[The Odds Are There Are Conflicts Of Interest At Work]

We often hear of the potential for a ‘conflict of interest’ among politicians, public officials and government employees but the fact is that almost anyone can be in a potential conflict of interest position in his or her personal and/or professional lives.

A Conflict of Interest at Work

The technical definition of “Conflict of Interest’ varies but generally refers the situation where one’s own personal interests are in a position to be advanced at the expense of another’s interests. In a workplace context a conflict of interest may arise when a set of circumstances create the opportunity for the risk that offering a professional judgement could be unduly corrupted or influenced by the need or preference of a secondary interest.

Conflicts of interest can happen all the time, but usually the impact is so negligible it is not worth noting. However, there are times when unintentionally or intentionally a conflict of interest does tip the scales in favour of a choice that affords the individual an opportunity for a personal benefit that comes at a cost to the organization.

It is useful to remember that being in a conflict of interest position itself does not imply any wrongdoing. It simply is a position that can occur when there may be multiple competing needs. A conflict of interest only becomes a problem if it influences the person to put personal gain ahead of the needs of the organization.

Personal Bias In Decision Making

The decision making process is complex and impacted by many perceptions and personal biases. It is natural for people to want to use information or opportunity at their disposal. Psychological research has long demonstrated that it is difficult to keep our personal biases out of decision-making as our preferences are skewed towards our own survival. The ‘Fast Thinking’ portion of our brain finds it easier to quickly apply information to a decision that benefits us personally and often immediately over taking the ‘Slow Thinking’ route of thorough consideration. It is possible to provide our slow thinking, logical brain with ways to alter our decision-making process but to do this we need to have a conscious awareness of the process.

In a work scenario, where one is faced with a choice it is important to bring this conscious awareness of the potential conflicts of interest to the forefront of our decision making by understanding where conflicts can arise.

Common Conflict of Interest scenarios and suggests for managing them:

!) **Hiring/Firing:** Influencing the hiring, firing, promotion of another person with whom a person has a personal relationship such as a friend or family member.

To navigate this potential conflict the employee who is involved in personnel decisions should discloses the nature of relationships and then pass on a final personnel decision to another member of the organization.

2) **Business and Financial Decisions:** Influencing a financial decision such as the purchase of equipment or services where an employee has direct or indirect stake (business investment) or relationship with the supplier.

Employees who recommend financial or program decisions can be required to research and demonstrate an objective measure of cost benefit to acquiring a product or services and where a conflict of interest may be present not be allowed to be directly involved in any negotiations.

3) **Confidential Insider Information**: Employees may have discussions with a contact and provide or obtain information that is seemingly innocuous but it turns out the information can be used to influence decisions.

Clarify to employees the scope and nature of confidential information as it pertains to business planning and decision-making.

4) **Gifts and Bribes**: An employee accepts a gift of some value (including non-financial gifts) from a person or entity that has or will have a business relationship with an organization.

Inform employees about the maximum value of a gift they can accept and the requirement to report all gifts above that amount to the organization and understand they may be barred from accepting certain gifts.

5) **Competing Business Interests**: Where an individual has a stake in a business (including their own business or that of a person with whom they have a relationship) that competes directly or even indirectly with their employer

Explain to employees the details of non-compete or non-solicitation policies and the importance of disclosing business relationships that may be in conflict.

Steps For Addressing Conflict of Interest

- The best way to avoid conflict of interests in the workplace is to ensure that everyone in the workplace understands how to recognize a conflict of interest and knows the steps to disclosure and when and how to withdraw from the situation until such time as the conflict is addressed. This means training and reminding employees about their duties when they are in positions to obtain and use sensitive information or make decisions.
- Provide ethics and decision making training including how to recognise bias, including tangible examples relevant to your organization.
- Require employees to sign confidentially discloser and conflict of interest declaration agreements.
- During important decision making opportunities ASK employees if they have considered whether or not they have any conflict of interest. Sometimes asking

is the best way to remind and safeguard against bias.

Conflicts of interest happen all of the time and it is up to the individual to recognize the potential and take steps to disclose and manage the potential conflict throughout the decision-making and action taking steps.