

Could politeness be harming your company?

Why UK companies are failing to
challenge suspicious expenses



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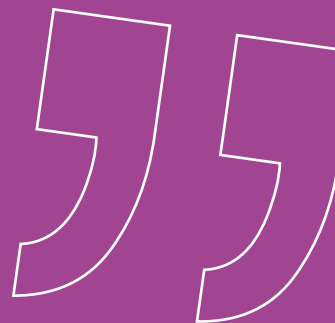
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Challenging expenses



To really merit the name of a polite, you must be polite at all times and under all circumstances.

Cecil B Hartley, Gentlemen's Book of Etiquette (1860)



Managing expenses seems easy when it's printed on a policy document.

But the challenge with expenses management isn't creating a great policy - it's making that policy work in the real world. In a complex business landscape - a shifting interplay of people, power, structures and status.

It's in this mix that finance teams are faced with carrying out a critical task - to challenge suspicious expenses claims.

It's an essential requirement but it's also the one area finance professionals are likely to find most awkward and uncomfortable - especially if it's a senior manager they need to question.

To challenge a colleague clashes with many of those aspects we associate with British business etiquette - a sense of politeness, a respect for rank and not wanting to 'rock the boat'.

But what effect could this reticence be having on the way UK companies manage their expenses? Could our inclination to avoid conflict be contributing to the £100 million annual losses from exaggerated and falsified expenses claims?

This was the motivation behind the research work you will find presented in this report. We will first take an in depth look at the findings of the survey and then look at how understanding the problem can help organisations to tackle the problem:

- Research Findings
- Explaining Expenses Awkwardness
- Digital Management - A New Approach

Research findings



It seems strange that there has been so little research into the way companies challenge expenses, given that it plays such a vital role in protecting businesses against losses and fraud.

But it may be linked to the nature of the problem itself - that research involves talking about internal issues of status and power; things which employees may find difficult to open up about.

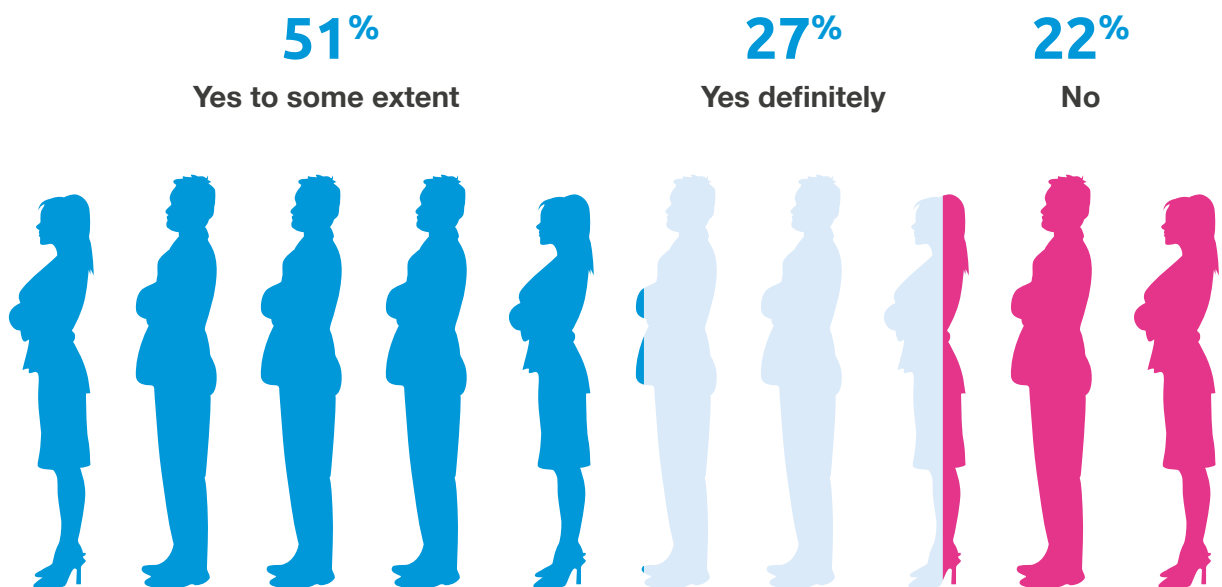
The research commissioned for this report, therefore, provided complete anonymity to all of the 1,042 managers and finance professionals who were quizzed for the survey.

