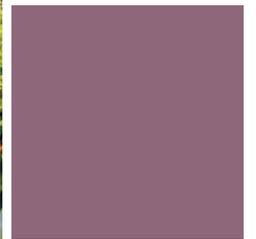




Doctoral fraud detective passionate about keeping her research 'real'



PhD student bridges the gap between academia and business in study of organisational fraud and corruption

University of Leicester's School of Business has the privilege of hosting an academic fraud investigator – a doctoral student who has specialised in the study of organisational fraud. Veronica Morino (large front cover image) is reading for her PhD at Leicester – and has already co-authored a book and published in a leading journal for fraud practitioners.

She is passionate about bridging the worlds of academia and the practitioner and to ensure that the benefits of her research are translated into working practice. Says Veronica: "Keeping my research "real" is a no brainer as I am working as fraud investigator assisting companies to find fraud early in parallel with doing the PhD, so I have no problem being reminded about how fraud and corruption take place".

In this feature, Veronica describes what drives her passion for study and the advances she has made in her field.

My background

My original background is in sociology of work and economics. I started working with organisational effectiveness helping organisations address dysfunctional issues, to gradually broaden my expertise in the area of inappropriate, unethical and illegal behaviour. I have spent the last 16 years detecting, investigating and preventing corporate fraud and corruption and believed that I was helping organisations develop anti-fraud and corruption programs which made a difference. However I arrived at a point where I realised that there was an increasing gap between the reality of fraud and how people and organisations were trying to counteract

it. I started wondering whether it would be possible to effectively combine the work and studies I had done earlier on organisational culture with my experience as investigator and find some answers which could contribute to a positive change of the status quo. Since I hadn't been able to find the responses I was looking for amongst practitioners and practitioners' studies, doing a PhD seemed to me to be the right option. In a way you could say I was appealing to the academic world for some fresh ideas.

Why I chose Leicester

I was not particularly thinking of Leicester when I started exploring options on where I could do my PhD. To me what was important was to find an institution which could see the value of building a bridge between academic knowledge of fraud and corruption and that of practitioners. My company happened to be helping Leicester with the development of an in-depth accredited CPD 12 weeks distance learning course (which is now up and running and it is called "Defending Your Organisation Against Fraud and Corruption") covering how fraud and corruption affects us all and how it can be tackled within an organisation. Moreover, I was asked to hold a series of practical training sessions on the topic of fraud and corruption at Leicester University's summer school. During this time, I had the chance of meeting some rather engaged individuals, including Prof. Peter Jackson, the founder and former director of the Management Centre. That made me feel that Leicester could be the right place for stimulating debate and feedback on what I was interested in exploring.



My field of research

My focus is on organisational resistance to fraud and corruption – trying to understand if there is a way to assess the effectiveness and validity of organisations' anti-fraud practices. Organisations have always been affected by fraud and have, through the years, established a series of protective measures. However, the general consensus is that, in spite of the increase of governance systems, fraud is not decreasing nor have companies proved able to deal with it more effectively. I think that there is an important distinction to be made between protective measures as generally practiced today, and true resistance. This requires including an organisational and sociological dimension in a holistic response to fraud management. With my research I would like to offer this new perspective and hopefully help organisations understand where they stand today and how they can improve their anti-fraud work.

Published work

I am one of the authors of a book called "The Anatomy of Fraud and Corruption" published by Gower (now Routledge) in 2011. In the book we explore how and why fraud takes place in an organisation and give practical suggestions on how to build corporate resistance through training and awareness. I have also been publishing articles in a practitioner journal called Fraud Intelligence (an Informa publication) for the last 10 years. Since starting the PhD, my focus has been on using my writing to bridge the gap between academic and practical standpoints. I started with identifying and analysing the shortcomings and limitations of the approach taken by the so-called fraud specialists (like accountants, lawyers, compliance officers) when dealing with fraud and corruption today. As a result I then moved to exploring alternative paths supported by academic theories which I believed could lead to better results.

