How Mature is Your HR Investigations Program?

Using a Maturity Model to Measure Where You Are and Where You Are Headed

By Meric Craig Bloch[1]
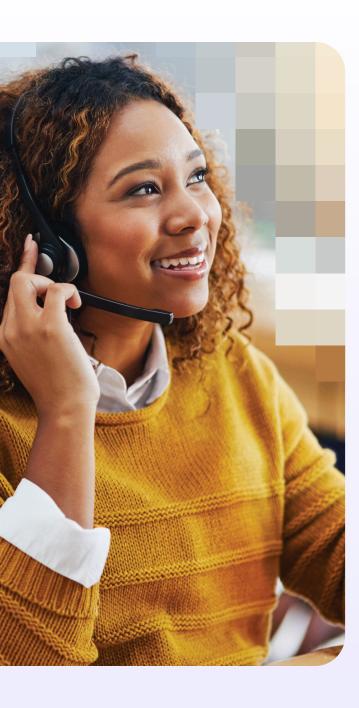
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Why a Maturity Model?

Ask an HR professional if they believe their organization has a good workplace investigations program. Most will say yes. But what they may mean is:

- We think we are doing it right
- A terminated employee has not sued the organization after an investigation
- Okay, a terminated employee has sued the organization, but we settled the claim
- Our lawyers are not complaining about our investigations
- Our managers are not complaining about our investigations
- Our colleagues are not complaining about our investigations
- Our CEO says wonderful things about our compliance program
- We do not get many hotline Reports
- Okay, we get many hotline Reports, but they are mostly from disgruntled employees

This perspective perpetuates the status quo, whatever that looks like. The perspective gives no thought to what the organization's workplace investigations program (the "Program") could be. There is no assessment of the Program, its strategic goals, and its potential contribution to the organization.

Or is it the unknown unknowns? Program managers may not know what good looks like, and that opportunities exist to improve the Program.

An HR investigation does more than determine if employee misconduct occurred. An investigation should promote business success. It should bolster a speakup culture. It should identify unacceptable business risks. It should show where financial control weaknesses exist. It should identify accountability lapses.

A Program assessment should be done on both a micro and macro level. The micro level considers how well individual investigations are being conducted. The macro level looks at the Program more generally.

Organizations should use a maturity model to evaluate their Program and its future. This whitepaper will explain how.

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What is a Maturity Model?

Performance evaluation tools help improve a business function's efficiency, identify improvement areas, and develop policies and procedures to help teams grow. A maturity model is one of these tools.

The model judges how well an organization improves an internal function from a given state. It assesses a function's maturity level in its quality or resources. It helps determine a function's long-term trajectory and performance.

Using a maturity model to evaluate your Program will give you the ability to:

Benchmark performance. This helps you determine where your Program is in its current state. You can then set clear objectives and allocate resources to improve performance.

Energize performance improvement. This helps you create action plans to resolve performance deficiencies and improve maturity.

Create a common nomenclature. Defining goals, key objectives, and values with a common language can translate into consistent, repeatable, and predictable performance.

Maturity reflects a function's expected performance. The more significant the maturity, the more you can turn events or mistakes into teachable moments that lead to improvements.

Using a maturity model will not fix deficiencies, however. A model only helps to identify areas where the program is not operating according to leading practices and allows you to determine strategies to improve your HR operations and processes.

What is HR Investigations Program Maturity?

Program maturity is a measure of how well-defined and controlled your investigation processes are. An elevated level of maturity shows that your investigators document processes well, they understand and follow standard procedures, and there is continued investigation process improvement.

When investigation processes are well designed, encourage collaboration between investigators and stakeholders,[4] and reinforce accountability, the Program has higher process maturity. This leads to better investigation results and greater contributions to business success.

The processes in the Program are mature when they have each of these qualities:

Defined. Procedural steps are clearly specified. There is consistency in results.

Efficient. The process is not cumbersome and requires reasonable efforts. Process delays are an exception.

Documented. The decision points regarding Report intake, the Preliminary Assessment,[5] and fact-gathering are detailed. Investigators, Program managers and stakeholders know where to find the information.

