Ethics Management for Employees

Professionalism in the Workplace

PRESENTED BY: EMILY AREAN

COMPLIANCE TRAINING GROUP
(800) 591-9741

Table of Contents

Section 1: Defining Business Ethics

Section 2: Factors that Influence Ethical Behavior

Section 3: Ethical & Unethical Practices

Section 4: Recognizing Unethical Behavior

Section 5: Best Practices for Ethical Decision Making

Learning Objectives

❖ Define *Ethics in the Workplace*

❖ Identify why an Organization needs Ethics Training

❖ Assess Common Workplace Ethics Codes of Conduct

❖ Weigh Social Responsibility Factors that Influence Business Ethics

❖ Compare Examples of Ethical & Unethical Actions

❖ Review Reporting Procedures & Determine When to Report

❖ Analyze the Characteristics of an Ethical Organization

❖ Evaluate the Causes of Ethical Dilemmas

❖ Establish Best Practices

Section 1: Defining Business Ethics

What is Ethics?

From Merriam Webster's Dictionary:

❖ Ethics is the discipline of dealing with what is good and bad, with moral duty and obligation in mind
- Moral principles of right and wrong
- A guiding philosophy

❖ *Morals* describe one's particular values concerning what is right and what is wrong
- Often used as a synonym for ethics
- Morals are subjective; Ethics are objective

Business Ethics Defined

❖A set of formal & informal standards

❖Guides behavior at work through policies and basic morals

❖Core values = Honesty, Respect, Trust

❖Workplace culture

What Are Business Ethics?

❖ The principals and standards that define acceptable conduct in business

❖ Policies and practices regarding potentially controversial issues

❖ Usually guided by the law, or a code of conduct

❖ Standards of behavior that are socially acceptable

❖ Confidentiality, Honesty, and Transparency

What are Ethics in the Workplace?

❖ Rules of behavior based on what is morally good or bad in the workplace

❖ Standards and values that define how a business manages itself

❖ How the business responds to difficult situations

Why Do I Need Ethics Training?

❖ To recognize and promote ethical decisions at work.

❖ To create a model for ethical workplace behavior.

❖ To educate ourselves on ethical standards and practices.

❖ To protect ourselves and the organization from potential liability and reputational damage.

Why Be Concerned with Ethics?

❖ Impact on Public Image

❖ Ensure best use of resources

❖ Maintain Quality and Productivity

❖ Assists in Legal Compliance

❖ Protects Sensitive Information

❖ Boosts overall Morale

Warren Buffet's Rule of Thumb on Ethical Conduct

"…I want employees to ask themselves (when they are in doubt about whether a particular conduct is ethical or not) whether they are willing to have any contemplated act appear the next day on the front page of their local paper – to be read by their spouses, children, and friends – with the reporting done by an informed and critical reporter."

-Berkshire Hathaway Code of Ethics

Common Workplace Ethics – E-T-H-I-C-S

Ethical culture, values, and decision making

Transparency

Harassment-free workplace

Integrity and honesty in professional and business relationships

Confidentiality

Safety and equality for all employees

Section 2: Factors that Influence Ethical Behavior

Characteristics of Ethical Behavior

❖Consistently acting with good values

❖Demonstrating respect through dignity, diversity, and equality

❖Guiding actions with principles of confidentiality, honesty, and transparency

Confidentiality

- ❖ Management of information disclosed to third parties
- ❖ An agreement to keep information confidential
- ❖ Treatment of proprietary information received from business partners
- ❖ Governed by local, state, and federal laws

Examples of Confidentiality in Business

❖ Categorize your confidential data
  - Customer lists
  - Contracts

❖ Keep sensitive information secured
  - Shred old documents

❖ Identify security risks
  - Weak Passwords
  - Outdated firewall
  - Disgruntled employees