Key findings

True resistance requires recognising on the one hand fraud and corruption as both widespread and occurring all the time, whilst still regarding it as deviant and unwanted behaviour on the other hand. However it has become so widespread that it seems like people have difficulties in recognising it for what it really is. "The key is to understand what needs to be done in order to reach a consensus on what is fraudulent and what is not. It is only once this is in place, that people in the organisations will be capable of formulating their own response. The more I explore things the more it seems that all these overly complicated rules, procedures, policies, internal controls, risk assessments and monitoring activities are actually taking us in the opposite direction. Rather than preventing fraud this is leading to even more new regulations, procedures, controls and so on. That makes me wonder because, as I wrote in one of my latest articles, the secondary beneficiaries of fraud and corruption (after the fraudsters of course) are the "fraud specialists", who might reflect, "the more ill, the more we have to pay the bills"?



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The Leicester experience

There have been high points and low points, as one would expect with a PhD, but not really the normal ones associated with the pressure of doing a PhD alongside a job in the field. One high point is how hard my supervisors have tried to engage with how fraud works in practice and how Leicester makes a distance PhD work. Another high point is that I feel the school recognises the value of a PhD which can make a contribution and is backing it in every way that it can. A low point was when I realised that, on the topic of fraud and corruption and how it works in practice, the academic field was relatively unexplored and the level of understanding and research was less developed than I believed. That made me feel a bit lonely and also that I was up against a big wall. However, with the support of other key individuals at Leicester, for example, Dr. Matthew Higgins in charge of the CPD fraud awareness program, with whom my company has also developed the current internal anti-fraud and corruption training in use at Leicester, I was able to see the potential that exists behind this substantial gap and how this could lead to an interesting contribution and stimulate the dialogue between academics and practitioners.

Connecting the worlds of academia and the practitioner

The main challenge as I see it is that at the moment these two worlds are not effectively communicating to each other when it comes to fraud and corruption. Academic studies are not seen as useful because the authors often lack first-hand experience on how fraud and corruption happens in practice. On the other hand, the work done by practitioners is not given proper attention in academia because practitioners are not able to translate their empirical experience and practices into a broader and more conceptual contribution which could lead to the development of more interesting and significant theories. A third complication, which is no fault of the academics, is the wealth of quasi-academic studies which are put out by practitioners who wish to feather their own nests. If these were seen for what they were, as marketing documents for a consultancy, that would be fine, but they are often quoted and embedded in academic research and also referred to in organisations.

How I keep my research 'real'

I think the way I am able to deal with this is to accept and to be able to live in two universes, switching hats regularly and actually becoming that bridge, over troubled water. I feel I act like a sort of "mediator", on the one hand having to explain in academic terms what happens in real life, on the other hand putting academic theories into plain language in order to make them relevant as possible solutions to practical challenges. Keeping my research "real" is a no brainer as I am working as a fraud investigator assisting companies to find fraud early in parallel with the PhD, so I have no problem being reminded about how fraud and corruption takes place.

Business and academia – getting the best of both worlds

More and more people from both worlds see the benefit of a dialogue between academics and practitioners. It has been very interesting to test some of the

concepts that I have been exploring as a PhD student at my training sessions with corporate audiences and develop them further based on the feedback received. The corporate world is really interested and often want to use the concepts before they are academically tested, so I find myself holding back. It feels like a win-win for both universes which will eventually become one again!

Advice for other doctoral students

I'm not sure I am able to contribute any wisdom here as I believe that I am a rather unusual PhD student. However, I would like to say is that I think it is important to have regular "reality checks" along the way. "What am I trying to achieve here?" "Who can benefit from my study and how?" "Am I able to explain what I am researching about to the man in the street?" are the sort of questions one should ask oneself (and challenge others) from time to time. This is because I believe that one of goals and duties of academia is to be able to communicate with the rest of the world at all levels.

And finally

I would like to conclude by saying that it is not just about academia working together with practitioners and vice-versa but also about academia establishing a good dialogue across disciplines for a common goal. Fraud for example touches upon so many disciplines like criminology, social science, finance, law and so on. Fraud and corruption proliferate in organisations also because of the lack of teamwork between the different departments. Without dialogue and proper communication it can become difficult for academia to come up with holistic solutions which can really work.





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