

Theft and Fraud

Theft is the dishonest taking of property of something belonging to another person with the intention of depriving the owner permanently of its possession.

Fraud is a deception deliberately practiced in order to secure unfair or unlawful gain.

Madoff – The Fraudster

65 Billion fraud

Enron – The largest fraud ever

Enron used limited partnerships or companies to hide its debt and financial losses. In 4 months, its stocks declined from 90\$ per share to 0,61\$ per share.

Some Statistics:

50 Billion stolen annually from US business employees. 75% of employees have stolen, at least, once in their life. 1/3 of all bankruptcies are caused by employee theft and fraud. Over 25% of frauds and thefts account for at least one million dollars.

The most common causes of Fraud Reporting are tips from employees, internal audits and controls or accidental discoveries.

The HR objective must be to align the firm's interests with the worker's. There must be engagement from both the firm and the employee (total reward system, flexible salary)

Absenteeism

What is it?

Employees not showing up to work, it is not only not being physically present in your workplace but also not getting any work done.

Why does it happens?

-Job Situation Factors: Job scope (repetitive), burnout, stress, low morale, job hunting, frequent transfers ,management style, bullying and harassment, work group size.

-Personal Factors: Employee values, Age, Gender, Personality, Depression, Illness, Partial Shifts

-Attendance Factors: As pay increases, attendance improves. Sick pay schemes may increase absenteeism.

How to control it?

-Commitment on the part of management to reduce cost of absenteeism.

- Have a trust system between employees and employers (sickness benefits for all employees and tend to motivate employees to minimize the abuse,
- Computerized system to store information
- Documented attendance policy that spells the view of the company on absence.
- Training for managers and team leaders.
- Getting management to conduct return to work interviews (know the reasons of absence)
- Communicate more with employees.
- Counseling: create trust and help them with why they missed work
- Disciplinary procedure which must be fair and just
- Create a flexible working options.

Conclusion: Absenteeism costs companies billions of euros every year in productivity, wages, poor quality and excess management time. Some occasional absences can't be avoided. To minimize this problem, you must ensure you establish a strategy to equitably monitor, reduce and respond to absenteeism, such as earn time off or lotteries for workers who do not have any unexcused absences, and require a written excuse from a doctor.

Accidents at Work:

It is considered an accident at work if it occurs at the place and during the time of work, producing bodily injury, functional disorder or illness resulting in reducing in work capacity, or death.

Types:

- In the route : between residence and workplace, meal and workplace etc...
- When the normal route has suffered interruptions or deviations determined by the satisfaction of justifiable needs of the worker, as well as for reasons of major force or fortuitous events
- In the workplace, when executing certain activities demanded or allowed by employer
- Out of place or time of work, when asked by employer
- In running services that result in economic benefit to the employer
- In training situations
- During job search in case of workers with ongoing process of cessation of employment contract
- In place of payment of the remuneration

-At the local where it should be given any form or care of treatment due to an accident at work

HR Role

The HR role is to prevent, by limiting and eliminating risks and limiting the consequences. You can do so by setting some basic security and hygiene needs, protective plans, emergency plans and training.

Legislation:

-Worker's Rights: right to information, to give their opinion, right to propose, to education (for training), representation

-Duties: Act accordingly to security prescriptions, communicate situations, cooperate on the development of prevention systems.

Alcoholism

It is a chronic continual drinking of alcohol or periodic consumption that can lead to dependence.

Alcohol Abuse: to drink in any obligation

Alcohol Dependence: Can't control consumption

There are differences on wet cultures and dry cultures. It is very difficult to compare countries.

It is dangerous to health and results in the deaths of over 2.5 million people per year. It can also cause cardiovascular problems, social problems, brain problems, cancers and liver diseases. It also affects the one surrounding and increases costs for the firm, due to low productivity, health care costs and damage costs and turnover. It results in low morale for the co-workers and can create a hostile environment.

In the short term, it can lead to injuries, violence, risky sex behavior, blackouts, absenteeism, theft, fatigue, poor decision making. In the long term, it increases the risk of accident at work, mental confusion, unemployment, death, health problems...

In order to prevent it at the workplace, you should raise awareness at an early age and give employees some assistance programs, counseling, seminars, workshops.

In male dominated environments, it seems more acceptable to have a drinking habit than in mix gender environments.

