

Don't be caught out, get proper training

TRAINING With governments in Europe and the United States clamping down on bribery and corruption, companies must protect staff by providing appropriate training, writes Roger St Pierre

The recently enacted UK Bribery Act has pulled into sharp focus the need for employees to be trained in ethical business practices. Moreover, staff need to be made aware of the pitfalls waiting to trip them up, particularly in parts of the world where bribery and corruption remain rife.

Under the new legislation, companies can now be held liable for the actions of any employee or agent who offers bribes in order to gain commercial advantage, even when the company is unaware that such actions are taking place.

The only defence is if the company can demonstrate that it had adequate procedures in place to prevent such illegal activities. This requirement makes training and certification of compliance key issues.

Paul Rew, of international training consultancy Integrity Interactive, says: "We are awaiting guidance on best practices with regard to the procedures that can be put in place to serve as a proper defence. But it's accepted that companies will need to demonstrate having given serious priority to educating all at-risk parties within the enterprise about the bribery and corruption activities that they must avoid."

"To this end, we recommend that suitable training needs to extend

right across an organisation and the extended enterprise.

"A comprehensive ethics and compliance programme and associated training will also provide strong evidence to outside parties, including government, that the company is serious in dealing with the risks it faces.

COMPLEXITY

"Training in all this needs to be ongoing, particularly when new partners and employees are brought into the fold. The complexity involved in addressing entities outside corporate boundaries is increased by the need to deal effectively with multiple languages, unfamiliar cultures, local laws and local business customs."

Philippa Foster Back, director of the London-based Institute of Business Ethics, says: "Companies can now be prosecuted and found criminally liable. Under EU law this can debar them from bidding, while responsible officials can face up to ten years in jail.

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"Appropriate training is especially important for those employees working in procurement or who are dealing with countries that have a high rating on the Transparency International Bribe Payers Index and the Corruption Perception Index.

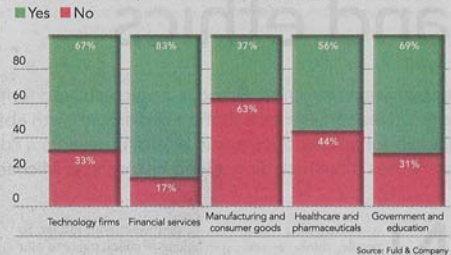
"An IBE survey in 2007 found that 71 per cent of companies said they were running ethics training courses for their staff, which was up from 46 per cent in an equivalent survey three years earlier. The arrival of the 2010 Bribery Act increases the urgency of this matter for companies who do not yet have a programme in place."

Not surprisingly, a whole industry has sprung up around ethics training, says Ms Foster Back. "When choosing a training organisation to work with, a company should test against its own standards the provider's value-set and way of doing business – effectively an ethical due diligence exercise. It should always be borne in mind that getting it right for those being trained is all-important, even if it is more costly," she says.

There are many providers to choose from. Since 1994, LRN has helped around ten million people in 400 companies worldwide to navigate complex legal and regulatory environments, and to foster ethical cultures

Failure to communicate ethics?

Personnel from more than 100 companies worldwide responded to an online survey which asked has guidance on collecting competitor information been reviewed with you directly in person?



ANTI-BRIBERY

Another example is SAI Global's anti-bribery course. Delivered via a SCORM compliant learning management system that helps manage, track and record, the global anti-bribery course is aimed at employees engaged in international business who need to recognise situations that may put themselves and the company at risk of violating anti-bribery laws.

David Leppan, founder of WorldCheck and a thought-leader on reputational risk management, says: "We are responsible for the Global Corruption Risk Index and the Politically Exposed Persons Register, and work for all but one of the world's top 50 banks. We have launched a Bribery Act solution which has been developed for multinational organisations as part of an effective compliance programme."

"This new solution provides individual due diligence reports on partners, service providers, vendors and employees, providing relevant and reliable data to support well-informed risk decisions across all levels

of the business. Proper training in its application is essential to success."

"Face-to-face training is always best, of course," says the IBE's Ms Foster Back. "But today there are lots of e-training packages available, many of which have tracking and monitoring built in to enable human resources or training departments to track employee take-up and usage."

In addition, companies need not only to do the right thing, when it comes to training, but must be seen to be doing it, which makes policy certification by credible bodies a necessity. Philippe Montigny, of Paris-based ETHIC Intelligence, says: "There is an ever-growing call for a more transparent world, with zero tolerance of bribery and corruption which distort competition and hurt everyone."

"We work in partnership with SGS, the leading inspection and certification agency worldwide, and our certification procedures are validated by the Baso Institute on Governance, which is provided by Mark Pieth, chairman of the OECD Working Group on Bribery in International Business Transactions."

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