



**ETHICS & COMPLIANCE:**

# **The Biggest Trends and Challenges Expected in 2022**



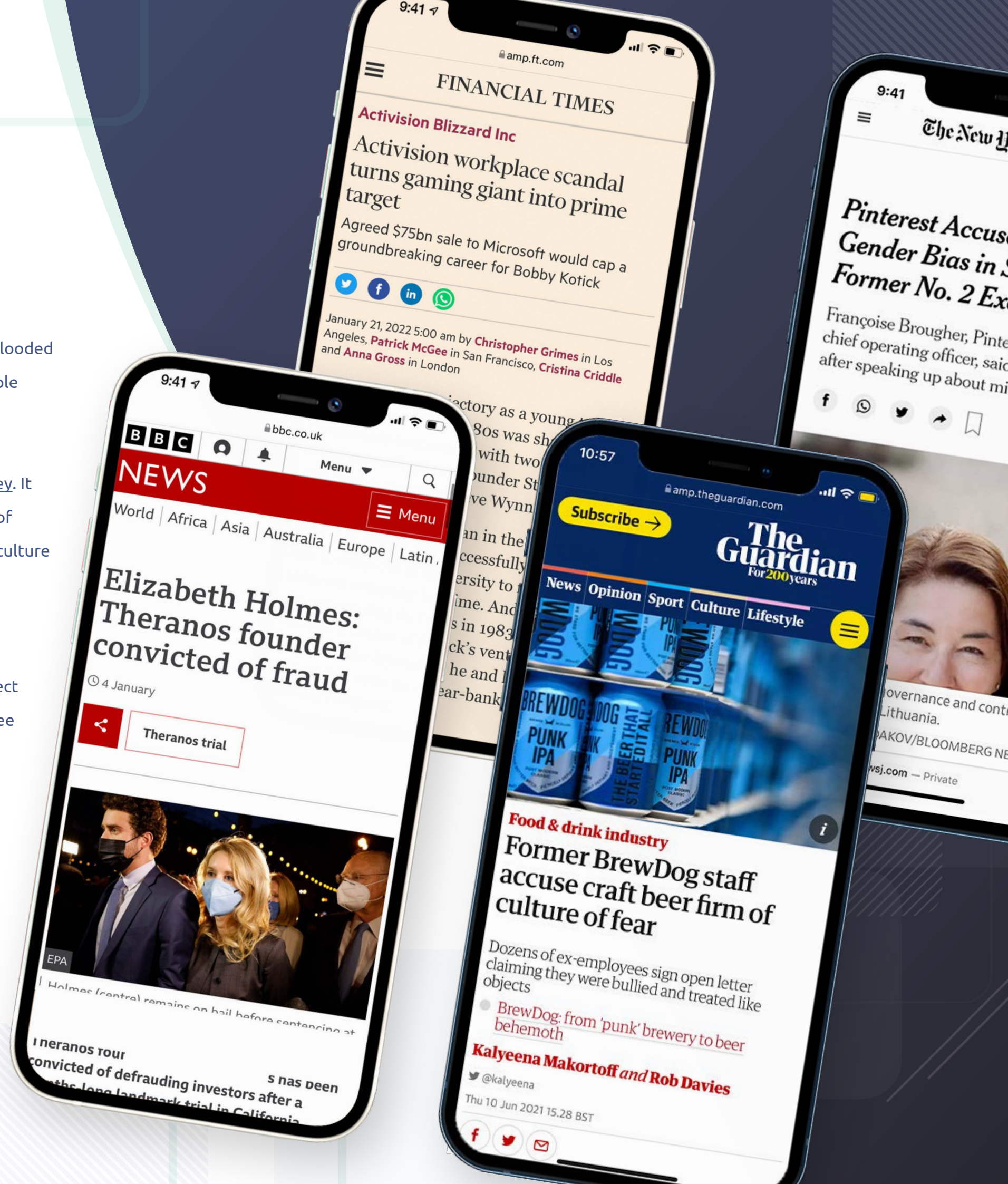
# The Evolution of the Workplace

2021 was a rollercoaster year for workplace culture. The headlines were flooded with misconduct stories like Theranos and BrewDog, while droves of people departed companies as the [Great Resignation](#) continued.

