he directed messaging for over 20 educational programmes worldwide.

More recently, he served as a writer and research historian for the Reuben G. Soderstrom Foundation for Organized Labor Studies, and was co-author of the award-winning biographical series Forty Gavels.



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