INTRODUCTION

- Maintaining an ethical and legally compliant culture is essential to an organization's long-term success.

- Unethical and unlawful behavior can occur in any organization.

- How quickly the organization responds often dictates:

  - Whether the ethical culture is strengthened.

  - Whether the reputation and health of the organization is put at risk.

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INTRODUCTION

- Resolving ethical issues requires advanced decision-making skills and keen moral sensibilities.

- Managers have a responsibility to respond promptly and effectively to ethics and compliance complaints in the workplace.

  - However, they are often unequipped with the right training or tools to handle the difficult situations.

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INTRODUCTION

- To help effectively address and resolve ethical issues that arise in the workplace, this course introduces concepts for:

  - Ethical awareness

  - Assessment

  - Decision-making

  - Action

AGENDA

- Analyze the connection between ethical culture and long-term financial performance.

- Summarize trends in ethical motivation based on recent professional research.

- Describe the structure and key components of the AICPA Code of Professional Conduct.

- Apply the four-step conceptual framework approach to ethical decision-making.

- Define social responsibility and its role in fostering ethical organizational behavior.

- Identify strategies and activities that promote a culture of ethics and accountability.

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ETHICAL CULTURE AND LONG TERM FINANCIAL PERFORMANCE

ETHICS AND LT PROFIT

- Ethical behavior can ultimately provide longevity for your business.

  - There will be times in your business when you consider or are approached with shortcuts to increase profits, demand, etc.

    - You must stop and think about how this will affect the brand in the future.

    - Corporate reputation in today's business world can often make or break an organization so being aware of appropriate ethical conduct is crucial.

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ETHICS AND LT PROFITS

- Organizations must maintain an honest and moral approach to all aspects of the business. Benefits of ethical conduct include:

  - **Building customer trust and retaining customers** - If customers feel they can trust an organization, they will be more willing to work with your business and make purchases.

    - It is also likely the business will be able to retain more customers, and they'll make purchases in the future. This will boost profits in the long run.

    - This concept will also help increase positive customer reviews which will drive future business.

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EMPLOYEE BEHAVIOR

- **Employee behavior** - Companies will notice a relationship between ethics and profits as they see how the process of positive ethical conduct improves employee behavior.
  - When employees understand the businesses ethical approach and feel safe, they become more willing to work with the business and do their best, further boosting your profits.
  - They "trust" in the process and believe in the organization's goals.

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DRAMA AND BACKLASH

- **Drama and backlash** - A focus on ethical behavior can further long- term profits by assisting to avoid drama and backlash.

  - Brand recognition is impacted when business is conducted unethically. Stakeholders, customers and employees will turn away from the business.

    - This causes the organization to lose money in the long run despite any initial profit gains.

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NEGOTIATIONS

- **Negotiations** - Good ethics will assist during negotiations since businesses and customers will feel they can trust you.

  - This assists in securing better deals for the organization.

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LEGAL AND COMPLIANCE RISKS AND OPERATIONAL EFFICIENCY

- **Reducing Legal and Compliance Risks:** Ethical businesses are more likely to comply with laws and regulations, reducing the risk of lawsuits, fines, and other legal penalties.

  - This can save significant financial resources as well as time and people resources in the long run.

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RESILIENCE AND SUSTAINABLE GROWTH

- **Improving Operational Efficiency and Cost Savings:** Ethical practices can lead to streamlined processes, reduced waste, and increased efficiency, resulting in cost savings.

  - Many organizations will institute QA programs or best-in-class QAR processes.

- **Sustainable Growth and Long-Term Profitability:** In today's complex business world, everyone is looking for how to promote sustainable growth in their businesses.

  - Ethical practices contribute to sustainable growth by building strong relationships with stakeholders and promoting long-term value creation, rather than short-term gains at the expense of others.

RESILIENCE AND SUSTAINABLE GROWTH

- **Resilience Against Market Fluctuations:** Companies with a strong ethical foundation are better equipped to weather economic downturns and changes in the market.

  - Reputation and stakeholder trust provide a buffer against negative impacts.

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ASSESSING MARKETS AND RETAINING TALENT

- **Accessing New Markets and Investment Opportunities:** Ethical businesses should find it easier to access new markets and investment opportunities.

  - These businesses are more likely to be viewed as credible and reliable by investors and potential partners.

- **Attracting and Retaining Talent:** Companies known for ethical practices are more attractive to potential employees, especially those who prioritize purpose and values in their work.

  - This should lead to higher quality hires, reduced turnover costs, and increased employee engagement and productivity.

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ETHICS HEALTH

- Ethical practices are not just a matter of moral obligation, but a strategic advantage that can significantly enhance long-term financial performance.

- Businesses that prioritize ethics are more likely to build trust, attract talent, reduce risks, and achieve sustainable growth, leading to increased profitability and long-term success.

- Strong ethics in today's world is a must.