The results help to reveal the true scale of the problem caused by employees being too afraid to challenge colleagues.

When asked if they thought over-politeness in the workplace was costing their company money, an overwhelming 78 percent said yes. Of those, 27 percent said it had 'definitely' lost them money.

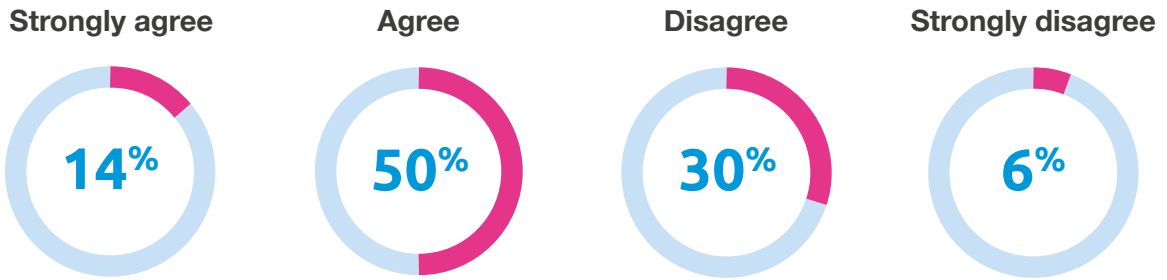


Do you think that over politeness in the workplace could cost your company money?

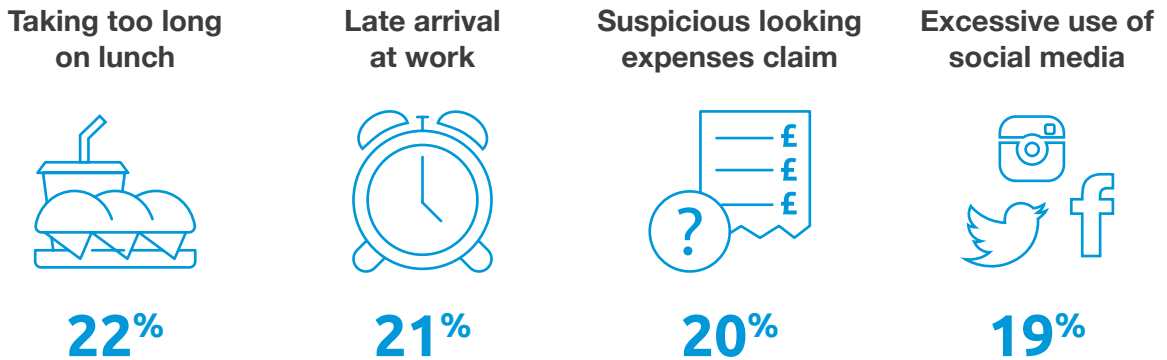


A similar response was found when respondents were asked if they personally felt they were prone to being overly polite when dealing with tricky situations.

