Person of Interest: Soliciting Insights from Staff In-the-Know

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"It's better to be interested than interesting." – Oprah Winfrey

Are you a fan of true crime TV? In a crime drama, "person of interest" refers to an individual who possesses information that is potentially relevant to an investigation. While some persons of interest might come forward themselves, they are often identified and approached by investigators. While self-reporting indicates that a person is *interested* in participating in the investigation, an unsolicited interlude with investigators signifies that the person of interest may or may not want to volunteer information, but is *interesting* and is assumed to possess knowledge needed to crack the case.

Investigations of alleged fraud, ethics violations, safety incidents and near misses by nonprofit teams are often spurred by insights from *interested* people who share anonymous reports. Some interested people also self-identify and become known persons of interest who participate further in ongoing investigations. Promoting a culture conducive to the reporting of risk and ethics concerns is crucial to reducing incidents and misconduct, and to enacting positive change at any organization. Sadly, most employees face barriers to candidly reporting their concerns.

The ACFE's *Report to the Nations: 2018 Global Study on Occupational Fraud and Abuse* states that tips are the most common method of detecting occupational fraud, with 40% of workplace fraud cases being exposed by tips, and 53% of those tips originating from employees within the defrauded organizations. Still, the successful detection of fraud by tips and other methods—and the eventual outcomes of fraud cases—can vary greatly from organization to organization. The ACFE report explains that organizations with hotlines detected fraud by tip significantly more often than organizations with no hotlines. The report states that many employees will still report to a supervisor or other individual when a hotline is not available, but "fraud losses were 50% smaller at organizations with hotlines than those without."

Reporting channels certainly influence the willingness of employees to share information, as well as the speed of detection and duration of fraud schemes. Various ECI reports about ethical misconduct in the workplace show that employees may be more or less willing to report concerns due to factors including:

- fear of retaliation or past experience of retaliation
- the authority level of the alleged fraudster(s)

- pressure to compromise standards in order to complete assignments
- perception that wrongdoing is already widespread throughout the organization
- belief that leadership will not care about or investigate the reported information
- presence of an ethics culture/program/training and availability of varied reporting mechanisms, etc.

Nonprofit leaders can help break down these barriers and encourage their employees to report risk and ethics concerns by demonstrating that leadership values staff input—all of it! By actively seeking out the expertise of diverse team members on a variety of workplace issues and projects, leaders can convey that they welcome all insights—even those most difficult to utter or hear. A recent ERM client educated the NRMC team about the concept of *deference to expertise*, where team members actively seek out insights from each other—without regard to authority levels or assumed expertise. This reminds me of Elon Musk's famous email to Tesla employees, which explained that hierarchical communication "serves to enhance the power of the manager, [but] fails to serve the company." Musk encouraged all Tesla team members to solve problems by talking to anyone and everyone—without waiting for a manager's permission or involvement. Go directly to the source if you identify a person of interest who can provide the information needed to help you do your job faster or better.

NASA and many airlines employ a similar communication philosophy: Crew Resource Management (CRM). According to Wikipedia, NASA psychologist John Lauber coined the term in the 1970s after studying cockpit communication, which was historically authoritarian. CRM views subordinate pilots as valuable resources to commanding pilots, and encourages co-pilots to question captains if they are observed making mistakes. Reshaping the classic chain of command has probably prevented many airline disasters by uplifting the expertise of *every* pilot on any given flight, including pilots seated in the passenger cabin who offer to assist the cockpit crew during an emergency.

By rethinking the usual approaches to workplace communication and reporting, nonprofit teams can accomplish the same "intelligence and agility" that Musk referred to in his email to Tesla staff. We can stop hunting for persons of interest, and instead empower our interested team members to share their perspectives. How? Stop punishing staff for sidestepping the chain of command. Stop rewarding managers who promote a silo mentality or claim their own "territory." Recognize and defer to expertise wherever it lies in your organization, or you might miss subtle warning signs of emerging risks and misconduct. Worst of all, you'll miss the great ideas that your team members think you don't want to hear.

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