❖ Control access to sensitive information

Honesty

❖ Reflects the organization's commitment to truthfulness and fairness

❖ Requires an avoidance of conflicts of interest and the use of bribery

  • *Conflicts of interest* arise when those involved in a situation or decision have differing interests in the outcome

  • *Bribery* is the exchange of something valuable to gain influence or preference with a person, organization, or governmental body

Examples of Conflicts of Interest

❖ Purchasing goods or services from a business owned by a friend or relative

❖ Accepting gifts from a vendor

❖ Dating an employee who reports to you

❖ Failing to disclose you are related to an applicant

❖ Supplying products to the government while sitting on the board that sets the criteria for awarding contracts

Examples of Bribery

❖ 2012: Walmart was accused of bribing Mexican officials to quickly obtain permits to open stores

❖ 2014: TSA baggage screener at LAX sentenced to six years in prison for taking bribes to let cocaine pass through security

❖ 2019: Dozens of wealthy parents, including actresses Felicity Huffman and Lori Loughlin charged in multimillion-dollar scheme to cheat college admissions standards

Transparency

❖ **Supports trust** and fosters relationships with stakeholders.

❖ **Ensures disclosure** with all dealings, transactions, and processes transparently.

❖ **Upholds compliance** and adherence with laws, regulations, and policies.

Examples of Transparency in Business

❖ **Promotes openness** about the terms of agreements with business partners

❖ **Maintains accuracy** and open disclosure of safety records as required by regulatory bodies.

❖ **Ensures compliance** with laws and organizational standards in employment, hiring, promotions, and performance evaluations.

THIS JOB HAS WORKED ⭕ DAYS WITHOUT AN ACCIDENT

Section 3: Ethical Practices

Commitment to an Ethical and Respectful Workplace

❖Sexual Harassment Prevention

- A zero-tolerance policy towards any form of discrimination, harassment, bullying, or sexual harassment in the workplace.

- Unwanted sexual advances, inappropriate comments, or any conduct that creates an intimidating, hostile, or offensive work environment, are not aligned with the company's core ethical values.

❖Inclusive Culture

- The company fosters an inclusive environment where all employees are treated with respect and fairness, and where differences are valued.

Commitment to an Ethical and Respectful Workplace

❖Take Action

- If you encounter or witness a situation, it is important to speak up promptly through the company's confidential reporting channels.

❖Protection Against Retaliation

- Employees who report unethical behaviors, including sexual harassment, are protected against retaliation.

❖Ethical Leadership

- Leaders within the organization are expected to model professionalism and ethical behavior.

Commitment to a Safe and Ethical Workplace

❖Employee Well-being

- The company is dedicated to maintaining a safe working environment that promotes health, well-being, and productivity.

❖Safety and Security

- Everyone is expected to follow all safety protocols, report hazards, and contribute to a culture of safety

❖Reporting Unsafe Conditions

- Everyone is encouraged to report any unsafe conditions immediately. The company supports a no-retaliation policy

Causes of Ethical Dilemmas

❖Unrealistic objectives and deadlines

❖Worldwide market competition

❖Economic greed

❖Baises developed by media sources

❖Stakeholder expectation for profits

❖Lack of management support

❖Poor leadership

Causes of Ethical Dilemmas

❖**Unrealistic Objectives:** Pressure to meet challenging deadlines and targets.

❖**Market Dynamics:** Increased competition encourages dubious practices.

❖**Economic Incentives:** Financial motives can lead to unethical decisions driven by greed.

❖**Media Influence:** Information from media sources can be biased.

❖**Profit Pressures:** Expectations from stakeholders to boost profits.

❖**Support Deficiencies:** Insufficient management support can leave employees without guidance.