Vault Platform, meanwhile, launched the game-changing [‘Trust Gap’ survey](#). It highlighted the systemic issues of workplace culture and the rising costs of rehiring for organizations that aren’t taking ESG, ethics, compliance, and culture seriously enough.

While some organizations are trailing behind the herd, many others took these headlines as a lesson, and are now implementing measures to protect themselves. So what’s the outlook for the rest of 2022? Are we likely to see higher pay-outs and more public allegations this year, or are businesses turning the corner with misconduct reporting and resolution?

In this ebook, we shine a light on the big trends expected to dominate headlines and ethics and compliance conversations for the remainder of 2022.







## A Culture Shift

According to a [2021 survey conducted by LinkedIn](#), 74% of respondents indicated that the time spent at home during the pandemic caused them to rethink their current work situation.

Over the last few years - particularly with the advent of the Great Resignation - more and more businesses have chosen to provide employees with additional flexibility and opportunities to work from home where appropriate. This flexibility ranges from making school runs during working hours to changes to company policies on parental leave and mental and physical health initiatives. Increased flexibility in these areas has yielded some cost-saving value for many organizations and in some cases, increase productivity and retention.

Flexibility has become critical to employee motivation and engagement, so many companies will likely revisit and revise their policies in a bid to combat resignations in the coming months.

According to [Forbes](#), 25% of all professional jobs in North America will be remote by the end of 2022 and is set to increase further in 2023. Remote and hybrid work practices will therefore continue to make headlines throughout 2022 as the balance between employer and employee, as well as company cultures, continues to shift.

## Hiring in the New World of Work

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 a 12-month period. So what can businesses do to avoid these growing costs of rehiring and try to retain their workers for longer?

Cultural and ethical questions may grow in importance during interviews as hiring practices adapt to find candidates that match the company's values and ethical standards. This will not only be the expectation of employers but of candidates as well.

The new generation - Gen Z - make up [over 20% of the world's population](#) and will soon become the [largest cohort of consumers](#). By 2025, they'll also make up more than a quarter of the workforce. Businesses, therefore, need to understand the high-value Gen Z place on workplace ethics and the expectations this generation has both as employees and as consumers. For example, almost [70% of Gen Z workers](#) would be more likely to apply to a job at a company that emphasized a racially and ethnically diverse workplace in recruitment materials.





## Expanding Regulations

Regulation can often help to drive change by setting minimum standards for organizations to adhere to. For example, the [EU Whistleblower Directive](#) introduced in December 2021 was the first step for member states to protect those who Speak Up about breaches of EU laws from retaliation or recrimination. It currently applies to businesses with over 250 employees working in the Union but will expand in 2023 to include businesses with as few as 50 employees.

In the US, the Office of the Whistleblower was established in 2010 to administer the Securities and Exchange Commission's (SEC) whistleblower program. In 2020, the SEC voted to adopt [amendments to the rules](#) governing its whistleblower program to provide greater clarity to whistleblowers and increase the program's efficiency and transparency.

This process allows whistleblowers to help the Commission identify possible fraud and other violations much earlier than might otherwise have been possible. The Commission also attempts to minimize the harm to investors, better preserve the integrity of the capital markets, and more swiftly hold accountable those responsible for unlawful conduct.

New York, meanwhile, [amended section 740 of its Labor Law](#) to provide additional protection and clarification for whistleblowers. We may well see further measures in other states and cities that force US organizations to make lasting changes to protect whistleblowers.

With these new regulations and similar discussions ongoing on the international stage, there will potentially be a rise in the number of reports surfacing in 2022. Employees that otherwise may never have reported misconduct may do so under the protection of EU law, or follow in the footsteps of Tyler Schultz in the Theranos case.







