

6 Whistleblower Hotline Myths Debunked

We don't have fraud, abuse, or other misconduct in our company.

MYTH

The median duration of fraud is typically around 18 months before being found out. This represents about 5% of revenue lost to fraud. Smaller organizations can't afford this. Many organizations with hotlines have opened them up to vendors and customers to report misconduct and these organizations have received valuable reports made by their third-parties. Reports from third-parties have helped these organizations identify bribes, kickbacks and other procurement-related schemes.

We have an open-door policy and employees can bring concerns to their supervisors

MYTH

Many times, managers are nervous about being blamed for misconduct that may be happening. And imagine how a whistleblower could feel when reporting sensitive information. They may be worried about being found out, or worried about what their colleagues will think. The employee may also be worried about retaliation and may be concerned about working with the person or people he or she reported about.

My organization is small, we don't need a hotline.

MYTH

Small businesses suffer greatly when fraud occurs because they simply can't afford the hit to revenue. Not to mention the reputational damage that is critically detrimental for not for profits, or other businesses that leaves the public questioning their business practices. Many small businesses don't have the resources to provide necessary internal controls. Where these resources are limited or departments are siloed, an ethics helpline can provide an extra layer of security to protect the business.

A hotline will be abused by frivolous reports.

MYTH

It is a legitimate concern that a hotline will open a box and suddenly everyone is complaining about everything. Ensure you have a whistleblower policy that outlines to all stakeholders the types of concerns that should be reported to the hotline. The purpose of a whistleblower policy is to encourage your employees and any other stakeholder to speak up about any concerns they have or misconduct they have witnessed that meets the guidelines of your policy.

My company can't afford to implement a hotline.

MYTH

A hotline really isn't that expensive. One issue identified could return your investment tenfold. Generally, you have one shot at getting the truth of any misconduct before it spirals out of hand! If an internal reporting hotline is not available, you may run the risk of employees going outside the organization to regulators or the media to tell their story.

REALITY

We have an internally run speak-up program and it's not generating feedback so why outsource?

MYTH

There's no right or wrong number of calls to a hotline, but usage rates can provide clues as to the effectiveness of your internal program and workplace culture. For example, if you are receiving a smaller number of reports, or none at all, especially if you are a larger organization, the question could be asked "do employees know when and how to speak up". Or do employees feel safe speaking up?

REALITY