

ANNUAL PRACTICAL ETHICS TRAINING

Presentation by:

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UNDERSTANDING ETHICS



❑ What is Ethics

Definitions

✓ Personal

✓ Organizational

❑ Understanding the Benefits of Managing Ethics

❑ Principles that form the basis of Business Ethics

❑ The Benefits of Managing Ethics

❑ How to make ethical decisions and lead with integrity

Understanding Ethics



- ❑ **Ethos** – derived from the Greek word ethos which can mean custom, habit, character or disposition.
- ❑ Discipline dealing with what is good and bad , moral duty and obligation
- ❑ What is the best way for people to live ?
- ❑ What actions are right or wrong in particular circumstances? good and evil, right and wrong, virtue and vice, justice and crime
- ❑ Concerned with what is good for individuals and society and is also described as moral philosophy.

Personal/Organizational Ethics



- ☐ It informs our day-to-day interactions
- ☐ Helps us to do the right thing, but it also helps us to live a life worth living
- ☐ Would I be happy for this decision to be headlining the news tomorrow?
- ☐ What would happen if everybody did this?
- ☐ What will this proposed action do to my character or the character of my organization?
- ☐ Is the proposed course of action consistent with my values and principles?

Principles that form the basis of Business Ethics



- ☐ Honesty
- ☐ Integrity
- ☐ Respect
- ☐ Loyalty – your team, your company and yourself
- ☐ Fairness
- ☐ Caring
- ☐ Obeying the law
- ☐ Excellence
- ☐ Being a leader
- ☐ Morale
- ☐ Accountable

Benefits of Managing Ethics



- ❑ Competitive Advantage in the market
- ❑ Improved Society
- ❑ Cultivates strong teamwork and productivity
- ❑ Supports employee growth and meaning
- ❑ Help avoid criminal acts “of omission” and can avoid litigations
- ❑ Help manage values associated with quality mgt, strategic planning and diversity mgt.
- ❑ Promotes a strong public image.
- ❑ Attention to ethics in the workplace is the right thing to do.

Costs of Managing Ethics



The primary and only responsibility of business is to make money while abiding by the law (Milton Friedman) .

- ❑ Reduces a company's freedom to maximize its profit

Costs of Managing Ethics



Triple Bottom Line Approach

- ❑ Companies report on their financial, social and environmental performance.
- ❑ Acknowledges that companies must make a profit to survive, but encourages ethical and sustainable business conduct.

Ethics at the Workplace



- ☐ Integrating the Culture of Ethics
- ☐ Code of Ethics

Ethics as Accountants

The Place of Ethics as an Accountant



- ❑ The Sarbanes-Oxley Act of 2002 (SOX) is an act passed by U.S. Congress in 2002 to protect investors from the possibility of fraudulent accounting activities by corporations.
- ❑ SOX Sec. 406, directs companies to adopt rules requiring a company to disclose whether it has adopted *a code of ethics* for its senior financial officers, and if not, the reasons therefor, as well as any changes to, or waiver of any provision of, that code of ethics.

ACCOUNTING ETHICS



- ❑ Accounting ethics - the standards of right and wrong conduct that apply to the accounting profession.
- ❑ Examples of Unethical behavior in the Accounting Profession

Interactive Session