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TRENDS IN ETHICAL MOTIVATION

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TRENDS IN ETHICAL MOTIVATION

- Trends in ethical motivation encompass a broader focus on corporate social responsibility, environmental sustainability, and data privacy.

- Businesses are recognizing the importance of ethical practices.

  - This extends not only to legal compliance but for also creating a strong brand reputation and attracting customers who value ethical conduct.

- This is reflected in trends like the rise of ESG (Environmental, Social (Sustainability), and Governance) investing, ethical marketing, and increased transparency within supply chains.

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ESG AND CORPORATE SOCIAL RESPONSIBILITY

- Businesses are incorporating ESG factors into their decision-making processes.

- **"E" – Environmental**: Climate change is a true risk to businesses. One of the most significant concerns of ESG is **environmental**.

  - Investors' demand enhanced information about how companies are approaching environmental sustainability. (Sustainability accounting).

  - The foundation of sustainability reporting is for an organization to identify and prioritize its impacts on the economy, environment, and people - to be transparent about their impacts.

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ESG AND CORPORATE SOCIAL RESPONSIBILITY

- Environmental issues in today's world span far and wide.

- There are four main areas that may impact the activities of a business:

  - Climate change

  - Pollution

  - Sustainability

  - Waste reduction

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ESG AND CORPORATE SOCIAL RESPONSIBILITY

- "S" – Social and Sustainability - Social factors don't just depend on how consumers will judge a company's behavior. Other events include:

  - Geopolitical events that prevent companies from producing or distributing their products.

  - Labor issues

  - Risks that come with the safety implications of a product or the politics of a company's supply chain

  - Complex social dynamics, from surges in online public opinion to physical strikes and company boycotts by different groups

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ESG AND CORPORATE SOCIAL RESPONSIBILITY

- **"G" – Governance:** In today's world, all stakeholders expect companies to ethically manage their businesses.

  - Stakeholders are interested in how companies address **governance** processes including business ethics, risk management legal compliance.

  - They recognize that environmental and social performance, compounded with strong governance practices, are crucial for long-term success.

  - `This includes reducing carbon footprints, promoting diversity and inclusion, and engaging in responsible supply chain management.

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ESG AND CORPORATE SOCIAL RESPONSIBILITY

- The "G" in ESG refers to the governance factors of decision-making.

    - This extends from sovereigns' policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders, and stakeholders.

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ETHICAL AI AND DATA PRIVACY

- With the increasing use of AI and the vast amounts of data available, ethical considerations around these technologies are gaining prominence.

    - Concerns exist around AI algorithms and their proprietary nature.

- Businesses are being pushed to ensure that their AI algorithms are fair and unbiased, and that they handle personal data responsibly and transparently.

    - AI ethics emphasizes fairness, transparency, and accountability.

    - Data privacy centers on individuals' rights to control their personal information.

    - Ethical AI means designing systems that respect privacy, avoid discrimination, and are explainable.

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SUPPLY CHAIN TRANSPARENCY AND BALANCING PROFITABILITY WITH ETHICAL PRACTICES

- **Consumers/investors are demanding greater transparency within supply chains.**

  - This includes information about labor practices, environmental impact, and ethical sourcing.

  - Businesses are responding by implementing systems for tracking and verifying their supply chains.

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SUPPLY CHAIN TRANSPARENCY AND BALANCING PROFITABILITY WITH ETHICAL PRACTICES

- **Balancing profitability with ethical practices**: The challenge of balancing profitability with ethical practices remains a key consideration for businesses.

  - While some argue that ethical practices can lead to higher costs, others point to the benefits of building a strong brand reputation, attracting loyal customers, and gaining access to ethical investment capital.

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ETHICAL AI

- **Ethical AI involves many concepts including:**

  - Fairness - AI systems should avoid reinforcing biases present in training data.

    - This can lead to discriminatory outcomes.

  - **Transparency** - AI decision-making processes should be understandable, allowing users to understand how and why a decision was made.

  - .

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ETHICAL AI

- **Accountability** - Clear lines of responsibility should be established for AI system outcomes.

  - This ensures individuals can seek redress for any harm caused.

- **Human Values** - AI development should consider the impact on individuals and society.

  - They must ensure systems are aligned with human values and ethical principles

ETHICAL MARKETING AND CONSUMER BEHAVIOR

- **Consumers are increasingly informed and discerning about the brands they support.**

  - They are more likely to choose companies that align with their values.

- This has led to a rise in ethical marketing practices, where businesses emphasize their ethical commitments and transparency in their messaging.

- This concept extends not just to traditional methods of paper and TV and radio marketing but to social media marketing, brand reputation and Tik Tok trending.

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EMPLOYEE BEHAVIOR

- **Motivation is the forces that energize, direct, and sustain individual behavior. As applied to ethical behavior, motivation:**

  1. Energizes people to act ethically or achieve ethical outcomes.

  2. Directs them to select ethical alternatives.

  3. Sustains moral intention or commits them to a moral course of action.

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EMPLOYEE BEHAVIOR

- Employee motivation techniques continue to evolve/change with the business landscape.