## The Growing Interest in ESG

Leadership teams and Board members are taking Environmental, Social, and Governance (ESG) matters very seriously, as businesses are often rated based on this metric. The majority of investors are also interested in ESG matters and are more determined than ever to raise their voices and be heard.

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. This highlights the importance of ESG topics at the highest levels in the workplace.

ESG, CSR initiatives, and employee experience are under the watchful eye of consumers too. A growing number of consumers are looking to brands to help them mitigate their environmental impact. Companies that don't proactively change their practices to help mitigate against the climate crisis or that choose to 'greenwash' their impact may find the public perception of their brand hitting headlines.

In this ever-changing landscape, business leaders must be seen to respond to the pressure from investors, the public, and their employees to meet the new standards of ethics and compliance.

## The Role of Technology

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.

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.

Leveraging employee data and adopting technology are the key avenues for businesses looking to boost their ethical and compliance stature. Check out our ebook on why technology should be at the forefront of your E&C strategy.



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# Best Practices in Prevention and Investigation

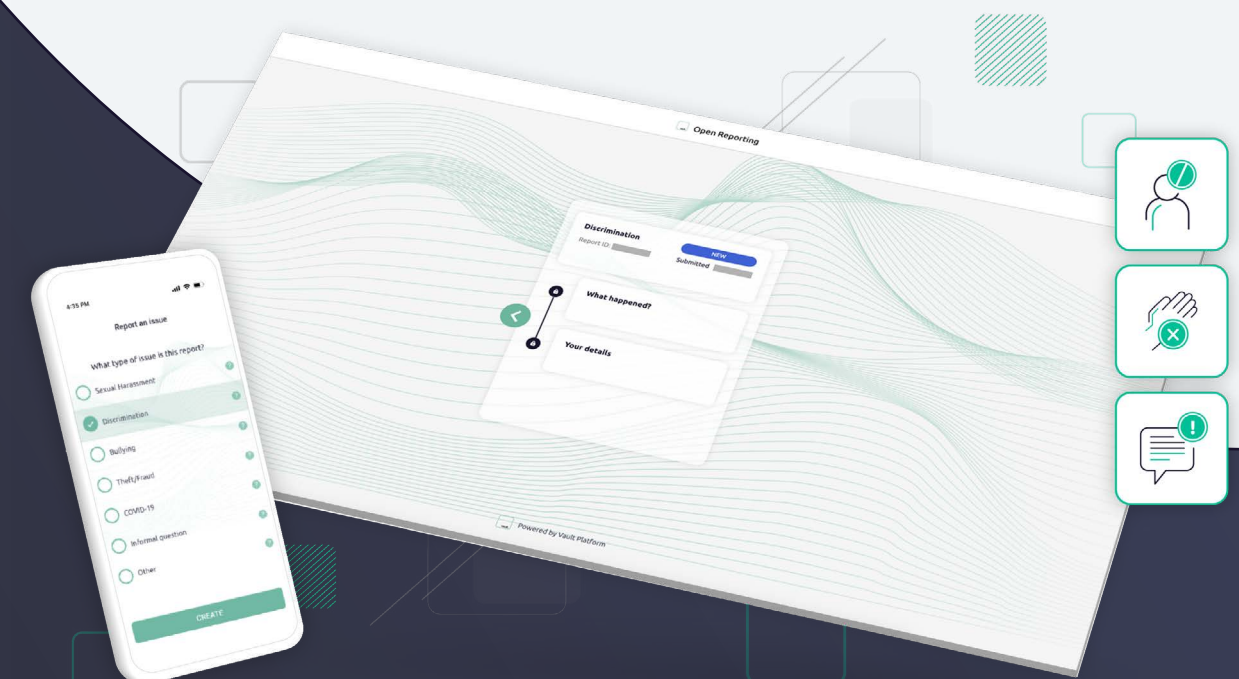
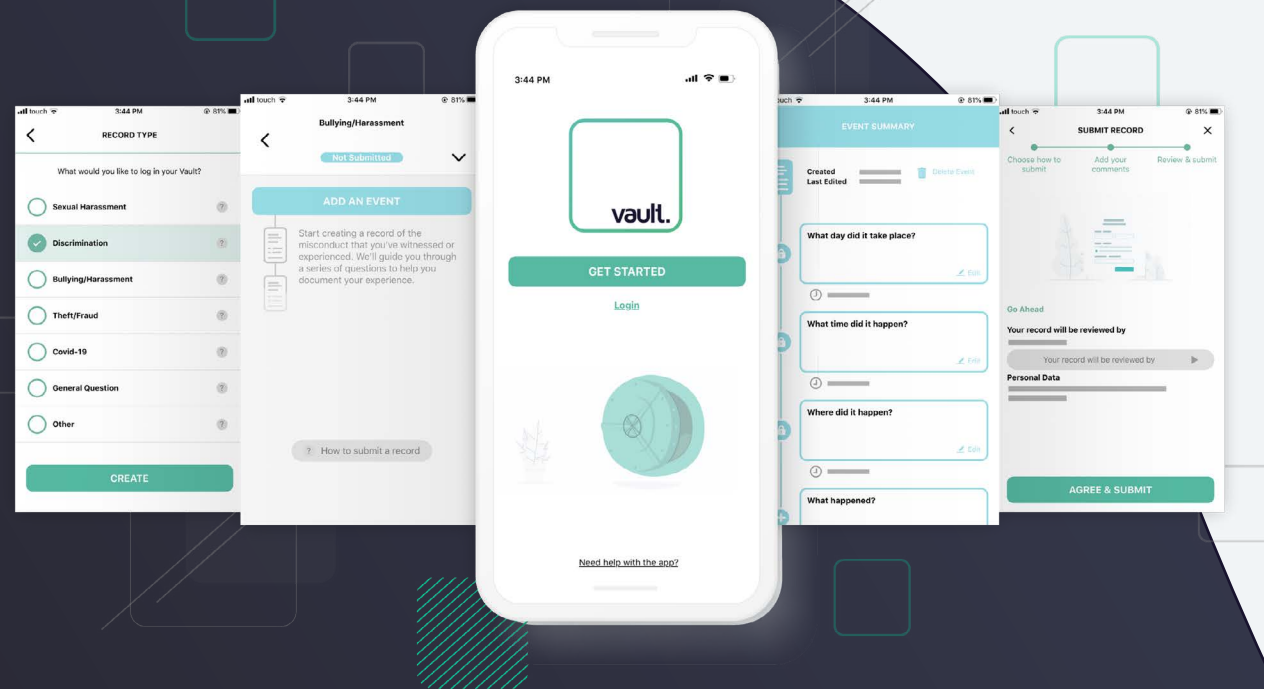
