

ARE YOU BEING BULLIED?

You're Not Alone.

By Olen L. Greer, CMA, and George D. Schmelzle, CPA

You're in your office, enjoying the sense of satisfaction at having just completed and delivered the quarterly performance report, when your phone rings. You pick it up, and before you can get past "Hello," the voice of the plant manager comes blaring out the other end: "What the heck is going on with my quarterly performance report?! You're showing a \$1,500 unfavorable material quantity variance?! I know for a fact that we were more careful than ever in the use of those materials! If you know what's good for you, you'll revise the numbers!" Believe it or not, if you've experienced a situation similar to this one, you've been bullied.

Behavioral research has been paying increased attention to bullying recently, and numerous studies have found that it has spread beyond the confines of the schoolyard into other areas of life, including the workplace. In the “Workplace Bullying and Trauma Institute Brochure,” Gary and Ruth Namie define workplace bullying as the repeated mistreatment of an employee targeted by one or more employees with a malicious mix of humiliation, intimidation, verbal abuse, and work interference. Research generally indicates that workplace bullying can lead to a loss in employee work time and a subsequent loss of productivity.

Because of their key role in generating measures of profitability and performance, corporate accountants are likely candidates to experience bullying-type pressures. Though studies on bullying have focused on specific disciplines (such as healthcare) or on a class of employees (such as middle managers), none specifically examines

the effects of bullying in the corporate accounting workplace. To address that deficiency, we devised a survey with the specific goals of (1) determining the extent to which bullying occurs within the corporate accounting workplace and (2) identifying the responses to bullying behavior by the targeted individuals.

Survey Results

We developed and administered a questionnaire to 168 members of the Institute of Management Accountants (IMA®) living in Arkansas, Illinois, Kansas, Missouri, and Oklahoma. The decision to survey IMA members was anchored to the fact that members of IMA are largely corporate (management) accountants, the focus of our study. The surveys were administered at chapter meetings, and the anonymity of both the participants and the participants’ organizations was carefully preserved.

Forty of the 168 members surveyed, or 24%, reported that they had been bullied in the workplace. In comparison, the Workplace Bullying Institute (WBI) noted in the *2007 U.S. Workplace Bullying Survey* that 37% of U.S. workers have been bullied at work.

Table 1 presents the demographic information of those who reported being bullied compared to those who weren’t. The average age of those who reported being bullied is 47.9 years (six members who were bullied didn’t disclose their age). They have an average of 22.1 years of work experience (two members didn’t answer), and more than half (57.5%) are female (two members didn’t disclose their gender). Ten percent work in public accounting, 47.5% work in corporate accounting, 5% work in governmental accounting, 5% are accounting educators, and 7.5% work in a field other than accounting (10 didn’t answer this question).

The average age of those who weren’t bullied is 43.8 years old (five didn’t disclose their age), they have an average of 22.1 years of work experience (two members didn’t answer), and 52.3% are female. As for job type, 12.5% work in public accounting, 61.4% work in corporate accounting, 3.4% work in governmental accounting, 3.4% are accounting educators, and 9.1% work outside accounting (nine members who weren’t bullied didn’t answer this question).

There is very little difference in education levels between the two groups. Of the members

Table 1: Demographics of Subjects

	BULLIED	NOT BULLIED	TOTAL
Male	32.5%	47.7%	43.0%
Female	57.5%	52.3%	53.9%
No Response	10.0%	0.0%	3.1%
Totals	100.0%	100.0%	100.0%
Age (years)	47.9	43.8	45.0
Average Work Experience (years)	22.1	20.4	20.9
Type of Work Experience			
Public Accounting	10.0%	12.5%	11.7%
Corporate Accounting	47.5%	61.4%	57.0%
Governmental Accounting	5.0%	3.4%	3.9%
Accounting Education	5.0%	3.4%	3.9%
Other	7.5%	9.1%	8.6%
No Response	25.0%	10.2%	14.9%
Totals	100.0%	100.0%	100.0%
Education			
No College Degree	5.0%	9.1%	7.8%
Undergraduate Degree	47.5%	46.6%	46.9%
Graduate Degree	37.5%	44.3%	42.2%
No Response	10.0%	0.0%	3.1%
Totals	100.0%	100.0%	100.0%