  - Where once promotion and LT employment may have been motivators, we now see things like remote work, time-off and unique benefit options as motivators.

- Following is a clip art from *research.net* showing a graphical depiction of motivating employee ethical behavior.

  - Examine the chart and evaluate what actions may work in your organization.

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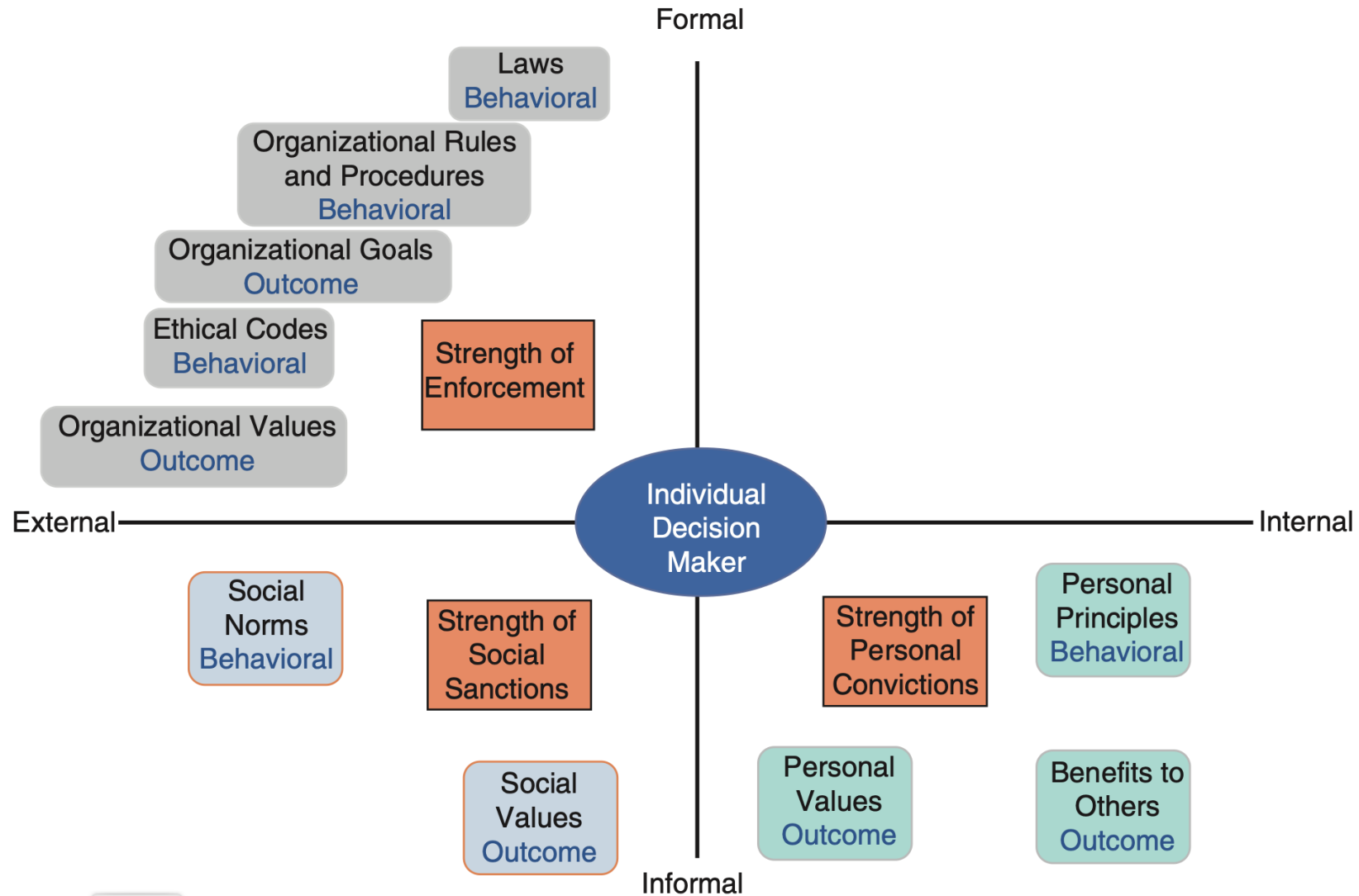
ETHICAL MOTIVATIONS IN CONSUMERS

- **Consumers are increasingly motivated to make ethical purchasing decisions, driven by a growing awareness of social and environmental issues, as well as a desire for alignment between their values and brands they support.**

  - This trend is characterized by a move towards transparency, accountability, and sustainable practices in business.

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ETHICAL MOTIVATIONS IN CUSTOMERS

- Growing Awareness and Engagement includes many concepts:

  - **Increased scrutiny of business practices**: Consumers are more informed about ethical issues and are actively seeking information about a company's supply chain, production methods, and environmental impact.

  - **Influence of social media:** Social media platforms enable consumers to share information and mobilize for ethical causes, amplifying the impact of ethical consumerism.

