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Ethics Training for Bribery: Developing Organizational Trust

By Professor Denis Collins

Edgewood College, Madison, WI, dcollins@edgewood.edu*

Abstract

Ethics training plays an essential role in creating a culture of trust in organizations. Bribery is a key ethical issue for organizations doing business in Arab nations. The payment of bribes is detrimental to organizational integrity and employee morale. This article describes the importance of trust in creating a high performance organization and provides guidance for facilitating an ethics training workshop on how to respond to a bribe request. Strategies are offered for business and management professors to foster discussions about bribery within their courses and as external consultants to organizations.

Introduction

High performance organizations depend on employees to speak honestly with peers, managers, and owners when ethical problems arise. However, individuals are more likely to discuss work-related ethical issues with family and friends than co-workers or supervisors, and often remain silent when ethical misconduct occurs. This is a world-
nationwide problem. According to the 2013 National Business Ethics Survey of the U.S. Workforce, forty-one percent of the respondents observed ethical misconduct during the previous 12 months, with sixty percent of these incidents involving managers (Ethics Resource Center, 2014). Thirty-seven percent of the observed misconducts were not reported.

Bribery is a particularly sensitive ethical issue in Arab and developing nations. The United Nations Global Compact Principles, developed in 1999, highlight ten principles in the areas of human rights, labor, environment, and corruption. The anti-corruption principle states that “Businesses should work against corruption in all its forms, including extortion and bribery” (United Nations Global Compact, 2014). Yet, Transparency International’s Corruption Perceptions Index 2013 reports that remarkably high levels of corruption remain in Arab and developing nations (Transparency International, 2014a).

A challenge for managers, and business professors assisting them, is to develop mechanisms wherein employees can comfortably discuss work-related ethical issues such as bribery. A well-facilitated ethics training workshop conducted at an organization or in a classroom not only initiates dialogue around contentious ethical issues, but has greater impact on employee behaviors than the presence of an ethics code or administrative memos condoning unethical behaviors. Among the benefits associated with formalized ethics training are higher levels of job satisfaction and more positive employee perceptions about their organization’s ethics (Valentine & Fleischman, 2004).

This article describes the importance of trust in creating a high performance organization and provides guidance for facilitating an ethics training workshop about
responding to a bribe request. Business and management professors can foster discussions about bribery in their courses and in their capacity as consultants helping organizations address this problem.

**Building Trust and an Ethical Culture**

Why should managers and business professors provide ethics training? Ethics training helps to create a culture of trust at work. According to the management theorist W. Edwards Deming (1994), “Trust is mandatory for optimization of a system... Without trust, each component will protect its own immediate interests to its own long-term detriment, and to the detriment of the entire system.”

Organizational trust refers to having a positive attitude that another member of the organization will be fair and not take advantage of one’s vulnerability or dependency in a risky situation (Lewis & Weigert, 1985). Trust has a cognitive and emotional dimension. Cognitively, trust is developed based on careful reflection of past experiences with organizational members and practices. A trusting relationship forms through repeated social exchanges between two people, in which each person makes decisions and acts in a way that takes into consideration the other person’s interests and well-being. Trust also has an emotional dimension; it is linked to an individual’s feelings and intuition, and creates a positive emotional bond between two people.

A high degree of trust has many organizational benefits. Trust eliminates psychological barriers separating employers and employees. The other person’s goodwill and reliability are assumed in a trusting relationship, which allows for greater flexibility to respond as needed without burdensome oversight or approval processes. When things
go wrong at work, the information is shared with the trusted party, rather than hidden from view or ignored.

Trust also creates economic benefits through enhanced individual and organizational performance. Trusting and cooperative relationships play a critical role in effective communications and teamwork, which affects employee commitment, employee loyalty, productivity, and profits (Schoorman, Mayer, & Davis, 2007).

Ethical organizations are characterized by high levels of trust, which attracts and retains high quality employees, customers, and suppliers. Ethical organizations also have low levels of office politics and employee cynicism (Buckley, 2001). Ethical work cultures lead to greater accountability through clearly defined standards and shared expectations. The two-way communication reinforces policy compliance and reduces organizational risks.