Table 2: Indicators of Stress in IMA Members Who Were Bullied

	PERCENTAGE AND TOTAL THAT ANSWERED "STRONGLY AGREE" OR "AGREE"
1. Bullying has caused me to have mental indicators of stress.	62.5% (25)
2. Bullying has caused me to have physical indicators of stress.	55.0% (22)
3. Bullying has caused me to have both mental and physical indicators of stress.	50.0% (20)
4. Bullying has caused me to have either mental or physical indicators of stress.	68.0% (27)
5. Bullying has caused me to look for a new position or to leave my previous organization.	62.5% (25)

Table 3: The Effects of Bullying on Fudging Numbers

	PERCENTAGE AND TOTAL THAT ANSWERED "AGREE" OR "STRONGLY AGREE"	PERCENTAGE AND TOTAL THAT ANSWERED "NEITHER AGREE NOR DISAGREE"
1. As a result of bullying, I have fudged some numbers relating to external reports.	15.0% (6)	7.5% (3)
2. As a result of bullying, I have fudged some numbers relating to internal reports.	15.0% (6)	7.5% (3)
3. As a result of bullying, I have fudged some numbers on both internal and external reports.	15.0% (6)	7.5% (3)

Table 4: Omitting Information When Bullied

	PERCENTAGE AND TOTAL THAT ANSWERED "AGREE" OR "STRONGLY AGREE"	PERCENTAGE AND TOTAL THAT ANSWERED "NEITHER AGREE NOR DISAGREE"
1. As a result of bullying, I have omitted information that should have been included in an external report.	15.0% (6)	12.5% (5)
2. As a result of bullying, I have omitted information that should have been included in an internal report.	20.0% (8)	15.0% (6)
3. As a result of bullying, I have omitted information that should have been included in an internal or external report.	20.0% (8)	15.0% (7)
4. As a result of bullying, I have lost objectivity in reporting information.	17.5% (7)	25.0% (10)

Table 5: Disclosing Confidential Information

	PERCENTAGE AND TOTAL THAT ANSWERED "AGREE" OR "STRONGLY AGREE"	PERCENTAGE AND TOTAL THAT ANSWERED "NEITHER AGREE NOR DISAGREE"
As a result of bullying, I have disclosed confidential information.	20.0% (8)	10.0% (4)

Table 6: Afraid to Disclose Limitations

	PERCENTAGE AND TOTAL THAT ANSWERED "AGREE" OR "STRONGLY AGREE"	PERCENTAGE AND TOTAL THAT ANSWERED "NEITHER AGREE NOR DISAGREE"
As a result of bullying, I have been afraid to disclose personal limitations that could possibly compromise my work.	28.0% (11)	23.0% (9)

Table 7: The Target's Perception of the Effect of the Organization's Culture on Bullying

	PERCENT WHO AGREE
My organization does not tolerate bullying.	40.0%
Prohibiting bullying is discussed during training.	17.5%
My organization has specific policies prohibiting bullying.	42.5%
My organization can detect when bullying happens.	37.5%
Managers who bully are punished.	27.5%
High-performing managers are allowed to bully.	30.0%

who were bullied, 5% don't have a college degree, 47.5% have a bachelor's degree, and 40.0% have a graduate degree (three didn't answer the question). Of the members who weren't bullied, 9.1% don't have a college degree, 46.6% have a bachelor's degree, and 44.3% have a graduate degree (five members didn't answer the question).

Previous studies dealing with workplace bullying frequently cite stress as a serious issue for many employees who are bullied. The WBI found that 45% of people who were bullied had mental indicators of stress. As shown in

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Table 2, 62.5% of the 40 IMA members who were bullied had mental indicators of stress, such as loss of concentration; 55% claimed to have physical indicators of stress, such as digestive problems; 50% claimed to have both mental and physical indicators of stress; and 68% had either mental or physical indicators of stress (or both). The high percentages in Table 2 could lead to serious negative ramifications for the employing organization.

Turnover is another costly issue for organizations where bullying exists. In the WBI study, 40% of people who were bullied eventually quit their job, and another 24% were terminated or forced out. There were similar

results in our study, which are summarized in Table 2. We found that 62.5% of the bullied members either left the position where the bullying occurred or were actively looking for a new job. Since there is currently a shortage of qualified accountants, losing one because of bullying can be very expensive to an organization.

The *IMA Statement of Ethical Professional Practice* requires members to perform professional duties in accordance with relevant laws, regulations, and technical standards. Accordingly, the subjects were asked whether they had "fudged" some numbers on internal reports, external reports, or both. The term "fudge" was used rather than "change" or "modify" because it implies that the accountant is manipulating the numbers to match some desired amount in response to the bullying behavior.