  - **Demands for Transparency** - Consumers expect companies to be transparent about their ethical practices and to avoid misleading or deceptive claims.

ETHICAL CONSUMERISM IS A WAY OF LIFE

- Ethical consumerism is not just a trend, but a growing way of life for many, who are committed to making ethical choices consistently.

  - **Alignment with personal values:** Many consumers are making ethical choices as a way to express their values and contribute to a more sustainable and just world.

  - **Purpose-driven purchasing:** Consumers are increasingly seeking out brands that align with personal values and are actively working to make a positive impact on society.

  - **Long-term commitment:** Consumers are looking for businesses and brands they can create a long-term commitment to.

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THE FUTURE OF ETHICAL CONSUMERISM

- **Continued growth and influence:** Ethical consumerism is expected to continue to grow in popularity and influence, as more consumers become aware of the issues and demand ethical practices from businesses.

- **Increased focus on social issues:** Consumers are increasingly interested in brands that address social issues and that are committed to creating a more equitable and just society.

- **Collaboration and collective action:** Ethical consumerism is not just an individual behavior, but a movement that involves collective action and collaboration to drive positive change.

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STRUCTURE AND KEY COMPONENTS OF AICPA CODE OF CONDUCT

AICPA CODE OF CONDUCT

- The <u>AICPA Code of Professional Conduct</u> provides a framework of principles and rules for accountants to follow, ensuring integrity, objectivity, and competence in their work. It encompasses ethical obligations to clients, colleagues, and the public, aiming to protect the public interest.

- The Code of Professional Conduct aims to ensure that accountants act ethically and responsibly, maintaining the public's trust and confidence in the profession.

KEYS AND PROFESSIONAL PRINCIPLES

- **Integrity:** Acting honestly and candidly, even when faced with client confidentiality.

- **Objectivity and Independence:** Being impartial and free from conflicts of interest, ensuring unbiased judgment.

- **Due Care:** Maintaining a high level of professionalism and competence, continuously updating knowledge and skills.

- **Confidentiality:** Protecting sensitive client information and maintaining privacy.

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KEYS AND PROFESSIONAL PRINCIPLES

- **Professional Behavior:** Maintaining a high standard of conduct and avoiding actions that discredit the profession.

- **Scope and Nature of Services:** Providing services within their competence and clearly defining their role and responsibilities.

- **Independence:** Avoiding any relationships that could compromise their ability to act impartially.

- **Disclosure:** Fully disclosing any conflicts of interest, fees, or other relevant information to clients.

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AICPA.ORG

- The AICPA web-site, provides a vast amount of resources related to ethical expectations and the AICPA code of conduct.

- **Ethics Subtopics**

  - **Enforcement**

  - **Ethics, Integrity & Professionalism**

  - **Independence & Professional Expertise & Ethics**

  - **Professional issues**

  - **Recently issued interpretations & Standard Setting Activities**

  - **Value Creation and Preservation**

Code of Professional Conduct Resources

- Article

- Exposure Draft

- Overview

- Professionalism

- Professional Standard

- Research

- Podcast

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THE NEED FOR AN ETHICAL FRAMEWORK

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THE NEED

- Why do we need a framework or process for ethical decision making?

- First – ask yourself a few questions:

  - How do you know what is right and what is wrong?

  - **Why** should someone listen and obey your assertion?

 - If someone asks you Why? Is answering "Because I said so" sufficient?"

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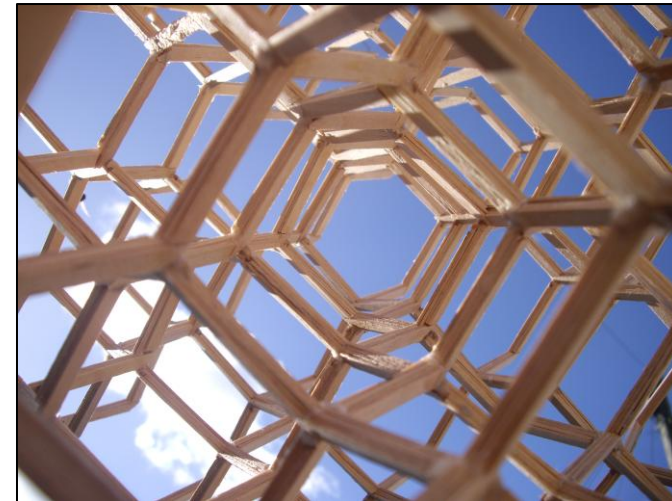
QUOTE FOR THE DAY

- "Any fool can make a rule, and every fool will follow it."

    – Henry David Thoreau

THE NEED

- Making good ethical decisions requires a trained sensitivity to ethical issues.

- A person must:

  - Have a practiced method for exploring the ethical aspects of a decision.

  - Weigh the considerations that may impact the choice of a specific course of action.

Ethical Decision Making

Don't get blown off course.