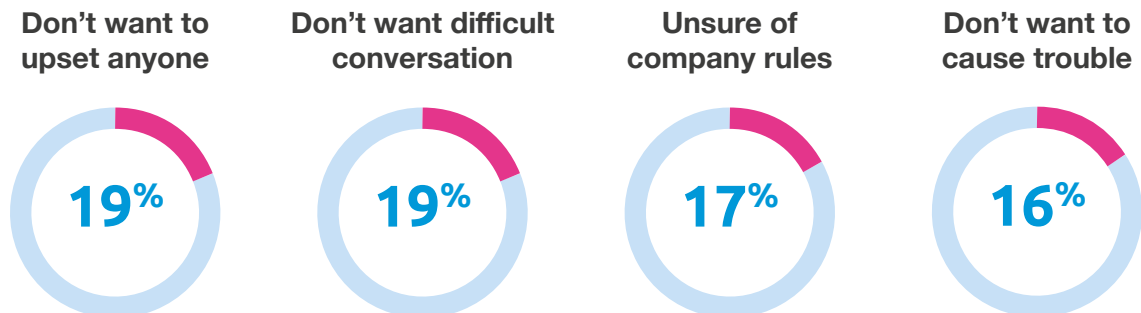
Q How much do you agree with the following statement, "I am too polite when managing difficult situations at work"



The survey asked people to name the specific areas where they had failed to challenge suspicious actions of employees. Among the most common answers were:



When asked why they had failed to challenge employees, the most common reasons were the fear of upsetting colleagues and not wanting an awkward encounter.



One notable aspect of the research findings was that there appeared to be no significant differences in the attitudes displayed by male and female managers. They were similarly reluctant to confront colleagues.

Conclusion

The results suggest there is a significant problem which exists within UK business culture. That managers throughout the country are failing to adequately challenge employees because of the perceived awkwardness it entails.

For any company serious about minimising losses and protecting itself from fraud, it's an issue which can no longer be ignored.

Explaining expenses awkwardness



So why do we find it so hard to challenge suspicious actions in the workplace?

While the social and cultural factors influencing British 'politeness' are beyond the scope of this report, we can explore how these attitudes have taken root in the world of expenses.

If you look at the traditional way expenses have been managed by British businesses, you find a structure which is largely dependent on trust.

The 'analogue' world of scrunched up receipts, mileage guesstimates and handwritten bills creates 'grey areas' in which validating paper expenses is time consuming and inaccurate.

Finance teams have had little option, therefore, other than to trust the honesty of their employees. It meant that challenging a claim was to suggest that an employee was untrustworthy.

It's the lack of information which has helped turn expenses into such a toxic area of the business world - a breeding ground for false and exaggerated expenses. Instead of challenging claims, finance teams have learnt to turn a blind eye.

But thankfully this is a problem which has a solution.

Digital expenses solution



Expenses management is no longer reliant on employee trust.

New digital systems transform the way organisations are able to manage and monitor their employees' expenses. The old 'analogue' ways of working are being replaced by faster and more efficient automated systems.

These combine 'cloud' technology with the power of consumer level smartphones to provide finance teams with a much more effective way to handle expenses. It strips away those 'grey areas' where expenses fraud previously existed.

Here are some of the main features of the webexpenses software which has helped hundreds of organisations to regain control of their costs:

Data control

Each claim is tracked and logged with details of what, when and where the expense was made. This rich source of data gives finance teams much greater power to identify suspicious claims.

Real-time management

Instead of waiting weeks for an employee to submit a paper expenses claim, digital systems allow it to be done in seconds. A smartphone app converts paper receipts to a digital form and can be uploaded to the user's account from wherever they have an online connection.

GPS tracking

In the past mileage claims have relied on employees making rough estimates. Now, journeys can be tracked and logged with meter accuracy via the smartphone app and the GPS abilities of the phone.

Policy alerts

The system can be set-up to alert an account manager whenever a certain spending limit is hit or if a claim is in breach of company policy. Alternatively, it can automatically block errant expenses claims.

Policy integration

Reminders, information screens and confirmation boxes can be used to ensure employees are aware of their company expenses policy when submitting a claim. It helps to remove any ambiguity in cases where employees claim ignorance of the rules.

Combined together, these features fundamentally change the way organisations are able to handle expenses. The systems provide account managers with the detailed information they need to robustly challenge suspicious claims.

Being armed with this information helps to boost the confidence of finance professionals when it comes to challenging claims. Rather than basing a challenge on a 'hunch' they are equipped with the data to back up their concerns.

