

# **WORKPLACE ETHICS**

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# ETHICS

## Common Issues In the Workplace

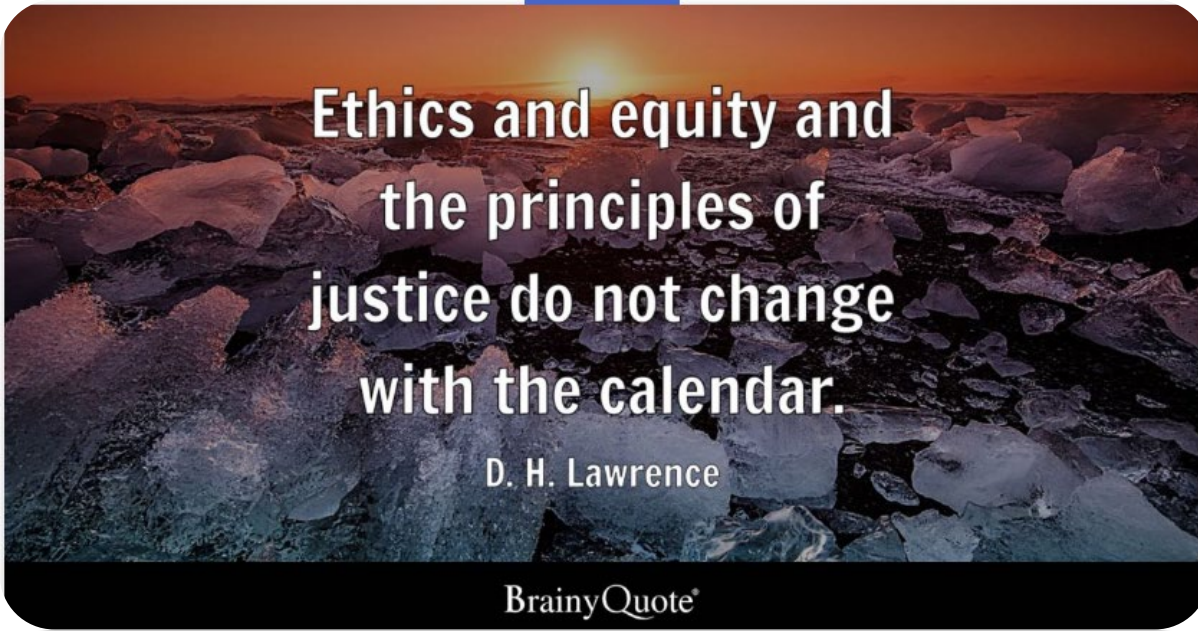
- Unethical Leadership
- Toxic Culture
- Harassment/Discrimination
- Unrealistic Goals
- Misuse of Technology

<https://www.michiganstateuniversityonline.com/resources/leadership/common-ethical-issues-in-the-workplace/>



In the beginning...

*Since the beginning of time, humans have been concerned with right and wrong. Every human society has an explanation for ethics.*

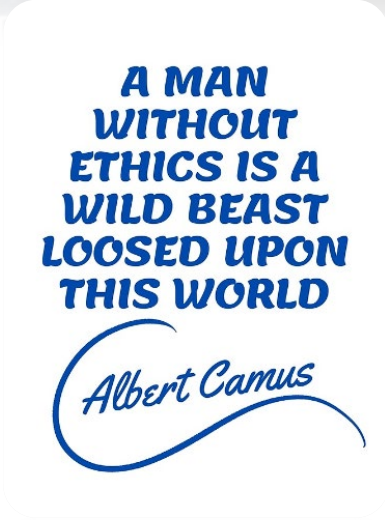


Ethics and equity and  
the principles of  
justice do not change  
with the calendar.