Hard-earned trust can quickly disappear when violated, such as paying a bribe, constraining organizational performance. Managers and other employees lose credibility and legitimacy when their promises are broken and their words no longer believed. Employees may refrain from providing essential critical comments out of fear of being punished. Ethics training, if done well, holds both managers and nonmanagement employees accountable for their ethical behaviors, and provides an opportunity for misunderstandings to be addressed (Frisque & Kolb, 2008).

**Facilitating a Bribery Ethical Dilemma**

The most meaningful ethical issues to explore are those which employees observe, experience, or hear about. As noted earlier, bribery is a particular problem for
many organizations doing business in Arab and developing nations. Bribery is a salient issue that signals to employees how seriously management considers ethics.

Conducting bribery ethics training using web-based methods is appealing because it is low cost. However, the best ethics training involves employee dialogue regarding real-life situations experienced at work; this cannot be achieved with web-based training. Facilitators are needed, and business and management professors have the potential to serve as disinterested parties with whom employees can openly communicate. Some employees will not speak honestly in front of a manager or human resources employee, particularly about ethical issues, because they fear that their comments might have a negative impact on their performance evaluations and lead to termination. An ideal ethics training workshop facilitator is someone who can create a safe learning environment and build participant trust by ensuring that the discussion is realistic and relevant, and confidentiality will be maintained.

Facilitating an ethics discussion successfully requires a unique skill set. Some employees readily submit to authority and believe it is inappropriate to question those hierarchically above them. Other employees enjoy expressing concerns and may be insensitive to the negative impact of their words. A good facilitator inspires self-learning among the participants by keeping everyone focused on the main issues while being flexible to new issues as they arise (Weber, 2007). The facilitator should encourage participants to form opinions, analyze and modify their own views, and engage in disagreements civilly, without offending those who hold an opposing view and without stifling discussion.
Exhibit 1 summarizes a five-step facilitation process, described below in further detail, designed to maximize interactive dialogue.

**Exhibit 1 Facilitating an Ethics Dialogue Workshop**

<table>
<thead>
<tr>
<th>Step 1:</th>
<th>Distribute a real-life situation to workshop participants, read it out loud, and have participants choose the option that they would do in real-life.</th>
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<tbody>
<tr>
<td>Step 2:</td>
<td>Count the votes for each recommendation.</td>
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<tr>
<td>Step 3:</td>
<td>Develop position rationale in small groups.</td>
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<td>Step 4:</td>
<td>Empower the minority position.</td>
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<tr>
<td>Step 5:</td>
<td>Reach a conclusion.</td>
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</tbody>
</table>

Begin the ethics training workshop by providing participants with a short and realistic bribery ethical dilemma. Then ask participants how they would respond to the situation. Exhibit 2 offers a real-life scenario for workshop participants to explore.

**Exhibit 2 Bribery Ethical Dilemma**

*Payment for Services*

You are a manager for an organization that provides government services. A high ranking government official informs you about a new project that would benefit from your services. The government official says, “If you pay for a vacation for me and my family, plus give us extra spending money, I will make sure that your organization receives the contract.” What would you do? Would you:
1) Make the payment and begin organizing to work on the project?

2) Inform your manager or owner about the offer and do whatever is recommended?

3) Inform someone in government you trust about the bribe request?

4) Inform the media or an NGO trying to eliminate bribery about the offer?

Why?

Distribute this real-life situation to workshop participants and read it out loud because some people learn better by reading and others learn better by listening. Then direct participants to circle the option they would choose, and, most importantly, have them write one sentence explaining why this option was chosen. Two people choosing the same option may disagree as to why it is the right choice. Philosophers dating back to Aristotle have maintained that, with ethics, why an action is chosen is more revealing than which action is chosen (Aristotle, 2012).

Next, record how many participants voted for each decision option. By publicly tallying the votes, participants quickly learn that not everyone agrees with them. Then place participants on teams based on their common response. Enhance the learning experience and discussion by limiting teams to three to five participants. If six people choose the same option, divide them into two teams of three each.