Having an automated system to handle expenses also subtly changes the role of finance professionals when it comes to checking out suspicious claims. The ability of the software to identify and flag policy breaches means that finance teams take on more of a 'policing' role.

They are simply investigating issues raised by the system - not making any personal accusations of dishonesty. It helps to defuse much of the personal awkwardness that can be experienced when querying a co-workers claim.

The way forward

The migration to digital management systems provides a way forward for those companies who continue to struggle against expenses fraud. The technology provides organisations with the confidence to start properly challenging employee claims.

This is not a question of being impolite or rude but rather a more fundamental shift in the way we think about expenses. To use the tools to create a more open and transparent way of working - to create a business environment where expenses are no longer such a troublesome and toxic area.

About webexpenses



From day one, webexpenses has only had one objective - to make expenses something you effortlessly control; not a costly drudge your organisation battles against.

It's an approach which has fuelled webexpenses' growth over the past decade; it's now the tried and tested solution for hundreds of clients throughout the world - from small organisations to large multi-nationals.

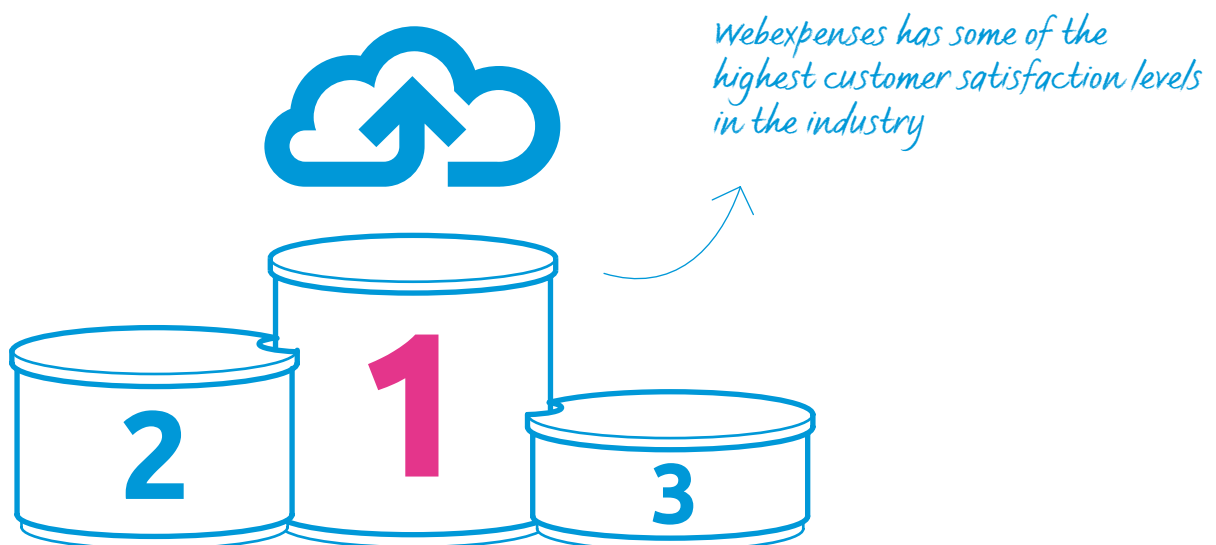
By giving organisations the tools they need to control expenditures, webexpenses clients are able to increase efficiency, stabilise T&E spending and reduce operational costs; providing a speedy return on investment.

Exceeding expectations

The foundation of webexpenses' success is our powerful and robust software. But at the heart of the company lies a commitment to exceed expectations - to go that bit further to ensure our clients' needs are met.

Each and every one of our clients, no matter how large or small the organisation, is given the same level of personal service from our client support team. This commitment has allowed webexpenses to record some of the industry's highest ratings for customer support and a 97 percent client retention rate over the past five years.

For more information on how we could help you manage your expenses, just contact us.



Next steps



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