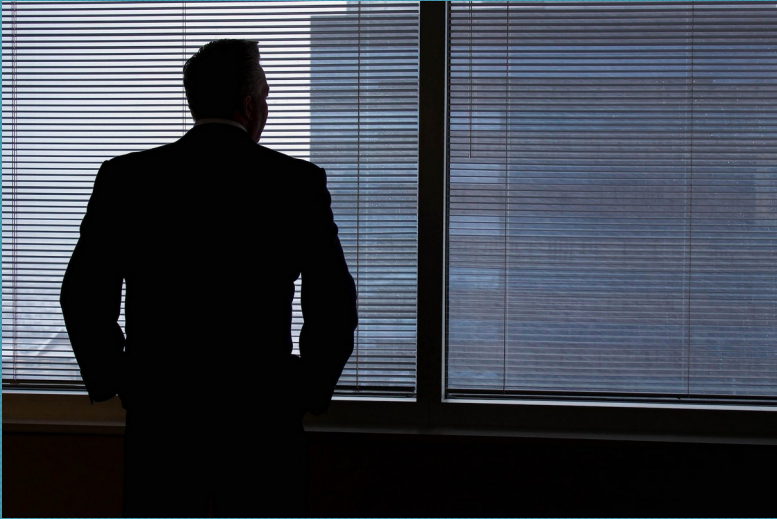❖**Leadership Failures:** Poor leadership can erode ethical standards and accountability within the organization.

Examples of Unethical Conduct

❖ Time Theft

❖ Dishonesty

❖ Attendance

❖ Abusive Conduct

❖ Ignoring Safety and Security

❖ Violating Code of Conduct

Section 4: Recognizing Unethical Behavior

Why is this Difficult? Welcome to the Grey Area

❖Most people have a general idea of "Right" and "Wrong"

❖Some situations are ill-defined and do not conform to existing rules

❖May require clarification and analysis

❖Often only a subtle difference between what is ethical and what is unethical

Dealing with Ethical Quandaries

❖Recognition Challenges

• The dilemma can be hard to identify and may not be obvious

❖Complex Choices

• Situations where no available options seem to completely resolve the issue.

❖Reporting Issues

• Quandaries may go unreported due to uncertainty or fear of consequences

❖Lack of Response

• If reported, sometimes overlooked or dismissed

Why Employees do not Report Unethical Behavior

- ❖ Do not believe corrective action will be taken
- ❖ Fear of <u>retribution or retaliation</u> from supervisors or coworkers
- ❖ Wish to remain anonymous
- ❖ Assume someone else will report (Bystander Effect)
- ❖ Do not know reporting process
- ❖ Behavior involves a senior employee

"It's Just What We Do" Scenario

Maria was just hired as an account coordinator for a home improvement contractor. As she is getting to know her co-workers and going through training at her new job, Maria is instructed to ignore and delete inquiries from certain ethnic groups. Maria feels this is wrong and raises her concerns about this practice with multiple supervisors, but is simply told, "It's just what we do here."

U.S. Equal Employment Opportunity Commission v. Fidelity Home Energy, Inc. 4:19-cv-01231 (2019)

Do You Demonstrate Ethical Values?

❖**Trustworthy**
- Build trust through honesty, loyalty, and integrity.

❖**Respect:**
- Show respect through courteous, tolerant, and accepting actions.

❖**Responsibility:**
- Take accountability for your actions and pursue excellence.

❖**Caring:**
- Demonstrate compassion, consideration, and generosity.

❖**Justice and Fairness:**
- Act impartially, consistently, and ensure equality.

❖**Civic Virtue and Citizenship:**
- Follow the law and actively engage in community service.

When Facing Ethical Issues: *Self Talk*

❖Is my decision truthful?

❖Is my decision fair to everyone involved?

❖Will my decision foster goodwill and enhance the company's reputation?

❖Does my decision benefit all parties with a vested interest in the outcome?

Section 5: Ethical Decision Making

Ethical Dilemma Decision Making Model

❖**Study and Understand the Situation**

- Gather all relevant facts and context to fully understand the situation. Avoid assumptions or jumping to conclusions.

❖**Consult Experts**

- Consult internal experts (legal, HR, compliance, etc.) for guidance on ethical, legal, and regulatory matters.