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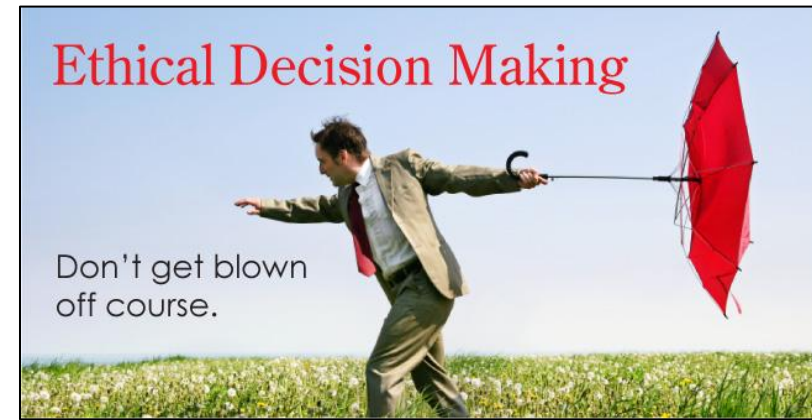
THE NEED

- Fully understand the situation.

- Take note of all pertinent facts applicable to the situation.

- Effectively ask good questions to derive at the right answers.

- Understand the concepts of morality and integrity.

Ethical Decision Making

Don't get blown off course.

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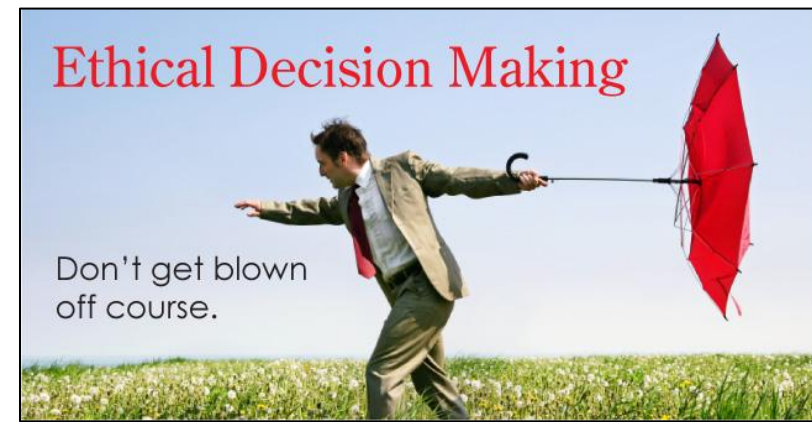
THE NEED

- Morality is a trait where individuals do not have to consciously think through an issue.

  - They have a moral intuition.

  - The decision can be made without thinking.

- However, it <u>may not</u> be advisable to follow immediate intuitions.

  - In complicated or unfamiliar situations this tactic could lead to major issues.

THE NEED

- A method for ethical decision making should enable the person to recognize new and unfamiliar situations and act accordingly.

- The more difficult the ethical choice faced, the more we should rely on discussion with others about the dilemma.

- Careful exploration of the problem, along with the insights and perspectives of others, can help make good ethical choices.
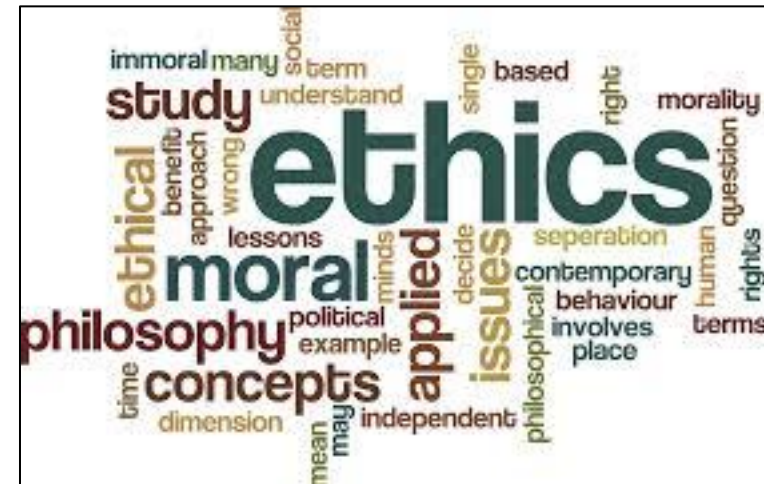
APPLY THE FOUR-STEP CONCEPTUAL FRAMEWORK APPROACH TO ETHICAL DECISION-MAKING

APPROACH TO ETHICAL DECISION MAKING

- A common four-step approach to ethical decision-making involves:

  - Identifying the ethical issue

  - Gathering relevant facts

  - Evaluating alternative actions

  - Choosing an action and testing it

- This process helps individuals and organizations navigate ethical dilemmas by systematically considering various factors and potential consequences.

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APPROACH TO ETHICAL DECISION MAKING

1. Identify the Ethical Issues: Clearly define the ethical dilemma or problem at hand. What is the issue that raises ethical concerns?