Employee Health Promotion Programs can also be successful. Other approaches can be to forbid alcohol consumption at work, intervention with employees who have alcohol problems and targeted interventions for those who can be a risk.

Employee Turnover

It is the rate at which people leave the organization. It can be disruptive and costly. It can be voluntary or involuntary.

Indicators:

Employee Turnover Index: $\text{Number of employee leaving during period} / \text{Avg. Number of people employed} * 100$

Stability Index: $\text{Number of 1 year service or more} / \text{Number employed 1 year ago} * 100$

Survival Rate: Proportion of employees who are engaged within a certain period who remain with the organization after so many months or years of service

Causes:

Bad match between employee's skills and the job, inappropriate working environment, job profile, lack of opportunity for advancement or growth, lack of motivation, lack of appreciation, inadequate training, monetary factors

Consequences:

Costs for the company (recruiting and replacement, leaving costs, inefficiency of new workers, vacancy costs)

Low workplace morale

Deteriorating product or service quality

+Consequences:

Increased Performance

Reduction of conflict

Increased mobility

Innovation and adaptation

Ways to improve Retention:

-Compensation, Support, Environment, Growth, Relationship. It costs more to

Mobbing

Mobbing is a social phenomenon in working environment in which a group of people (mobbers) show power and aggressiveness through an hostile communication, towards one or more single given individuals who become victims of this systematic attack and are pushed into a helpless and defenceless position. This results in loss of respect, status, dignity and identity.

There can be different types of mobbing.

Horizontal: Same position

Vertical: Ascendant, Descendant

Mix: Both

Unlike bullying, mobbing is a systematic phenomenon that involves the interplay of the of the organization

Mobbing works by spreading rumors and lies about someone lives, verbal attacks, threats and activities against the victims' work and person, physical threats or sexual harassment, victim isolation and destruction of working conditions, work is ignored, and magnifying of minor mistakes

Mobbiee/Victim

-Individual, Hard Worker, Shy, Anxious, Low Self Esteem, Don't fit into the culture, persons who stand up for others

Mobber/Agressor

-Individual or group, constantly looking for flaws and mistakes, lack of knowledge, hides insecurity, like to show their power.

Causes:

Hostile communications, culture of competition, aggressiveness, individualism, abusive message flows, envy, lack of confidence of aggressor, strict labor laws, racism.

Consequences

Physical and psychological disorder, emotional disorder, behavioral disorder, social disorders, decrease in productivity.

How to prevent it?

-**Company:** Develop strategies to avoid mobbing (campaigns), Develop a non-aggressive culture (ethical rules, promote good relations), develop prevention policies (identify and punish mobbers)

-Individual: Be aware of changes in management and possible differences between your values and theirs, create allies, don't isolate, try to get along with everyone, don't be oversensitive, try to dress properly, fit into the style, maintain your posture (eye contact, clarity, be kind, be strong).

Suggestions to fight Mobbing:

Take some reflection time: Check your physical and psychological conditions, research legal options

Don't Deny It: Document everything, confront the aggressor

Expose the situation: Follow formal procedures, contact authorities

HIV

Human Immunodeficiency Virus that causes Immune Deficiency Syndrome (AIDS). It damages the protective immune system. It infects over 35M people worldwide, over 40 000 in Portugal and, currently, has no cure.

It can only be transmitted, by direct contact with body fluids containing the virus. As a result, there is no risk in an ordinary workplace.

Even if there is no cure, you can still prevent the damage to the immune system and the development of AIDS by taking regular medicines.

Facts: HIV in the Workplace:

-Many companies are losing around 3% of their workforce a year (Africa)

-Young adults have the highest level of infection

-Parents of young children and future leaders are at risk

-5 to 10 years of productive working life

Higher Costs

-Low productivity, waste of talents and abilities, reinforces fears and prejudices, anxious and divided work environment, unfair and deeply damaging.

Benefits of Managing HIV

-Prevent more infections, better and longer life, more confident and productive, more willing to disclose their status, less discrimination

Confidentiality

The information is above all confidential. An employee can not be forced to test for HIV and can not be asked about it by anyone.

Rights

Employers are not allowed to dismiss someone based on this, they must receive the same benefits as any other employee, the same process and reasonable accommodations like flexible working hours, rest periods, adapted duties and extended sick pays.

Recommendations:

Special organizations providing advice around employment, effective steps to discrimination, employers should take proactive steps, give information and education about these problems, increase awareness, encourage and support those who have the disease.