Have each person read his or her one-sentence “why?” response to the other team members. If different justifications are provided, have team members prioritize them. Next, have the team discuss why options chosen by the other teams are less desirable than the one this team chose. Assign one team member the role of “devil’s advocate,” who
then argues on behalf of the other options. This enables the team to develop more thoughtful responses as to what is wrong with the opposing views.

Then facilitate a discussion among the different teams. Who should speak first? Choose a representative from the team with the minority viewpoint. For instance, assume that out of twenty participants, ten would pay the bribe (Option 1), eight would inform the manager or owner about the offer and do whatever is recommended (Option 2), and two would inform someone in government about the bribe request (Option 3). Request that the two people who chose Option 3 speak first. If a team representative with the majority opinion speaks first, those holding a minority view may be intimidated and overwhelmed, and not express a contrary opinion, particularly if majority team members have organizational authority. Make sure that all issues raised by the minority team are sincerely addressed by those holding the majority perspective.

After all issues are addressed, have participants go back into their respective teams and develop an answer that takes into consideration all the concerns expressed. The team can develop a win-win situation that integrates all views expressed, or choose one option over another, but this time with a more thorough understanding and response to opposing perspectives. Choose one team to share its final decision and poll the other workshop participants to see how many support it and, if not, why.

Workshop participants may want more information about how to address bribery and other corruption-related situations. Transparency International (2014b) and the World Bank (2014) provide additional resources for employees on their websites.

Ethics training workshop participants can also write their own real-life ethical dilemmas for further discussion. The ethical dilemma could be related to bribery or any
recently observed or encountered ethical dilemma. Exhibit 3 provides instructions for composing an ethical dilemma for discussion.

**Exhibit 3  Composing an Ethical Dilemma for Discussion**

As working professionals, you have experienced or observed many ethical dilemmas. Write a one or two paragraph ethical dilemma about an experience that challenged your understanding of business ethics. Five ways that might help you arrive at an issue are:

1) Describe a situation where you were not sure of the right thing to do.

2) Describe an incident at work that challenged your conscience.

3) Describe an incident at work that challenged the company’s code of ethics.

4) Describe an incident that seemed disrespectful toward owners, customers, managers, employees, suppliers, community or the natural environment.

5) Describe an incident that highlights the tension tradeoffs between: (a) truth vs. loyalty, (b) individual vs. organization vs. community, (c) short term vs. long term, (d) justice vs. mercy.

Avoid dilemmas that are about informing someone of a co-worker’s unethical action. In order to preserve anonymity, change any references to specific people and places.

- Begin the first sentence with: “You are the (state the job title of the key person facing the ethical dilemma, i.e. accounting manager)”.

- Describe the dilemma (context, concerns, conflict) and clarify both sides of the issue (others will need to understand why the unethical option was a reasonable thing for the decision-maker to pursue).
• Reach the key decision point, and then ask “What would you do?” followed by several possible action options, such as (a) notify X or (b) do nothing.

You will then read your dilemma and ask others what action option they would pursue if they were the decision maker facing the dilemma.

Concluding Comments

Organizations with high levels of trust perform more efficiently and effectively than organizations with low levels of trust. Ethics training enhances trust among employees. Organizations often rely on web-based ethics training because of its low cost, but the best ethics training involves employee dialogue regarding real-life situations experienced at work.

Bribery is an ethical problem in many Arab and developing nations. This article provided a bribery ethical dilemma and a method to facilitate employee discussions about it. Business and management professors can play an essential role in facilitating these discussions, whether by serving as independent consultants to organizations or by engaging their students in the classroom.

References


*Author Bio*

Denis Collins teaches Management at Edgewood College in Madison, Wisconsin. Parts of this essay are excerpted from his book *Essentials of Business Ethics: Creating an Organization of High Integrity and Superior Performance* (John Wiley & Sons, 2009), which provides the 90 best practices for designing ethical organizations. Online training based on these best practices is available as an Udemy Business Ethics course at:

https://www.udemy.com/business-ethics-how-to-create-an-ethical-organization