- This might involve considering whether a decision or situation could harm someone, be unfair, or go beyond simply being legal or efficient.

- Ineffective managers focus on the symptoms without identifying the underlying issues. if we treat symptoms, the problem will re-create the symptoms if given enough time.

- Without truly understanding the cause of the an issue, resources are wasted.

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APPROACH TO ETHICAL DECISION MAKING

2. Gather the Facts: Collect all relevant information about the situation, including legal, factual, and contextual details. Understand the situation thoroughly before making any decision.

- Includes understanding the situation, identifying stakeholders, and determining their motivations and influence.

- To gather facts for ethical decision-making, focus on objective information, separating evidence from opinion

- Consider all available evidence and perspectives.

  - Includes identifying stakeholders, clarifying values and ethical principles, and exploring possible solutions while considering the consequences for all affected parties.

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APPROACH TO ETHICAL DECISION MAKING

3. **Evaluate Alternative Actions:** Brainstorm and consider various potential actions or courses of action.

- Evaluating alternative actions in ethical decision-making involves systematically analyzing each option to determine its ethical implications, potential consequences, and alignment with ethical principles.

- This process helps identify the most ethically sound course of action.

- Analyze the potential consequences and ethical implications of each alternative.

- Evaluate actions based on ethical principles like rights, justice, and the overall well-being of stakeholders.

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STEPS TO EVALUATE ALTERNATIVE ACTIONS

- Identify and define the ethical dilemma

- Generate and list alternative actions

- Evaluate alternatives using ethical filters.

  - **Utilitarian Approach:** Evaluate each alternative based on its potential to maximize overall good and minimize harm.

  - **Rights Approach:** Consider which alternative best respects the rights and freedoms of all stakeholders.

  - **Justice Approach:** Assess whether each alternative treats people fairly and impartially.

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STEPS TO EVALUATE ALTERNATIVE ACTIONS

- **Common Good Approach:** Evaluate which alternative best serves the community as a whole.

- **Virtue Approach:** Consider which alternative aligns with your values and the values of your organization.

- **PLUS Model:** Think about the positive and negative consequences of each alternative.

- **Ethical Filters:** Ask questions like "Which alternative will produce the most good and do the least harm?", "Which alternative best respects the rights of all?", and "Which alternative treats people equally?

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STEPS TO EVALUATE ALTERNATIVE ACTIONS

- **Consider potential consequences**

  - **Positive Consequences:** Identify the benefits that each alternative could bring.

  - **Negative Consequences:** Analyze the potential harm or risks associated with each option.

  - **Likelihood of Consequences:** Assess how likely each potential outcome is to occur.

- **Involve Stakeholders**

  - Consult with those who will be affected by the decision.

  - Gather diverse perspectives and insights.

  - Ensure that the decision process is transparent and accountable.

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STEPS TO EVALUATE ALTERNATIVE ACTIONS

- **Reflect and refine**

  - Review your assumptions and biases.

  - Consider the potential for unintended consequences.

  - Test and refine your decision based on feedback and further analysis

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APPROACH TO ETHICAL DECISION MAKING

4. Choose an Action and Test It: Select the action that aligns best with ethical principles, considering the potential consequences and impact on all stakeholders. Test the chosen action to ensure it is ethical and viable

- Make the Decision: Based on the ethical frameworks and the evaluation of consequences, choose the action that best aligns with ethical principles and minimizes harm.

- Implement the Decision: Take the necessary steps to carry out the chosen action, whether it's keeping the secrets confidential or seeking legal counsel.

- Evaluate the Decision: After the decision is implemented, reflect on the outcome. Did the action lead to the desired results, and were there any unintended consequences?

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ADDITIONAL CONSIDERATIONS

Additional Considerations:

- **Seek Guidance:** Don't hesitate to consult with ethical experts, mentors, or colleagues for guidance and support throughout the decision-making process.

- **Reflection:** After implementing the decision, reflect on the outcome and lessons learned. Use this reflection to refine future ethical decision-making processes.

KEY CONSIDERATIONS IN THE PROCESS

- **Stakeholders:** Identify all parties affected by the decision and their perspectives.

- **Principles:** Consider ethical principles like:

  - Beneficence (doing good),

  - Non-maleficence (avoiding harm),

  - Autonomy (respecting individual choices),

  - Justice (fairness).

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KEY CONSIDERATIONS IN THE PROCESS

- **Potential Consequences:** Analyze the potential positive and negative outcomes of each alternative.

- **Conflict of Interest:** Be aware of personal interests that might influence decision-making.

- **Legal and Ethical Compliance:** Ensure the decision aligns with both legal and ethical standard

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The CPA Journal proposed an 8-step method as depicted in the following chart.