D. H. Lawrence

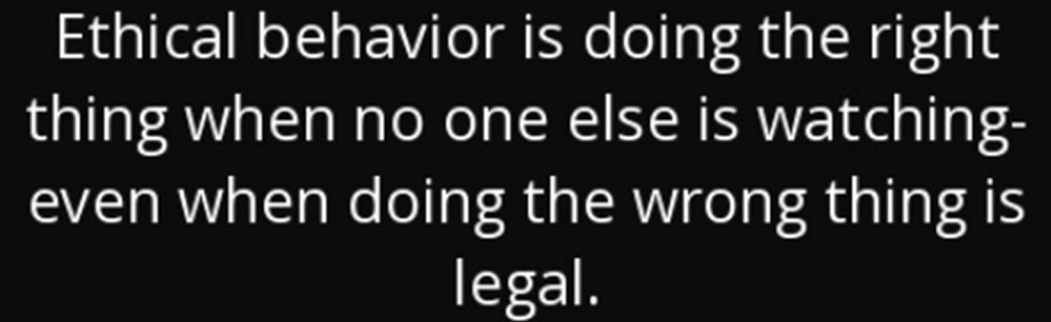
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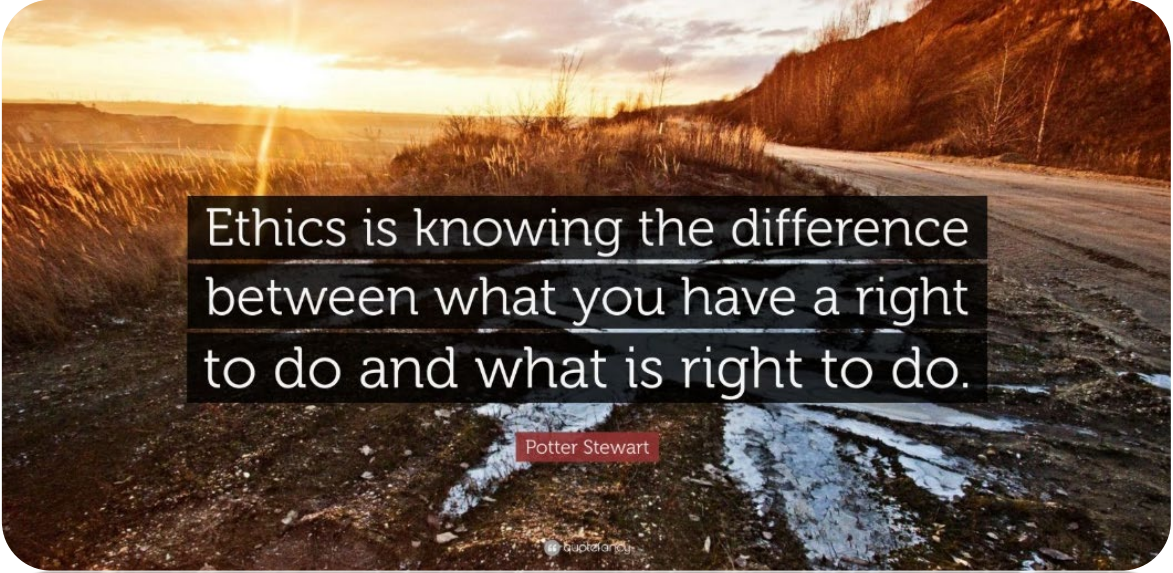
**A MAN  
WITHOUT  
ETHICS IS A  
WILD BEAST  
LOOSED UPON  
THIS WORLD**

*Albert Camus*



Ethical behavior is doing the right  
thing when no one else is watching—  
even when doing the wrong thing is  
legal.

— *Aldo Leopold* —



Ethics is knowing the difference  
between what you have a right  
to do and what is right to do.

Potter Stewart

QuoteGarden

# ETHICS

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We get our understanding of ethics from *culture, parents, religion, philosophy,* *personal self-analysis* and the workplace.

