

EUMA **proActive**
Journal of the European Management Assistants

Issue 37

November 2011



Moving forward
in a fast changing world



ZOOM ON CORPORATE RESPONSIBILITY

How could I make the difference?

When it comes to the code of conduct, fighting fraud and corruption, and even committing to a greener planet, the executive assistant has an important role, writes Nigel Krishna Iyer.



Nigel Krishna Iyer
Fraud & corruption investigator

Cassie (or Cassandra) Evans has seen it all. After all, she does process her bosses' expense receipts and those expenses which are thrown at her by the senior Sales and Marketing people. Just in the past few months, gourmet dinners, fancy gifts, long-haul limo rides, other boondoggles ... have passed across her desk and through her fingers. "God gave us fingers to see through" is how James, one of the sales directors puts it, holding a spread palm in front of his face.

"And they think I don't know what this is", Cassie ironically thought when she was asked to process invoices from a front company in the British Virgin Islands with a Swiss bank account. "As a dutiful executive assistant, I'm supposed to focus on my own business and to follow instructions", she tells herself trying to calm down.

Cassie's dilemma is just one of many stories I have come across as a fraud and corruption investigator. Who should she be more loyal to? The faceless company, with its high-brow code of ethics, or her bosses, generally "good people" who sweat blood and tears to pay their and her salaries, and keep the business healthy? Cassie's other dilemma is, of course, that if she did speak up, who would listen to her? And what would happen to her? After all she's "just" an executive assistant.

I have met many executive assistants who saw and knew things but felt they should not speak out. Whether it was pollution of the environment, nepotism, fraud, bribery, fiddled expenses, harassment at work, they knew much more than any other person within the company, and I could sympathise with their situation.

You just have to open the newspapers and we can see that **corruption, fraud and unethical behaviour are all around us**. In several recent straw polls I conducted with managers, I got them to tell me how much they thought the total impact of all fraud

and corruption was in terms of a percentage of turnover. I asked them to think of hidden costs, loss of profit, damage to reputation and also erosion of company culture, as well as to consider all possible perpetrators, both inside and outside. The most common answers I got from hundreds of managers are a cost of between 3% and 5% of sales¹.

If this is true, then why is so little being done to stop it? In my experience it could be simply that **we don't want to see what's behind the scenes; or we believe that there will be plausible explanations in the end**; or like Cassie feel we are powerless to change things anyway.

As is the case for many executive assistants, it is a conflict between loyalty to the managers, loyalty to the company and loyalty to themselves. This is what can be defined as "moral dissonance". **They experience a tension between what they know is right to do and what is in fact right**. The usual way out is "moral neutralisation", or in other words, to find a way out by quelling one's emotions². It's more than just looking the other way, **it's finding reasons for why inaction can be justified**.

In fact, in our example it is not just the executive assistants who are neutralising their emotions; their bosses are doing it too.

As Brytting, Minogue and Morino write in "The Anatomy of Fraud and Corruption" (2011)³ we all need to find some peace of mind by rationalising our actions after the event. Maybe this is one of the reasons why we discover such a small fraction of the bribery, corruption, fraud and other forms of antisocial behaviour which is happening.

A lot has been written about the importance of the "tone at the top" or how senior management must lead by example. At the same time we need to remember that powerful

>>

Executive assistants know much more than any other person within the company.

Ethics is not about rhetoric and performance, it's about actually meaning it and acting accordingly.

people in high positions also have the greatest opportunity to bend the rules and take advantage of the system.

Executive assistants do have an important part to play in the war against corruption and fraud. They have the confidence and ears of their bosses, much more so than in fact the middle and lower ranks in the organisation. Furthermore, executive assistants also have an insight into how the organisation really ticks, and it would be a shame if the benefits of these insights were wasted.

Delivering good news is easy. What is considerably more challenging is how to raise matters with the managers which are maybe a little more difficult for them to deal with. First and foremost it's got to feel worthwhile. Navigating the ethical minefield is not an easy task but here are some pointers for executive assistants who wish to engage in the debate:

- **Try to pre-empt some of the tensions you may experience in your job.** If your company has a code of ethics, take the time to study it (even if it may seem quite bland at first), read between the lines and then find time to engage your boss(es) in a fruitful discussion.
- Do not feel that by pointing out what seem to be blatant breaches of the Code of Ethics (or Code of Conduct) that you are automatically branded as a whistleblower. **You are just a messenger.**
- **Take an interest in the whole field of anti-corruption, fraud, business ethics and try to relate it to your own experiences at work.** What have you seen and heard in the past? But do let your bosses know you are doing it and try

to get their support. After all preventing fraud, corruption and unethical behaviour is about stopping losing lots of money, and that can't be bad.

- **Try at all times to act sensitively and confidently, in a non-confrontational manner** as this will turn you into the catalyst for real, lasting change.

In a forthcoming reality-based drama "Words in Action"⁴ the executive assistant casually remarks to the boss that his speech on ethics was "a great performance". The Manager suddenly realises that his assistant was being ironic and in fact ethics is not about rhetoric and performance, it's about actually meaning it and acting accordingly.

Nigel Krishna Iyer

Fraud & corruption investigator

Originally an English Chartered Accountant, which he does not always like to admit, Nigel Krishna Iyer has been investigating fraud and corruption for over 20 years. Today he also works as a screenwriter and dramatist bringing fraud and corruption to life on the screen and stage. All of his characters and examples in his dramas, as well as this article are taken from his experiences as an investigator. Nigel also teaches at various business schools and institutions.

¹ 2010 Report to the Nations on Occupational Fraud and Abuse (Association of Certified Fraud Examiners). Survey participants estimated that the typical organisation loses 5% of its annual revenue to fraud. (<http://www.acfe.com/rtnn/rtnn-2010.pdf>).

² Sykes, G. M. and Matza, D., 1957. Techniques of Neutralisation: A Theory of Delinquency. *American Sociological Review* 22 (6): pages 664-70.

³ Brytting, T., Minogue, R. og Morino, V. 2011. *The Anatomy of Fraud and Corruption: Organisational Causes and Remedies*, Gower, Surrey.

⁴ Working title of a teaching drama about sustainable management soon to be released by The Chartered Institute of Management Accountants and Gower Film.



CENTRAL SECRETARIAT

MOS - Motivation Office Support

P.O.Box 1058

3860 BB NIJKERK

THE NETHERLANDS

Tel: 0031 33 247 34 71

Fax: 0031 33 246 04 70

e-mail: info@euma.org

www.euma.org