Workaholism

It is considered to be an irrational commitment to excessive work, an addictive behavior, obsessive perfectionism. An extreme situation can lead to burnout. The rationale behind is that you should work long hours, work hard and dedicate yourself to the company. You maintain a high level of involvement, even when not necessary and go to work on Saturdays for example.

How to identify a workaholic?

- Excessively committed to the job: Keep on doing things rather than improving
- Neglect other areas of life: Family, friends, sports. Having a singular source of satisfaction
- Difficult to work with, live with: egocentric, competitive, moody, inflexible etc...
- Share patterns of thinking of alcoholics, drug addicts and gamblers
- Work long hours, high standards of performance, control of work activities, personal identification with the job

Consequences:

Marital problems, greater work-family programs, neglect other problems, health issues (physical and mental)

For the company, it can lead to a decline in performance, health and accident problems, high turnover rates, bad working environment, low productivity and efficiency

Perfectionism – High need for control – No delegation of work – Difficult to work in a team – Competitive environment

This leads to anxiety, low information sharing and poorer performance

How to deal with it?

Individual: They don't see it as a disease but some know that they have to change

Corporate: Seek levels of involvement with no negative impact, require employees to take days-off, reformulate performance standards, review the reward system, reassign employee

Family and Friends: Balance job involvement, peaceful environment, keep workaholic busy

Researchers: Search for the solutions and the root causes of the disease, predict workaholic's attitudes.

-Specialized Help: Involve someone with awareness and understanding of addiction patterns

People with disabilities

Disability is a consequence of impairment. A permanent disability is only considered when you are disabled by more than 60%.

It can be physical, cognitive, sensory, mental, emotional or developmental.

More than 15% of the world's population has some type of disability. They are the world's largest minority. 90% of children with disability do not attend school. The global literacy rate for adults with disability is only of 3%.

Unemployment is one of the consequences of disabilities. In the US, for example, only 35% of working age disabled people are working. But, thousands of people with disabilities have proven to be successful small business owners.

In Portugal, there are many support measures: placement support, post-placement monitoring, supported job, prizes of merit. There are also some specialized organizations that support some companies in the employability of people with

disabilities. They provide support for the employees, training and they don't charge anything to the company.

How to hire people with disabilities?

Contact specialized organizations, learn more about how to interact with these people, treat all the candidates in the same way, know that these people receive training and have skills.

Also, for those who hire these people, there are some financial benefits (social contribution – 11%), subsidies.

Sexual Harassment

Considered to be unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

-Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment

-Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting an individual

Types:

-This for that: A manager or supervisor withholds or awards job benefits on the basis of sexual favors (work assignments, promotions, positive performance reviews)

It can result in a hostile environment, since the sexual behavior directed at an employee creates an offensive and or intimidating workplace that affects the ability of the individual to perform the job (sexual comments, jokes, repeated requests for dates, emails)

-Textual Harassment: Sending offensive or inappropriate text messages to coworkers. (social media, email etc...)

Consequences:

Retaliation, backlash, victim blaming, anxiety, shame, betrayal, depression

-Short Term: Angry, dissatisfaction, less productivity, absenteeism, lack of confidence, bad working environment

-Long term: Psychological effects, career change, legal action

Causes of Sexual Harassment:

-Demonstration of power, organizational culture, social status, cultural factors, difference between gender

HR policies

-Proactive solutions: Prevention education, setting a strict rule and distribute the policy to employees, punish harassers and announce it to all members of the organization, create some workplace policies.

Cases:

-South Korea: Male dominant culture based on military culture: Joint responsibility, top down, compensation mentality. There is a strict punishment to harassment since 86% of women have experienced it.

-USA: First trial for sexual harassment took place in 1976. 90% of companies offer sexual harassment prevention training programs.

-Poland: Usually, a young woman who started her job is sexually harassed. About 50% of women and 15% of men are sexually harassed. In Poland, they don't talk about it because of social taboos, shame, fear of being fired.

-UK: 60% of women say they have experienced inappropriate behavior from a male colleague, 21% classing it as persistent. 5% of these women lost their job and 10% did not get a promotion.

-Portugal: Single and divorced women are more harassed, more common in Lisbon. 25,5% of women have been sexually harassed by colleague and superiors have harassed 13,6% of their workers. Law protects victims but it is still a very general law.