# ETHICS is concerned with what is right and wrong.

*“[The] branch of philosophy which is the systematic study of **reflective choice**, of the standards of **right and wrong by which it is to be guided**, and of the goods toward which it may ultimately be directed. “Philip Wheelwright “*

“**Ethics** are the principles of conduct governing an individual or a group of professionals.”

<https://www.merriam-webster.com/dictionary/ethic>



Excellence-moral, ethical,  
personal excellence-is  
worth whatever it costs.

Charles R. Swindoll

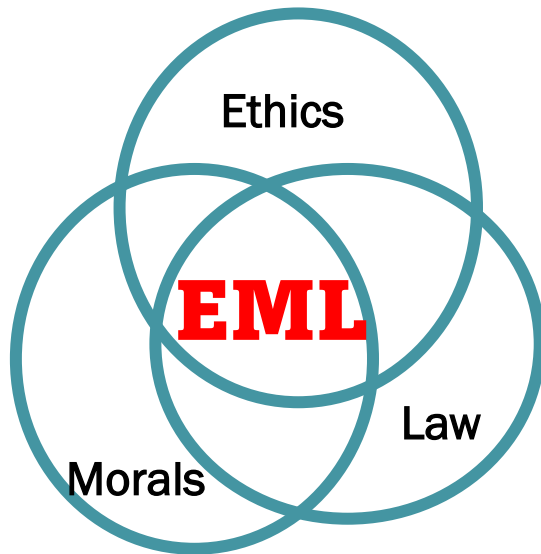
# MORALS

A **person's standards** of behavior or beliefs concerning what is and is not acceptable for them to do.

*Morals are shaped through socialization.*

# ETHICS, MORALS, LAW

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**Ethics** is often applied to right and wrong in the *business* or *professional* world.

**Morality** relates to one's *personal* sense of good or bad, or right or wrong.

**Law** is a rule made by a government that is used to order the way in which a *society* *behaves*.

The common ground is shrinking in our society. (EML)

# ETHICAL DILEMMAS

## *Accountants, Auditors, CFE's*

- Being asked to suppress findings
- Being rushed to finish
- Pressure from management – *compromises in independence*
- Deciding on an audit plan
- **AI Ethics** and the role of IT auditors

*The US National Institute of Standards and Technology (NIST) Special Publication (SP) 1270 identifies 3 categories of bias to which AI applications are prone:*

- **Systemic Bias**
- **Statistical/ Computational Bias**
- **Human bias**

<https://www.isaca.org/resources/news-and-trends/industry-news/2022/ai-ethics-and-the-role-of-it-auditors>



# WORKPLACE ETHICS

Ethics in the workplace is defined as the **moral code that guides the behavior of the employer and employees** with respect to what is right and wrong regarding conduct and decision making.

<https://www.indeed.com/career-advice/career-development/what-are-business-ethics>



# WORKPLACE ETHICS

Examples of good workplace ethics

- **Accountability**
- Responsibility
- Equality
- **Transparency**
- Trust
- Fulfilling promises
- Loyalty

- **Fairness**
- Cooperation
- Dedication
- Discipline
- **Professionalism**
- **Sustainability**
- Legality

<https://www.indeed.com/career-advice/career-development/why-ethics-is-important-in-the-workplace>



# **TIPS TO CREATE AN ETHICAL WORKPLACE**



# CREATING AN ETHICAL WORKPLACE

*EVERYONE should be leading by example and making ethically sound decisions.*



# PROMOTING ETHICS IN THE WORKPLACE

## TRANSPARANCY

- Record Keeping
- Monitoring/ Interpersonal relationships
  - Collusion
  - Conflicts of Interest
- Mandatory vacations
- Prenumbered documents
- Job rotation
- Independence checks
- Surprise audits

**NOTE: Failure to detect and punish misconduct is demoralizing to honest employees, and increases rationalization to commit fraud**