Steps	Descriptive Criteria
Identify the facts	Define the scope of the problem.
Identify the ethical issues and the stakeholders involved	List the significant stakeholders and the ways in which they could be harmed.
Identify the principles, rules, and values related to the situation	Consider how these guidelines and norms influence the individual, the company, the profession, and society in general.
Identify alternative courses of action	List the available alternatives of what can and cannot be done.
Compare values and alternatives	Determine whether one principle, or value, or a combination lays out a clear course of action.
Evaluate the consequences of each possible course of action	Identify the possible outcomes of alternatives, both the positive and negative consequences.
If appropriate, discuss the alternatives with a trusted person to help gain greater perspective regarding the alternatives	N/A
Make a decision	Balance the consequences against principles and values and select the best alternative.

DEFINE SOCIAL RESPONSIBILITY AND ITS ROLE IN FOSTERING ETHICAL ORGANIZATIONAL BEHAVIOR

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SOCIAL RESPONSIBILITY

- Social responsibility, in essence, means acting ethically and taking responsibility for the impact of an organization's actions on society and the environment.

- It's a commitment to contributing to economic development while improving the quality of life for employees, their families, the local community, and society as a whole.

- This role is crucial in fostering ethical organizational behavior by assisting with the following:

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SOCIAL RESPONSIBILITY

- **Establishing a framework for ethical decision-making**: Social responsibility provides a guiding principle for organizations to consider the broader impact of their decisions and actions, encouraging them to prioritize ethical behavior over short-term gains.

- **Building trust and reputation**: Organizations that demonstrate a commitment to social responsibility are more likely to earn the trust of stakeholders, including employees, customers, and the community.

- **Promoting a culture of accountability**: Social responsibility encourages organizations to be transparent and accountable for their actions, fostering a culture where ethical behavior is expected and rewarded.

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SOCIAL RESPONSIBILITY

- <u>Enhancing employee engagement</u>: When employees see their organization prioritizing social responsibility, they are more likely to feel engaged and motivated, as they can see that their work is contributing to something bigger than just profit

- **<u>Driving innovation and sustainability</u>**: Social responsibility can motivate organizations to explore new ways of doing business that are both profitable and environmentally sustainability.

SOCIAL RESPONSIBILITY

- Social responsibility is not just about doing good.

  - It's about understanding that ethical behavior and societal well-being are essential for long-term organizational success.

- By embracing social responsibility, organizations can create a positive ripple effect, benefiting their employees, customers, the community, and the environment

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KEY ELEMENTS OF SOCIAL RESPONSIBILITY

- Integrate CSR into Company Planning and Budgeting

- Create CSR Accountability at all Employee Levels

- Implement a CSR Management System

- Engage and Communicate With Stakeholders

- Foster Company-Wide Participation

- Align CSR Initiatives With Company Values

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KEY ELEMENTS OF SOCIAL RESPONSIBILITY

- Define Clear CSR Goals and Expectations

- Appoint a CSR Team or Coordinator

- Build Connections With Nonprofits

- Include CSR in Meeting Agendas at all Company Level

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IDENTIFY STRATEGIES AND ACTIVITIES THAT PROMOTE A CULTURE OF ETHICS AND ACCOUNTABILITY.

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STRATEGIES AND ACTIVITIES

- To foster a strong culture of ethics and accountability, organizations should clearly:

  - Define and communicate expectations

  - Lead by example

  - Provide training

  - Establish mechanisms for reporting and addressing ethical concerns

- Additionally, promoting transparency, encouraging open communication, and holding individuals accountable for their actions and results are crucial.

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STRATEGIES AND ACTIVITIES

- **Define and Communicate Expectations:**

  - Create a code of ethics outlining ethical principles, standards, and expectations for all employees.

    - Ensure you address the concerns of employees that work in all jurisdictions and locations of your organization

  - Clearly communicate these expectations to all employees, ensuring they understand what is expected of them in terms of ethical conduct.

  - Regularly review and update the code of ethics to reflect evolving ethical considerations and best practices.

    - Ensure their acknowledgment is not just a sign off. They must understand expectations.

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STRATEGIES AND ACTIVITIES

- **Lead by Example:**

  - Leaders at all levels should model ethical behavior and demonstrate a commitment to accountability in their actions and decision-making.

  - Show that ethical conduct is valued and rewarded, both personally and professionally.

  - To lead ethically by example, leaders should demonstrate core principles like integrity, accountability, fairness, respect, and empathy in their daily actions, setting a positive and trustworthy standard for others to follow.

  - This involves being honest, transparent, and taking responsibility for their actions, while also treating team members and stakeholders with fairness and respect.

STRATEGIES AND ACTIVITIES

- **Provide Training:**

  - Implement ethics training programs that educate employees on ethical principles, decision-making frameworks, and relevant policies.

  - Include ethics considerations in performance reviews and evaluations.

  - Offer ongoing opportunities for ethical reflection and learning.

  - Identify methods for focus groups or feedback to ensure everyone understands the information.

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STRATEGIES AND ACTIVITIES

- **Establish Mechanisms for Reporting and Addressing Concerns:**

  - Create a confidential reporting system where employees can raise ethical concerns without fear of retaliation.

