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Workplace honesty

We all want an to have an honest workplace where employees are trusted and we don't have to constantly check timesheets, expense accounts, vehicle use, and fuel card statements just to make sure that our employees are not taking us for a ride. Instead, what we find is that every year we have to terminate employees for fuel theft, improper time reporting, and unauthorised vehicle use as well as other honesty related offences. The cost of the theft, along with the cost to monitor for such dishonesty, and the cost to replace these employees, can be staggering and for some businesses can mean the difference between success and failure.

Creating an environment of honesty is the first step to reduce the losses associated with employee theft. When employees feel that they are working for a dishonest employer, they are more likely to commit acts of employee theft in retaliation. A lot of the time, the perception of a dishonest employer is driven by a lack of transparency rather than actual dishonesty. This means it is important for businesses to have a clear strategy for communicating with employees in an honest and timely manner. This includes the decisions and news that will negatively impact on employees. That means that if you are looking at redundancy or reorganising the structure of your business, then employees should know it is coming and there should be an open discussion about how these decisions are being made.

With this you also want to have a transparent process for promotions and wage or salary changes so that employees don't feel there is an environment of favouritism. Employees view cronyism and



favouritism as a form of dishonesty. An employee who otherwise might never take advantage of company resources may decide that if they don't have a chance at a fair deal, then their employer owes them and will take that payment in the form of improper use of company assets or using company time for personal business.

All of your business policies do need to be written down, where employees can easily access them, including your policies for disciplinary action and termination. Having well defined employment practices and employment agreements that make it clear to employees what is expected from them, goes a long way to creating the honest transparent environment that you want to promote to your employees.

Once you have made sure you have provided an environment that encourages honesty, the next step is to help your employees stay honest. This means that you do have to check the fuel statements and review the time sheets, and let your employees know that you are consistently doing these checks. You don't want to do so in a way that tells your employees you expect them to be dishonest, but as a part of

your expense review process used in the regular course of accounting or part of a programme to measure productivity and efficiency.

You can also create a programme that rewards honesty. For instance, with fuel card use and vehicle expenses, having a programme that gives rewards to employees who stay within expense targets, means you can actually post the expenses. Sharing these expenses with all employees creates a very strong incentive not to abuse the system in part because the only people that can spot a pattern of abuse faster than the management is one's fellow employees.

Developing a programme that measures and rewards productivity allows you to share how employees are doing creating even more transparency. This makes it clear to employees that you have measures in place that can catch them if they are abusing the system or other business resources, while keeping the goal as positive results for the company, not catching theft. You never want any of these programs to be punitive, but always a way to celebrate success, which means targets need to be achievable for all employees and that everyone who meets the

targets gets the reward, not just those who perform the best. You don't want to create an environment where a few stars are always getting recognition, because then you create a disincentive or environment for apathy for everyone else.

Policies must be consistent which means if you have clear rules about company vehicle use, everyone has to follow those rules. If you have different policies for employees and managers, this creates confusion and makes it easier for employees to rationalise not following the rules. Your policies need to be across the board, from the management down to include the whole team. You can't make exceptions unless there is a clear process for exceptions for all employees. For example if an employee wants to use the company truck to shift house over the weekend, then you need to have a way for all employees to get this kind of exception or you can't provide this exception to any employees. In reality this means having no exceptions is the best policy if you are trying to discourage the improper use of the company fleet.

Finally if you do have an employee who is not being honest, you must act quickly. You can't just sweep it under the carpet even if the employee is a great asset, because in all likelihood, if you as the employer know about the dishonesty, then your other employees know about it too. Not acting is the same is telling your employees to go ahead and steal from you. Follow the disciplinary process consistently; usually it only takes having one employee dismissed due to dishonesty to help reinforce the honest environment you want to promote.

One final note, if you have several incidents of dishonesty from employees in one section of the business, take a close look at the management in that section. Employees take a lot of cues from their direct supervisors and managers so if you see a sudden uptake in dishonesty, you may have a manger who is not perceived as transparent and honest with his or her direct reports, or who is participating in favouritism. Remember your best tool in keeping your employees honest is making sure they view the business and the management as honest. ■

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