# ETHICAL EMPLOYEES

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- Knowledgeable of their job, roles, and responsibilities
- Organization's vision, value, and strategic plan
- Work with integrity, accountability, confidentiality, trust and honesty
- Do not abuse, misuse, or steal employer's resources or assets including data
- Communicate effectively (mindful of body language, facial expressions)
- Fair, treat others with respect and inclusive
- Familiar and **comply with:**
- **Organizational policies and procedures**
  - *Federal/state/local regulations*
  - *Contractual agreement terms (donor, vendor, grants, etc.)*

# ETHICAL EMPLOYEES



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- Do not share confidential information
- Treat everyone with respect
- Do not intimidate, bully, harass, or discriminate against others
- Disclose conflicts of interest
- When in doubt ask for help
- Report wrongdoing

*Do the Right Thing*

# BENEFITS OF BEING ETHICAL

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- Promotes healthy work environment
- Positive social reputation
- Increased productivity
- Employees aware of roles and responsibility
- Credible financial statements
- Mitigates risks of noncompliance, legal issues and financial loss
- Positive relationships with stakeholders and between management and employees

# RESOLVING UNETHICAL ISSUES

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- Predefine rules and regulations concerning workplace ethics
  - Workplace-code-of-conduct
  - Organizational Code of Ethics
  - Ethical Guidelines.
- Create secure reporting method
- ***Establish consequences for unethical behaviors***
- Implement and ***execute disciplinary actions equally.***



# ***WORK CULTURE***

*Forbes defines workplace culture as:  
“The shared values, belief systems,  
attitudes, and the set of assumptions  
that people in a workplace share.”*

# CULTURE

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Culture represents the *invisible belief systems, values, norms, and preferences of the individuals that form an organization.*

Conduct represents the *tangible manifestation of culture* through the actions, behaviors, and decisions of these individuals.

<https://na.theiia.org/standards-guidance/recommended-guidance/practice-guides/Pages/Auditing-Culture.aspx>

# *A workplace culture that is healthy...*

- ❖ Challenging
- ❖ Rewarding
- ❖ Supportive
- ❖ Family
- ❖ Fast-paced
- ❖ Motivating
- ❖ Integrity
- ❖ Friendly
- ❖ Collaborative
- ❖ Exciting
- ❖ Professional
- ❖ Innovative
- ❖ Positive
- ❖ Engaging
- ❖ Flexible
- ❖ Caring
- ❖ Teamwork
- ❖ Comfortable

- Attracts and retains employees
- Increases employee engagement

# WORKPLACE CULTURE



*Unhealthy*

*IIA's Practice Guide on Auditing Culture*

- **Unreasonable expectations**
- Incentives not aligned with values.
- Lack of transparency
- A pervasive environment of mistrust
- **Lack of accountability, especially at senior levels of the organization.**
- **Failure to enforce codes of conduct and related policies and procedures.**
- **Management refuse to acknowledge information contrary to their opinions.**
- Employees are penalized for mistakes in an environment of fear and blame
- **Management regularly overrides key controls,** and challenge is discouraged, bad actors can operate freely until their behavior becomes the no
- Other employees who behave honestly may leave the organization or become corrupt themselves, resulting in further deterioration of the culture

# CULTURE ASSESSMENT



A cultural assessment is an internal process by which organizations can **evaluate their overall workplace culture.**

Analyze the **beliefs and attitudes** held by an organization and **fostered by employees and leadership.**



# CONSEQUENCES OF BEING UNETHICAL

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- Reduces credibility
- Negative social reputation
- Increased risk of fraud
- Decreased productivity
- Organizational goals are delayed
- Reduces employee moral
- Negative impact on organizational culture
- Strained relationships between employees and employer
- Financial loss, legal issues, noncompliance



***All employees share the responsibility to behave ethically.***

***Do your utmost to recognize behaviors that may do harm or cause a breakdown in the ethical culture of your organization.***

***Speak up if they see coworkers behaving dishonestly.***

***Always strive to make the best possible decision, that will protect the integrity of the organization as well as promote a culture of ethical behavior.***

# THANK YOU

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