  - Develop clear processes for investigating and addressing reported concerns, ensuring that they are handled promptly and fairly.

  - Establish an ethics committee or dedicated individuals to oversee ethics and compliance efforts.

  - ENSURE all reports are evaluated according to the organization's process.

  - Do not allow one person to "write-off" a complaint as not legitimate.

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STRATEGIES AND ACTIVITIES

- **Promote Transparency:**

- Be transparent about decision-making processes, rationale, and potential impact on all stakeholders.

- Encourage open communication and provide opportunities for employees to ask questions and share feedback.

- Identify various methods for communication (supervisor, HR, anonymous, legal etc.)

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STRATEGIES AND ACTIVITIES

- **Encourage Open Communication:**

  - Create a culture where employees feel comfortable raising concerns, providing feedback, and discussing ethical dilemmas.

  - Encourage open dialogue and collaboration to address ethical challenges.

  - To encourage open communication about ethics, it's crucial to create a culture of transparency, accountability, and trust. This involves establishing clear communication channels, fostering a safe space for discussion, and leading by example through ethical behavior.

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STRATEGIES AND ACTIVITIES

- **Hold Individuals Accountable:**

  - Establish clear accountability mechanisms for ethical breaches, including consequences for violations of the code of ethics.

  - Ensure that everyone, including leaders, is held accountable for their actions and decisions.

  - Regularly assess and evaluate the effectiveness of ethics and accountability programs.

STRATEGIES AND ACTIVITIES

- **Implement Fair and Equitable Consequences**:

  - **Discipline for ethical violations -** Establish clear consequences for ethical violations, such as warnings, suspensions, or termination, depending on the severity of the violation.

  - **Recognize and reward ethical behavior:** Acknowledge and reward employees who demonstrate ethical conduct, both formally and informally.

  - **Ensure fair and equitable treatment:** Apply consequences consistently and fairly, regardless of the individual's role or status.

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STRATEGIES AND ACTIVITIES

- **Incentivize Ethical Behavior:**

    - Recognize and reward employees for ethical conduct, promoting a culture where ethical behavior is valued and appreciated.

    - Consider incorporating ethical considerations into performance bonuses and promotions.

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STRATEGIES AND ACTIVITIES

- **Embrace Corporate Social Responsibility (CSR):**

  - Integrate ethical considerations into all aspects of the business, including operations, supply chain, and community engagement.

  - Commit to making a positive impact on society and the environment.

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BEST PRACTICES FOR COMMUNICATION IN ETHICS

Source: Medium.com

BEST PRACTICES

- **Be honest and transparent**: Honesty and transparency are essential for ethical communication in business.

    - Be truthful in all your interactions, and be transparent about any conflicts of interest, biases, or other relevant information that may affect your communication.

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BEST PRACTICES

- **Respect confidentiality**: Confidentiality is a critical component of ethical communication.

  - Respect the privacy and confidentiality of others, and do not share sensitive information without their consent.

- **Listen actively**: Active listening is an important part of ethical communication.

  - Take the time to listen carefully to others and show empathy and understanding.

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BEST PRACTICES

- **Avoid offensive language and behavior**: Offensive language and behavior have no place in ethical communication.

  - Be respectful and avoid making derogatory comments, using inappropriate language, or engaging in discriminatory behavior.

- **Seek feedback**: Seeking feedback is an effective way to ensure that your communication is ethical and effective.

  - Encourage others to share their thoughts and opinions and be open to constructive criticism.

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BEST PRACTICES

- **Use appropriate communication channels**: Choose the appropriate communication channel for your message.

  - Some messages are best delivered in person, while others are more appropriate for email or other digital communication channels.

- **Consider cultural differences**: Cultural differences can affect communication.

  - Be aware of cultural norms and values and adjust your communication style accordingly.

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BEST PRACTICES

- **Avoid conflicts of interest**: Avoid conflicts of interest in your communication.

  - Do not use your communication to promote personal interests, and avoid making decisions that could benefit you or your associates at the expense of others

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SCENARIO – THE EMAIL LEAK

SCENARIO

- **Background**: Olivia Thompson, the CEO of Thompson Enterprises, had just announced a major merger with a competitor.

  - As part of the merger, the company would be rebranding and launching a new product line.

  - The marketing department was tasked with creating a press release and coordinating the launch of the new products.

SCENARIO

- **The Incident:** Dylan Chen, a junior marketing associate, accidentally sent an email to a journalist instead of his manager, Hannah Lee.

  - The email contained confidential information about the merger and the new product line.

  - The journalist published the information online before the official announcement, causing a media frenzy.

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SCENARIO

- **Response:** Olivia Thompson and Jake Johnson were furious about the leak and launched an investigation to find the source.

  - They discovered that Dylan had not received proper training on how to handle confidential information and had not been informed of the consequences of such a breach.

  - The company quickly issued a statement apologizing for the leak and took steps to prevent future breaches, including better training and communication protocols.