By implementing a progressive reporting structure for data collection and monitoring incidents, software solutions will be able to support organizations in identifying problems and connecting the dots on repeated patterns, which can be a game-changer. Through comprehensive data collection and monitoring, it can be powerful - collated and integrated to uncover trends and patterns highlighting risks to the organization as opposed to isolated observations that are easy to overlook.

Along with the issues of trust and reputation detailed above, misconduct reporting and resolution are best dealt with internally, which can greatly reduce the time between case submission and resolution. For example, Vault Platform triages and routes reports to the relevant stakeholder immediately, enabling case managers to directly communicate with reporters and taking reports from investigation to resolution 30% faster than incumbent tools like hotlines.

## 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.



# A Culture Shift

With 81.5% of workers feeling more empowered to hold their leaders accountable for a better workplace in 2022, we can expect to hear more about the shifting balance between employers and employees. The Great Resignation will continue to make headlines, as will the measures companies are implementing to combat it. Innovative technologies will undoubtedly try to help bridge this gap and help organizations remain compliant with the evolving regulatory landscape. ESG and the ethical stance of an organization could make the difference in both keeping existing workers and hiring the new generation.

To discover how **Vault Platform** can help you revolutionize misconduct reporting and resolution for your business, **book a demo today.**

vault.

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

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