

# Bad Apples In A Barrel: Corruption In Organisations

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Corruption is a corrupted practice and can be defined as the giving, offering, receiving or soliciting, whether directly or indirectly, anything valuable to influence improperly the actions of another party (The World Bank Group, 2016). For instance, a supplier agrees to pay kickbacks to a government senior official through an agent it employs. This agent who is so called a “sub consultant” is given the task to perform "business development and marketing" services but without any deliverables and is actually connected to that senior government official who demands some "commission" from every bidder. This happens because the official has influence over the bidding evaluation process as he or she is in the bidding evaluation committee, thus is able to lead the award of the contract to any bidder who is willing to pay such “commission”. In these circumstances, the supplier tops up the kickback amount in the whole contract value, and pays for it from the funds it receives from the government’s financed project fund. Thus, this practice artificially inflates the project financing costs, and later the supplier recovers their costs through supplying less expensive and lower quality products.

Transparency International (2016) defined corruption as the abuse of power entrusted to a person, for the purpose of gaining personal benefits. Corruption can be separated into two distinguished classes: between 'true corrupt intent' and 'necessary corruption' (Transparency International, 2016). The true corrupt intent implies bribery or an action to obtain an illicit benefit whereas the necessary corruption occurs for the purpose of getting things done and to obtain a legally entitled service. Some main types of corruption could be extortion, embezzlement, bribery, and fraud.

Bribery is one of the most common types of corruption. Bribery can be defined as the offer or acceptance of anything valuable by a government or public official or employee, in exchange for influence or advantage. These bribes can be in whatever form of presents or payments of money and its equivalents, as an exchange for favourable treatment, such as awards of government contracts. Bribes may be in various forms, of materials or favours; from something huge and tangible, such as property and goods, to a range of privileges, services and favours. The intention of bribes is always for influencing, altering or changing the action of various individuals. It goes simultaneously with both political and public corruption. In the absence of any written agreement to necessarily prove that the crime is a bribery, a prosecutor, therefore, generally needs to display the existence of a corrupt intent. Frequently and in most cases, the person offering the bribe as well as the person accepting the

bribe can be charged with committing bribery. In the private sector, bribery may happen for instance, when a firm bribes the employees of its competitor's company for recruitment services. A bribe does not necessarily need to be harmful to the public interest to make it become illegal in taking such action.

What can be done to prevent corruption? One of the most important ways is that there must be great emphasis on education, which can be achieved through mandatory learning such as anti-corruption courses or anti-money laundering courses. In organisations, top management must lead by examples i.e., through displaying high integrity and honesty. In addition, high ethical culture, best control practices as well as great whistleblowing plans in place will provide effective mechanisms for preventing corruption.

### **References**

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