Automated. The process automates any suitable case-management steps.

Effective. The process produces the anticipated results consistently.

The Program is mature - on the macro level - when it has these characteristics:

Standardized. Investigations are managed consistently among teams, divisions, geographies, and professional disciples (e.g., ethics, compliance, Internal Audit, Legal and Corporate Security). Data is shared for cross-functional impacts.

Measured. Program managers use data to track process maturity using consistent metrics, such as key performance indicators.

Analyzed. Program managers evaluate investigation processes for efficiency and effectiveness.

The Five Stages of Program Maturity

Program maturity models can be descriptive, meaning they help you assess your current processes. They can be prescriptive, meaning they define optimal process maturity and provide guidance on achieving it. Finally, they can be comparative, meaning they help you understand how your processes compare to those in other organizations.

Think of each maturity stage as a step. At each stage, the Program needs to achieve certain goals to advance. Each maturity stage is another step from ad hoc processes to optimized ones.

Here are five stages in maturity for an HR investigations program:[6]

1. **Initial.** This is the first level and the beginner stage.

Your Program is thoroughly ad hoc. You react to situations rather than predict them. There is minimal focus on process. The approach to resolving the Report, and the chances of a successful resolution, is entirely dependent on those colleagues who manage it and what goals they decide. There are either no documented procedures, or the procedures are generic and probably ignored.

A one-person team with no coordination or collaboration is an example of this stage. These investigations have no impact on business operations. Technology tools are not used other than perhaps a hotline reporting channel.

2. **Managed.** This is the second level and the proficient stage:

There are some standard processes. There is some management foundation. Investigative knowledge rests with one or just a few people. Individual investigators may document their work properly, but it is not widespread. Investigators work in silos with minimal collaboration.

An example of this stage is a headquarters-managed Program that purports to specify processes and standards, and investigations are managed by regional teams or other departments. The Program manager in the home office is a proficient investigator, but the rest of the team is not. Each region, department or investigator acts independently of others. There is no incremental learning, teachable moments, or collaboration.

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These investigations have minimal impact on business operations, and any "lessons learned" are anecdotal. Technology tools are used to warehouse investigation files. If data is collected, a lack of technique consistency prevents meaningful analysis.

3. **Standardized.** This is the third level and the savvy stage.

Investigators know the standardized and documented processes. Knowledge of investigative techniques and procedures does not center on a specific person or small group. There is cross-functional and cross- team collaboration. The Program is working towards consistency and uniform delivery.

An example of this stage is a headquarters-managed Program that provides direction and training to investigators. People know the processes and try to follow them. Investigators have some level of competence. Investigators collaborate with each other, as needed. Information is shared across teams.

These investigations have some impact on business operations. Investigators try to identify root causes and lessons learned. Technology tools are used to warehouse investigation files, and there is some attempt to ascertain trends from the data.

4. **Predictable.** This is the fourth level and the expert stage.

The investigative process infrastructure and resources are used to achieve reliable results. Program managers assess and analyze the investigative processes.
They may also benchmark the program against industry leaders.

An example of this stage is a headquarters-managed Program that provides direction and training to investigators. The investigations are monitored by a Program manager.
There are frequent case check-ins to ensure that the techniques are followed. Guidance is provided to assist with any challenges or investigator concerns.

There is an effort to control variations in investigator techniques. The Program compares its processes and operations to those at other organizations.

All Reports are retained in the case-management tool even if some are resolved without an investigation. The investigation plans now include stakeholder business goals. Periodic analyses are prepared. The analyses use common industry benchmarks.

5. **Optimized.** This is the highest level and the mastery stage.

The Program is continuously improving and focused on innovation. Processes follow current leading practices. Process variations exist for some cases and regions, but they are controlled. Results are dependable. Regulatory and marketplace expectations are incorporated in the processes.
Program managers provide thought leadership in their field. Case-management tools are integrated into Program operations. Analytics are used by other stakeholders to plan their own initiatives.

What Does an Optimized Program Look Like?

