



The Lessons of Susan Boyle for Ethics Programs

By Marianne M. Jennings

For those of you who have been ensconced in the Galapagos and have not heard of Susan Boyle, she is the stunning singer from the mother country's version of *American Idol*, *Britain's Got Talent*. Ms. Boyle, 47, was jeered when she appeared on stage to perform for the insouciant Simon and his cynical co-judges and even more cynical audience. She sang like an angel, and all were stunned. She has given us the quintessential Cinderella story. From a childhood filled with bullying and struggles with learning disabilities to an adult life devoted to caring for her ill mother, Ms. Boyle offers lessons on depth, on dreams, and, for good measure, on ethics and compliance. Herewith the morals for ethics officers from the Susan Boyle story.

Lesson #1—You Never Know Where You Will Find Gold

Ms. Boyle has not been trained formally and her sole experience was singing with her church choir. We doubted her ability because we could see nothing in her background that signaled talent. In our highly-credentialed world, we develop blinders that prevent us from seeing issues and using valuable information because we cannot get past the weak résumé of the source. Yet in ethical lapses by organizations we do find that there

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were those within the organizations or outsiders who worked with the organization who tried to warn us but were ignored. Roger Barnes, an employee in the Comptroller's Office at Fannie Mae in 2004, tried several ways, with detailed memos, to explain the financial missteps and accounting improprieties at Fannie Mae. He was not an executive, he was just an employee and he was ignored. He was also right. Fannie had to make a \$7-billion restatement in 2005.

Jim Chanos of Kynikos Investments, a firm no one had heard of, raised questions about Enron that zeroed in on the very accounting and operational issues that would eventually bring about the company's near-destruction. When he raised those issues, he was vilified. John Olson, an analyst in Houston (and who trusts an analyst from Houston?) was dismissed out-of-hand by Jeffrey Skilling who said that Olson, "Just doesn't get it."

At WorldCom there were the bookkeepers who questioned the accounting and were dismissed out of hand. At the defunct Kidder Peabody it was worse. Those who raised questions about a star trader's numbers were dismissed. And often a nurse who has seen a physician's error is ignored or jeered. The nurse is, more often than not, right. Recently, an

employee disclosed to his supervisor that there was pervasive sharing of answers on the company's annual training exam. The supervisor dismissed the quiet employee as mistaken. It was not until the employee's exit interview that the company looked into the allegations and found that the cheating on the annual exam was indeed widespread and longstanding. The company not only had the problem; it lost a good employee through its too-quick-to-dismiss attitude toward a good employee.

Even customers have ideas and information that too often is ignored because we within the organization are the ones with the knowledge and credentials. At a retail store, a customer told the store manager that she had seen an assistant store manager taking clothes from the racks to her car. The manager felt it was too obvious a tactic to be true. An undercover investigator, hired after the shrinkage rate at the store began to see a steady increase, verified what the customer had told the manager months earlier. Listen to the information, regardless of the source. Follow up, despite the lack of credentials. The outward appearance is not an indication of the depth that lies beneath.

#2—The Converse: Outward Appearances May Not Be What They Seem To Be, So Avoid the Confirmation-of-Facts Syndrome

The contestants who competed with Susan Boyle had all the image consultants, outward appearance and trappings of talent. They looked the part. We are taken in by those superficial

signals of credibility. Look no farther than Bernie Madoff, Lehman Brothers, Merrill and Bear Stearns. There they all were the titans of the financial markets, who assured us through their appearances and accoutrements that they were the best-of-the-best. When we succumb to the trappings, we fall victim to confirmation of facts. We have certain beliefs and assumptions about individuals and companies because of appearances, so miss signals and even inconsistencies that should be red flags. For example, two years before HealthSouth's multi-billion-dollar restatement, there was litigation in which employee affidavits documented fraud issues and maintained that the company's growth was not real. Yet, HealthSouth was the model for the new way of delivering health care, so how could it have problems? At UnitedHealth, it took statistical studies before the board confronted Dr. William McGuire with the problems with options backdating. Star quality can mask misconduct. The ethics officer needs to unabashedly dig beneath the trappings. As New York's investigation into its officials' conduct in managing the pension plan unfolds, the revelations about webs of conflicts and the arrests continue to stun because of the star power of those within the treasurer's office and investment funds who stand accused of a longstanding pay-to-play system of rewards.

Every ethics or compliance officer has experienced the push-back from a manager or officer who responds to an investigation of an employee by saying, "I can't believe he would be involved in anything such as that!" In the healthcare field we tend to have a bias about really

looking into the conduct of the "star," the doctor or other executive because their departure, we are told, would be the end of civilization. However, just because they look good in person, on paper, and even on the job does not mean there is not trouble afoot.

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Lesson #3—Authenticity

Susan Boyle is just herself. In all she says and in all she has done, she remains herself. There is no affectation, no pretense and no dishonesty. This lesson is critical for the ethics officer who wants credibility. The ethics officer who joins in on questionable management activity has no hope in investigations, enforcement, or credibility with employees. For example, at Hewlett-Packard, lawyers and ethics officers alike failed to throw down the flag on the pretexting that had been ordered by the board as a way of monitoring what directors were doing. The conduct was wrong, but the HP folks were looking for a loophole instead of shutting it down.

Good ethics officers never pledge anonymity; they promise only to do all that they can to maintain it. Good ethics officers follow through on investigations and questions. Persistence brings credibility within the organization.

The recent legal dust-ups over the responsibility of in-house counsel to disclose to employees who represents whom when questioning begins, is an area of challenge for authenticity.

Counsel for the company represents the company, not the employees or officers being questioned. Those being questioned deserve to know that hard truth. The loss of the privilege is a serious issue. For an ethics officer who is conducting the investigation, the loss of trust that

nondisclosure brings, harms credibility and candor.

Who would have thought that an incident from our pop culture could teach us so much about ourselves? Susan Boyle has surprised us with her voice, but stunned us with her forced introspection of our tendency to conclude without facts, judge without looking deeper, and compromise when we know the truth is not yet out there. In the shadow of this 21st century warbler, we realize we could use a little less pre-judgment and great deal more in personal growth, reflection and insight. **NP**

Marianne M. Jennings is a professor of Legal and Ethical Studies at the W. P. Carey School of Business, Arizona State University where she teaches graduate courses in the MBA program. Professor Jennings has authored hundreds of articles in academic, professional, and trade journals. Her latest book 'Business Ethics: Case Studies and Readings,' was published in January 2009. Her book, 'The Seven Signs of Ethical Collapse' (St. Martin's Press), published in 2006, has received several book awards, including recognition from Library Journal. She may be reached at Marianne.Jennings@asu.edu.

Nothing gives a person so much advantage over another as to remain always cool and unruffled under all circumstances.
~Thomas Jefferson