- Seek advice from external experts (advocacy groups, industry specialists) to gain broader insights.

❖**Ask Questions**

- Clarify uncertainties and gather the necessary details to understand all aspects of the situation.

Ethical Dilemma Decision Making Model

❖**Identify the Ethical Dilemma**
- Determine what's at stake. What are the moral challenges involved, and what are the consequences.

❖**Consider Values on All Sides**
- Reflect on the values and interests of everyone involved. Consider your own personal values and how they might influence your position. Assess the fairness and equity of the situation.

❖**Communicate Your Decision**
- Make a decision that aligns with the company's ethical principles.
- Communicate your decision, explaining how it aligns with ethical values and how it addresses the concerns of all parties involved.

❖**Document Everything and Develop a Checklist**
- Use a structured process for evaluating the situation. Document your findings and develop a checklist for future reference.

Key Ethical Tests for Decision-Making

❖**Is the Action Legally Compliant?**

- Ensure that your decision complies with all laws and regulations. It is crucial to consider any potential legal consequences.

❖**Benefit Cost Test**

- Weigh the benefits of the decision against any harm or costs incurred. Does the benefit justify the action's impact on others?

❖**Categorical Imperative (Kant's Duty-Based Ethics)**

- Would it be acceptable for everyone to act in this way? It's about considering fairness, consistency, and treating others as you'd want to be treated.

By applying these tests, you can evaluate your decisions through multiple ethical lenses and ensure alignment with both company values and broader societal expectations.

What is an Employee Manual / Handbook?

❖**Outlines Responsibilities and Practices**

- Establishes clear guidelines for employees and the organization to follow, ensuring consistency.

❖**Contains the Organization's Culture, Policies, and Procedures**

- Guides employees in understanding company values, expected behavior, and internal processes.

❖**Establishes Best Practices**

- Ensures compliance with legal standards and ethical practices, offering protection for both the company and its employees.

Code of Ethics and Code of Conduct

Code of Ethics

- A set of **broad principles** that guide decision-making and behavior, focusing on the core values and ethical principles of the organization.

Code of Conduct

- **Specific guidelines** for employees detailing the expected behaviors, actions, and practices to align with the organization's ethics.

Importance of the Codes of Ethics and Conduct and Employee Handbook?

❖**Decision Guide:** Reference for day-to-day decisions and behavior

❖**Clarification of Mission and Values:** Details the core principles and promotes professionalism

❖**Resource Directory:** Articulates relevant policies, documents, and resources

❖**Operational Transparency:** Explains how the organization operates and how to report a problem

❖**Defines Disciplinary measures:** Outlines consequences for ethical violations

❖**Legal Compliance:** Ensures practices are in line with federal, state and local regulations

If Asked to Do Something Illegal...

❖Firmly Decline and Assert Your Stance

❖Keep a Detailed Record of All Interactions

❖File a Formal Internal Complaint

❖Refer Your Complaint to Compliance or HR

❖Monitor for Retaliation

❖Record Your Own Performance

❖If Necessary, File a Claim with the Relevant Government Agency

Core Concepts of Ethics and Professionalism

it's important to reflect on the core ethical principles that we should carry with us in our professional lives. These principles help guide our decisions, actions, and interactions in the workplace.

Confidentiality
- Respect the privacy of co-workers
- Keep sensitive information secured
- Control access to sensitive information

Transparency
- Keep accurate records
- Follow financial reporting procedures
- Do not make excuses
- Report problems & complaints immediately

Honesty
- Follow company policies and codes of conduct
- Follow all laws and regulations
- Fulfill your obligations
- Do not over-promise

Respect
- Treat everyone with courtesy, politeness, and dignity
- Communicate openly with others to build mutual respect and long-term working relationships
- Be open and tolerant toward everyone

Training Critique

How Did We Do? Let Us Know!

Thank You

COMPLIANCE TRAINING GROUP℠

www.ComplianceTrainingGroup.com
800-591-9741