An optimized Program begins with the proper mindset. Program managers consider these strategic factors:

- The process cannot just react to Reports and similar concerns. The process must look proactively to identify vulnerabilities that may enable future employee misconduct. For example, an increase in Reports of inappropriate conduct at organization-sponsored events in some locations can be analyzed to identify weaknesses in business controls. The corrective steps can be applied to other locations as well to reduce the risk that similar problems may occur elsewhere.

- An investigation is a tool to learn the true facts to facilitate manager decision making. An investigation should identify contributing factors and unacceptable business risks. The Program must contribute to the organization's success.

- The Reporter[7] and Subject[8] are not the only stakeholders in an investigation. The process must consider the needs and perspectives of management, auditors, regulators, and stockholders.

- The Program is not just an aggregation of Report-processors. The Program is a key part of the compliance program, Human Resources process, and the Legal function.

- Program managers think beyond the organization. What are other organizations doing? What industry benchmarks might help us? Is our Program following current leading practices?

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An optimized Program is properly structured with internal standards for resolving Reports and conducting workplace investigations. The process architecture includes at least these documents:

A Board of Directors resolution that delegates compliance-related investigative authority.

An internal investigations policy that specifies the standards for the hotline, authorizes the investigation function, and specifies prohibitions on retaliation, an employee's duty to cooperate, and the expectations for confidentiality, among others.

An HR committee charter to establish a committee of stakeholders to share information and analytics.

A consistent discipline policy to ensure that disciplinary decisions are made as the result of a proper investigation with apptopriate consideration of relevant factors.

A serious Report escalation protocol to ensure that key management leaders are informed of Reports of a sensitive, material, or significant issue once the Report is received.

Operating standards to specify the steps by which Reports are initially evaluated and triaged to determine the appropriate resolution criteria.

A protocol that specifies the standard techniques an investigator is expected to follow and how to use the Program's technology tools.

An integration plan with other departments, such as Compliance, to allocate Reports for appropriate handling.

Investigations data analytics to report on investigation activities, Reports received, and trends and observations. The analytics are provided to stakeholders monthly, quarterly, and annually.

Template hotline responses Template hotline responses to ensure consistency in managing Reporters and others.

Investigation document templates to ensure efficiency, consistency, and effectiveness.

Guides and practice bulletins to offer continual guidance to investigators.

These documents evolve, change, or become obsolete based on changing needs, investigation experiences, and as new information is learned.

An optimized Program records all Reports and related activities in the case- management database. Depending upon the nature of the Report, investigations are sometimes necessary and appropriate.

However, investigations are not a tool to devolve responsibility for managing incidents of inappropriate behavior, and they should be used to address minor matters that could be resolved by managerial action of a less formal nature. When used to resolve lesser disputes or minor incidents, investigations can unnecessarily delay the resolution of a matter, restrict managerial initiative, and limit the opportunity for open dialogue and apologies between disputing parties.

An optimized Program protects its resources. An investigation can be conducted if the allegation involves misconduct. If the Report relates to other areas, the Report is referred to a more-appropriate department for further handling.

The Importance of Data Maturity

The Program needs data on individual cases as well as the Program more generally. This data informs the Program managers of Report trends, case-clearance rates, and other data points. Program managers can then turn data into insights for management. The data can also be measured against industry benchmarks.

You need the right technology for case management and analytics. If it is too technical, cumbersome, or slow that your investigators cannot use it efficiently, it may offer little value. It is also important to have technology that integrates well with your processes. The technology should be sufficiently user friendly so that other departments can use it with minimal friction.

There are five levels to measure your Program's data maturity:

Data-aware. Information is compiled manually from various systems. Data gathering is ad hoc, and the results are often distrusted by stakeholders.

Data-proficient. Key performance indicators and other metrics are tracked. Limitations to data gathering are understood, such as too many sources, incomplete investigation data, and poor investigation techniques that hurt the data's reliability.

Data-savvy. Investigation data is used to make important decisions. Improved data quality improves cross-department partnerships and breaks down data silos.

Data-driven. Compliance professionals, investigators, and colleagues in other departments work together cohesively. Data sources are integrated. Processes are improved based on the data. Costs are reduced, and the program can be scaled as needed.

