For the Truth About How Bosses Behave, Ask Their Assistants

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The eyes and ears of corporate culture, executive assistants have a front-row seat to the integrity dilemmas faced by top management.

What is going on in the boardrooms and executive offices of this world? We catch glimpses through the media. For more than a year, continuous scandals have cast Facebook executives, including its COO Sheryl Sandberg, in a rather **unflattering light**. In November, Japanese authorities arrested former Nissan chairman Carlos Ghosn – a corporate heavyweight – for under-reporting his salary and using company assets for his personal benefit. Even the usually staid **Nordic banks** have been embroiled in large-scale wrongdoing in 2018, leading Denmark to choose *hvidvask* (money laundering) as its word of the year.

While Britain’s Big Four auditors were engaged in some kind of PR race to **reveal** just how many partners they had let go due to inappropriate behaviour, transparency about executive misconduct is usually in short supply. The boardroom – that private space where top executives make up their minds, lose their minds and everything in between – remains pretty much a black box. So naturally we welcomed the chance to help Dilemma-Assist, in association with International Management Assistants (IMA), a global network of executive assistants, survey IMA members on the moral dilemmas they face and observe in the course of their work. The survey was an opportunity to hear the voice of a key, yet oft-forgotten stakeholder of the board ecosystem: the confidantes and gatekeepers of organisational leaders.

We had responses from more than 200 executive assistants across 22 countries, almost all in Europe (the Netherlands, Sweden and Germany supplied the largest contingents). The resulting report, titled **"The Secret Power in the Office"**, contains some startling findings. Chief among them, 48 percent of respondents indicated that they have had first-hand knowledge of some form of serious misconduct in the past 12 months.

The most common type of misconduct observed was wasting or abusing the organisation's resources (32 percent). Next was engaging in activities that pose conflicts of interest (14 percent) and mishandling of confidential information (13 percent). Nine percent of executive assistants dealt with sexually inappropriate behaviour, most often on the part of their colleagues, but also their superiors.

More than 3 percent of executive assistants witnessed outright theft and asset misappropriation, or had first-hand knowledge of such instances. In the majority of cases, they never reported it, as it was either too much of a hassle or it felt unsafe to do so when their superior was involved.

A disconnect between public persona and private behaviour

Of course, company leaders have every incentive to tell the outside world that all is well in their kingdom and that their firm upholds the highest standards of integrity. Younger generations of consumers place great importance on corporate ethics and will be swift to **shun** companies found misbehaving. In fact, even a firm's own employees might hold it accountable for its deeds nowadays, as the recent Google **walkouts** showed. In reality, though, many organisations struggle with ethical dilemmas – and plenty stumble along the way.

According to the survey, about 30 percent of top management never, seldom or at best only occasionally practice what they preach when it comes to integrity. Is *always* embodying one's rhetoric too high a bar? It appears so, as less than 20 percent of senior managers unfailingly live up to their own gospel, say executive assistants.

In this kind of environment, people do not feel comfortable raising ethics concerns, according to the majority of the survey respondents. Only 30 percent of executive assistants believe that the opportunity to engage in misconduct is minimal. Interviews with a number of them revealed that the high prevalence of corporate misconduct, the disconnect with the firm’s professed ethos, and the silence around these issues, combine to create stress and conflict within their role.

The dark side of target pressure

Beyond providing valuable insights into the daily experience of executive assistants, these findings warrant serious consideration, as trust in leaders is fast eroding worldwide. The survey confirms that the phenomenon of corporate misconduct is a pervasive threat.

The executive assistants also weighed in on the root causes of the leaders’ ethical dilemmas. The pressure to do ‘whatever it takes’ to meet business targets explains much corporate misbehaviour. Executives fear losing large bonuses, lucrative promotions or even their job if they fail to produce the expected results. Other reasons include unclear integrity standards and, most importantly, the belief that policies and procedures are easy to override or bypass. About 13 percent of executive assistants indicated that lying and cheating are simply part of “normal” corporate culture.

The report highlighted a number of recommendations regarding corporate practices that could alleviate the problem, including the following.

1. Organisations should reduce the number and complexity of their ethics and integrity policies.

The policies that remain should be both crystal clear and strictly followed. This is not about *laissez-faire*. Issuing a rule for every possible abuse or misconduct creates a forest full of policies. Paradoxically, a higher number of policies produces more incentive to bend the rules or find loopholes. It also takes away people’s own responsibility.

2. The corporate world should eliminate the link between compensation and targets.

There is overwhelming evidence that targets and bonuses have perverse effects on **value creation**. In their current form, KPIs linked with targets – including budgets – elicit misconduct, window dressing, lying and opportunism. Further analysis of our survey data showed that while incentive-driven misconduct is highly prevalent in the private sector, almost half of the not-for-profits in our report are similarly affected.

3. It is time to review the role of ethics officers and hotlines.

Seen as too distant and formal – and a source of administrative hassle – compliance departments hardly change what is going on. While firms may still need them, it is obvious that increasing the number of rules or compliance programmes will not solve misconduct. It is a tragic misunderstanding if the major response of a firm to potential wrongdoing is posting a compliance officer on every floor. What firms need is a culture change from within.

Supervisory or non-executive board members may do well to have regular chats with executive assistants, the eyes and ears of corporate culture. Of course, no one is asking these professional confidants to become whistle blowers. However, if discussing ethics with assistants creates clear tension, it might raise some flags.

While leaders are not all corrupt, the vast majority of them will face ethical challenges. Firms needs a culture that allows for a frank and open discussion of integrity dilemmas. Think of it as a “moral gym” – a place where leaders can regularly train their moral muscles to remain ethically fit for the job.

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