Of the 40 subjects who were bullied, six admitted to fudging numbers. All six reported having fudged numbers on both internal and external reports. Furthermore, an additional 7.5% of the subjects responded that they "neither agree nor disagree" with the statement "As a result of bullying, I have fudged some numbers on both internal and external reports." Thus only 77.5% of the subjects either agreed or strongly agreed that they didn't fudge any numbers related to internal or external reports. These findings are summarized in Table 3.

These results have several serious implications: (1) Users are receiving information that could be seriously flawed and may completely lack integrity, (2) IMA members are violating the *IMA Statement of Ethical Professional Practice*, and (3) managers who bully their accounting employees are able to influence the preparation of these reports in a manner that is detrimental (and potentially devastating) to the organization. It's disturbing to note that each of the six subjects fudged more than one report since they admitted to fudging numbers on both internal and external reports.

We also asked whether respondents had omitted infor-

mation from any internal or external report prepared. The credibility section of the *IMA Statement* requires that each member has a responsibility to “disclose all relevant information that could reasonably be expected to influence an intended user’s understanding of the reports, analyses, or recommendations.” As shown in Table 4, 15% of those bullied admitted to excluding information that should have been included in a corporate external report. Another 12.5% neither agreed nor disagreed that they withheld information, leaving only 72.5% of respondents who directly confirmed that they didn’t exclude relevant data from an external report.

Twenty percent admitted to excluding information that should have been included in an internal report, while another 15% neither agreed nor disagreed; the remaining 65% of the subjects stated that they didn’t exclude relevant data from an internal report. In regard to objectivity, 17.5% answered that they felt that they had lost objectivity in reporting information, while another 25% of the members neither agreed nor disagreed with the question. Thus, only 57.5% of those bullied affirmed that they are reporting information objectively. The ramifications from these results are serious: IMA members are violating the *IMA Statement*, and potentially important information is being withheld from both internal and external users of these reports.

The *IMA Statement* requires members to “keep information confidential except when disclosure is authorized or legally required.” Of those bullied, 20% admitted that they disclosed confidential information (see Table 5), with 10% neither agreeing nor disagreeing. Only 70% stated that they didn’t disclose confidential information.

The *IMA Statement* also requires members to disclose any limitations they may have that could compromise their ability to perform their responsibilities effectively. Of the subjects that were bullied, 27% said that bullying precluded them from admitting these types of limitations (see Table 6). An additional 22.5% of the respondents “neither agree nor disagree” with that question, resulting in only 50% of bullied members stating directly that they weren’t afraid to disclose these types of limitations.

Those who were bullied were also asked about their company and its culture, rules, etc., to see if that had an effect on bullying (see Table 7). It appears that organizations generally do little to prevent bullying. Forty percent of bullied respondents feel that their organization doesn’t tolerate bullying. Only 17.5% of those bullied stated that the organization discussed bullying during training ses-

sions, and only 42.5% noted that their organization had specific policies that prohibited bullying. With respect to detecting and punishing bullying, 38% felt that their organization could detect bullying behavior. Furthermore, 28% of the respondents stated that managers are punished if they bully, while 30% felt that high-performing managers are allowed to bully.

Further Research Needed

The results of this study provide mixed results from a standpoint of the accounting profession: On the positive side, bullying seems to occur less frequently within the accounting workplace than in the general workplace (24% vs. 37%). Yet given the foundational aspect of ethics and integrity within the accounting profession, many would agree that *any* amount of bullying that results in unethical behavior on the part of professional accountants is *too much*. The impact of unethical behavior by a very small percentage of professional accountants at Enron shows how a small degree of bad behavior by accountants can have an impact on the lives of thousands, if not millions. Consequently, we believe this study has found that bullying is a serious problem within the corporate accounting community. Further studies are needed to validate these results. **SF**

Olen L. Greer, CMA, Ph.D., is a professor of accounting at Missouri State University and a member of IMA’s Greater Ozarks Chapter. You can contact Olen at (417) 836-4184 or olengreer@missouristate.edu.

George D. Schmelzle, CPA, Ph.D., is a professor of accounting at Missouri State University and a member of IMA’s Greater Ozarks Chapter. You can contact George at (417) 836-5041 or gschmelzle@missouristate.edu.