Addressing Bribery In Your Workplace



9 tips to begin the process of addressing bribery and corruption in the workplace

The broad definition of bribery is simple: bribery is the act of offering something of value, like money or gifts, to influence the recipient's behavior. In practice, bribery is much more complex.

Generally, a bribe is a payment or incentive – in the form of a gift, reward or other advantage – as an inducement to do something dishonest or illegal, and often constitutes a breach of trust in the course of business. Bribery typically goes hand-in-hand with corruption, which is the abuse of entrusted power for private gain.

Recent Amendments to CFPOA

Domestic bribery at a corporate level is fairly rare in Canada. Until recently, organizations accused of bribery in the global marketplace would not be prosecuted in Canada. Many Canadian organizations disregarded the consequences of paying foreign bribes, possibly paying more attention to the consequences of not paying them. However, with the changes tabled last year to the Corruption of Foreign Public Officials Act (CFPOA), Bill S-14, the Fighting Foreign Corruption Act, Canadian companies are taking another look at the issue.

According to a recent survey reported by PricewaterhouseCoopers, 36% of Canadian organizations said they experienced white-collar crimes (compared to the global average of 37%), with 15% saying they had been asked to pay bribes (lower than the global average of 28%). But these bribes occur on a global scale. Stories of bribery are commonly associated with large corporations, allowing multinational businesses to cut corners, pass inspections, or avoid costly regulations. Bribery can also take place on a daily basis on a much smaller scale.

Bribery in Your Workplace

Bribery in the workplace comes in many forms. Examples include gifts exchanged with politicians in exchange for business consideration, money given to an inspector to ensure a passing score on a compliance test, or money paid to a departing employee in return for their non-disclosure of unethical activities in the workplace.

Even harassment and bullying can fall under the umbrella of bribery. Harassment bribes are often exchanged for delivering entitled services (such as admission to a public facility or delivery of goods). Although an official or supplier of public goods cannot legally withhold services, they may choose to delay their services

beyond a point at which it becomes substantially inconvenient or even useless for their customer. Conversely, a citizen may bribe an official to receive special services or privileges for which they are not entitled, such as expeditious service when processing a visa or getting a tax refund cleared.

More Examples of Routine Bribery In The Workplace

- A member of an organization offers money under the table to a supplier to change an invoice or delivery record;
- A customer offers something to an employee in exchange for preferential treatment;
- A competitor offers an incentive to an employee to share private and confidential information;
- A sales manager offers a customer a personal incentive, like airline tickets to a get-away destination to a client, in exchange for agreeing to a business deal at a certain increased or decreased cost;
- A co-worker asks another worker to do his work in exchange for consideration;
- An employee passes along tickets to a hockey game to a supervisor to ensure she is scheduled for a preferred shift at work.

In a 2013 survey conducted by Ipsos Reid on behalf of Clearview, 42% of employees surveyed reported witnessing misconduct in the workplace, including 9% who reported knowing about bribery or corruption. Of the employees who observed misconduct, 48% indicated that they failed to report it and 22% admitted that they would compromise their personal ethics to keep their jobs.

Solution To Reducing Bribery in Your Workplace

Sometimes workers may fail to notice or report bribery because not everyone understands that what they are observing constitutes bribery. Consider implementing some of the following practices into your business to help reduce the incidences of all types of bribery and corruption:

1. Educate employees. This includes senior executives and management about what constitutes bribery and its potential costs and liabilities.
2. Implement clear policies about ethics and business practices, both domestic and foreign, and ensure that these are made available to all employees.
3. Establish clear rules for the receipt and exchange of gifts or other incentives, both externally and internally.
4. Create a ‘hotline’ or clear reporting procedures to allow employees to report incidences of suspected bribery, including whistleblower protections.
5. Enforce violations consistently and follow your progressive discipline procedures.
6. Encourage open dialogue at work that includes open lines of communications on many topics, ethical breaches included.
7. Get senior leadership on board and involve them in encouraging ethics in the workplace.
8. Create an assessment process to identify activities or positions at a higher risk of vulnerability to bribery.

Ignorance is no excuse for failing to comply with bribery policies. The best way to prevent and assess bribery in your workplace is through education. Understand the many behaviors that constitute bribery and implement a reporting system in your workplace to prevent corrupt business practices.