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Beyond Reporting: Speak Up Culture
How can leaders foster organizational cultures that encourage speak up?

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Fostering an environment where people speak up when witnessing misconduct, or with new ideas or concerns, is a key enabler of ethical culture. When concerns are raised and acted upon, organizations are able to address emerging problems, prevent harm, and avoid reputational damage. But putting this into practice continues to be a challenge for leaders, further heightened by the shift to remote and hybrid working, a greater willingness to air concerns in the public domain, and an era of rising transparency that exposes companies to ever greater scrutiny.

Principia research reveals that only half of employees who observe misconduct go on to report it, while an even lower proportion (47%) feel they can challenge superiors without fear of negative repercussions. Traditional approaches to encouraging a speak up culture are clearly not working.

Just 50% of employees who observe misconduct report it.

1. Understanding Speak Up

A key starting point is to broaden the understanding of speak up beyond the formal reporting of misconduct. A speak up culture is one that creates safe, inclusive spaces for all employees to share ideas and concerns, listen well to each other, and ensures appropriate response. Through our research and client experience we have identified seven key characteristics of an organizational culture that lay the foundation for speak up:

Psychological Safety	Belonging	Awareness	Fairness	Accountability	Transparency	Trust
Can employees be their authentic selves at work and share their thoughts without fear of embarrassment or reprisals?	Do all employees, regardless of difference, feel a sense of connection to their colleagues, teams, and the broader organization?	Do employees have a foundational understanding about what to speak up about and how to do so?	Is there an organizational environment where employees are consistently treated justly, regardless of any differences?	Is there timely and appropriate action by leadership, with clarity about who is responsible and appropriate feedback loops?	Is information shared openly, clearly and in a timely way – including acknowledging mistakes and disclosing misconduct data?	Is there a shared belief by all employees in the overall integrity of the organization and its leadership?

Significantly, Edelman's Trust Barometer 2021 finds that 50% of employees are more likely than a year ago to voice objections to management or engage in workplace protest. A speak up culture will increasingly be needed to proactively engage with employee concerns and avoid the cultural and reputational damage incurred when issues are aired in public.

2. Addressing Common Myths & Misconceptions

Misconception	Reality
Strengthening formal channels is the solution	While an effective reporting architecture is a critical part of speak up, it must be complemented by broader cultural shifts where speak up takes place organically, informally, and – most importantly – early, such that formal channels serve principally as a final recourse.
Low numbers are a good sign	Low reporting numbers are a red flag, often signalling a lack of trust amongst employees to raise their hand, or a lack of awareness about how to do so. Organizations taking concerted action to foster a speak up culture should see an uptick in reporting – at least initially.
We collect so much data, we have it covered	While most organizations collect an abundance of data on culture and misconduct, critical gaps remain. Data collection and analysis are typically limited in monitoring potential retaliation, disaggregating data by diversity characteristics, and tracking concerns raised informally.

Our approach to speak up caters to all people	The employee experience varies hugely depending on background, and with broader inequalities to bridge, additional barriers often exist for underrepresented groups. Despite this, diversity considerations are still too often neglected in designing approaches to speak up.
Our leaders already take a strong position on speaking up	Our data reveals that just 58% of employees believe that their leaders are open to challenge and dissent. Key factors include: (1) a lack of focus on speak up in communications from leaders, (2) an overreliance on "telling" employees of its importance, rather than role-modelling and storytelling, and (3) limited reinforcement of messages by managers.
Legal and compliance handle speak up	The effectiveness of support functions is central to how safe people feel in reporting issues and concerns, as well as their level of trust that effective action will be taken. Speak up requires strong engagement with HR functions as well as Risk, Compliance, and Legal teams to ensure an appropriate balance between effective risk management and care for the individual.
Disclosing speak up data is risky	Speak up data can be contentious, with risks attached to disclosure. However, a lack of transparency presents even greater risks, with perceived inaction a key barrier to reporting.

3. Critical Success Factors

Beyond improving formal reporting systems, achieving a speak up culture often depends on several critical factors:

1. **Focussing on the role of first-line leaders and managers:** Leaders that regularly communicate and share stories about the value of speaking up play a critical role in setting the tone through their day-to-day interactions. Leaders should consider the extent to which expectations are clear, incentives are aligned, and training equips managers to foster inclusive team environments where people share ideas, challenge, and discuss points of tension.

2. **Strengthening the awareness and capabilities of employees:** An effective speak up culture depends on employees' ability to identify opportunities to raise their voice, and their confidence in doing so. Leaders should integrate speak up considerations into onboarding and training, with regular refreshers and ongoing opportunities for dialogue and discussion on grey-area issues that discussions of "misconduct" may fail to catch.

3. **Integrating support functions:** Healthy speak up cultures take an integrated approach, bringing HR, D&I, Legal, Risk, and Compliance functions together, with a common focus on a person-centred approach that creates trust. Internal communications play a key support role in aligning messaging.

4. Next Steps

To ensure a healthy speak up culture is in place, we recommend that leaders start by taking the following steps:

1. **Assess the health of speak up culture:** Gaining better insight into current-state culture is a key first step to informing action. This can include analysing existing data; running a focused speak up pulse check; or conducting a set of "safe space" listening exercises to explore the health of the organization on the critical enablers of speak up.

2. **Build a shared understanding amongst functional leaders:** Establishing a common understanding of the impetus for change is a critical pre-requisite for action. In particular, HR, Compliance and Risk, Legal and D&I should have a seat at the table to promote integration between key support functions.

3. **Mobilise stakeholders around a speak up roadmap:** Perhaps the most critical step that organizations can take is to proactively set out an integrated approach to speak up, including a common narrative for leadership and actions to leverage current strengths and address any barriers. It should also include mechanisms to track the health of speak up culture, as the dynamics of speak up regularly evolve in light of internal and broader socio-political issues.

To discuss further with a Principia specialist in your sector, please contact research@principia-advisory.com