Data-predictive. Data is being used to anticipate resource needs, risk areas, and business vulnerabilities. Problems identified in one geography or division can be anticipated in other places and mitigated.

The more mature your process and tools for gathering and analyzing investigation data, the better you can respond to areas of unacceptable business risks. This is the key to showing your value to your stakeholders, especially your business leaders.

The Benefits of Using a Maturity Model

Having process maturity means your Program can respond to new risks and opportunities. This agility is key to your effectiveness. The right technology tools can facilitate quick improvements.

The organization gets some benefit from your Program even at lower maturity stages. The organization's risk profile, investigation history, and the resources it can devote to the Program each impact its maturity level. Program manager should be encouraged to "right size" the Program for their organization.

A benefit of using a maturity model to evaluate your Program is the model's focus on continuous improvement and learning. If your Program is currently at the lower stages, you can identify the strategies you need to get your Program functioning at higher levels.

Another benefit to using a maturity model is the ability to improve your Program's capability. By identifying current levels, deficiencies and

strengths, Program managers can recognize the areas they need to improve.

As your Program becomes mature, the processes work as intended. You can reliably meet stakeholder needs. You can protect the speak-up culture. Your investigation findings are more dependable and credible.

Program managers can then set realistic expectations. You can start with the basics, build up, assess investigator performance, and then move on to more complicated topics.

A maturing Program helps with your internal and external benchmarking efforts. Data standardization enables you to make credible observations regarding your Program

A maturity model will allow you to align your investigators toward strategic objectives. You can build a Program that fits your organization's unique needs and priorities. This may create a workplace that runs more smoothly and effectively.

Use a maturity model. Discover your unknown unknowns.

About the Author

Meric Craig Bloch is the Principal of Winter Compliance LLC, a consulting practice helping organizations create effective internal investigations programs through investigation process design, investigator training, and investigations management.

He has designed, implemented, and managed the workplace investigations processes for multinational Fortune 500 companies, trained thousands of HR and compliance professionals to conduct investigations, and has conducted more than 400 internal investigations of fraud and serious workplace misconduct in the US and internationally.
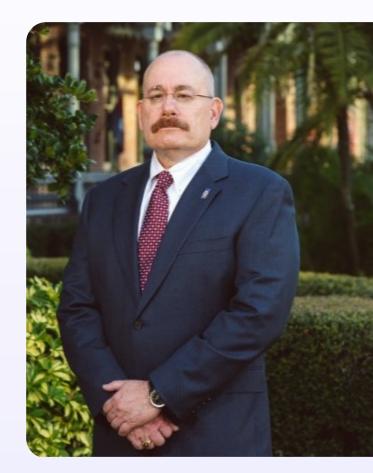
Meric is an attorney, a Certified Compliance and Ethics Professional – Fellow, a Certified Fraud Examiner, a Professional Certified Investigator, and has written two books on investigations as well as chapters in industry publications.

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Footnotes

1. Meric Bloch is the Principal at Winter Investigations, an investigations consulting firm. Meric can be contacted at meric@winterinvestigations.org
2. A "Report" is an initial notification by an employee or someone else that there is an actual, suspected, or possible misconduct. A Report is generally made by a colleague directly impacted.
3. A stakeholder is someone who has an indirect interest in an investigation and may be affected by its actions and outcomes.
4. The process for assessing a Report for the purposes of categorization, taking preliminary measures, prioritization, and assignment for further handling. It is an initial review of assertions and evidence to determine the potential validity and relevance of a Report and to determine what action, if any, is necessary.
5. This is an adaption of the Capability Maturity Model which was originally created to measure software development processes.
6. The "Reporter" is the person who makes a Report.
7. The "Subject" is the employee against whom a Report is made.
8. While it is true that the risk of a DOJ criminal investigation may be slim or your may not be subject to US law, the DOJ standards are considered the leading standards for compliance program design.
9. "Competence" means the skills, experience, and training an investigator needs for types of cases to which they are assigned. Competence is maintained with additional training and development.

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