

Leading by Design: Building an Ethical Culture in the Age of AI

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Iowa Society of CPAs
Professional Education

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August 5, 2026



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CEO of Microsoft AI:

“So white-collar work, where you’re [being an accountant]—most of those tasks will be fully automated by an AI within the next 12 to 18 months.”

Mustafa Suleyman
Financial Times Interview
February 2026

*Do you find Suleyman’s statement
scintillating or scary?*



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Jon Lokhorst, CSP, CPA, PCC



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Today's Session

- **Scintillating or scary: future outlook from the CEO of Microsoft AI.**
- **Top AI ethical risks and behavioral concerns.**
- **Building ethical culture by design rather than default.**
- **Core elements of an ethical culture in the age of AI.**
- **Top takeaways and action steps.**



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Top AI Ethical Risks and Behavioral Concerns



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Top AI Ethical Risks and Concerns

1. Overtrusting output without verification.
2. Accepting misinformation, deepfakes, voice clones, and fraud.
3. Misrepresenting AI-powered benefits ("AI-washing").
4. Disclosing confidential and sensitive data.
5. Overlooking bias and fair treatment.
6. Sacrificing due care for expediency (overwork and cognitive fatigue).
7. Abdicating integrity, professional skepticism, and judgment.



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Peer Reviewed Study: Delegating to AI



“People are far more likely to lie and cheat when they use AI for tasks.”

Futurism.com
conclusion
on AI study



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Putting Ethics to the Test When Using AI

5%

Individuals who cheated when reporting dice roll results without using AI.

25 to 88%

Individuals who cheated when reporting dice roll results using AI on varying levels.

Kobis et. al. research published in Nature, September 2025



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Test for Tax Evasion:

Participants were more likely to cheat when they delegated reporting to AI.

AI was more likely to cheat when not given task-specific directions to report honestly.



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Key Observation from Researcher

*“Using AI creates a **convenient moral distance** between people and their actions—it can induce them to request behaviors they wouldn’t necessarily engage in themselves, nor potentially request from other humans.”*

Zoe Rahwan
Max Planck Institute for
Human Development



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Signal or Noise: Resignations of AI Leaders

Caitlin Kalinowski, OpenAI Robotics Lead

Zoe Hitzig, OpenAI Researcher

Steven Adler, OpenAI Safety Researcher

Dylan Scardinaro, Anthropic AI Safety Researcher

Mrinank Sharma, Anthropic Safeguards Research Team

Rene Mayrhofer, Google Director of Android Security

Chris Fall, US Department of Commerce Director of Center for AI Standards and Innovation

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Building Ethical Culture by Design Rather than by Default



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“We appear to be approaching a threshold where our wisdom must grow in equal measure to our capacity to affect the world, lest we face the consequences.”

Mrinank Sharma
Former Anthropic
Safeguards Research Team

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What is culture?

Culture is made up of the purpose, values, beliefs, priorities, behaviors, norms, and relationships that shape the shared experiences of your organization’s people.





YOUR BEST LEADERSHIP

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Lead Every Day Survey on Culture

67% Of 4,000 global leaders named culture as their most powerful tool for driving performance.

11th Overall ranking of building and maintaining culture among top priorities of leaders surveyed.

*Lead Every Day Email
Mark Miller & Randy Gravitt*



YOUR BEST LEADERSHIP

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Building an Ethical Culture by Design is a Leadership Function

“Ethics is at the heart of leadership.”

Craig E. Johnson, Author
Meeting the Ethical
Challenges of Leadership



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“As AI reshapes how work gets done, our value will increasingly be defined by human judgment, trust and the ability to lead in complexity.”

Mark Koziel, CEO
AICPA-CIMA
Describing Rise2040 Initiative



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Core Elements of an Ethical Culture in the Age of AI



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Ethical Culture in the Age of AI

1. Build a strong organizational foundation.
2. Identify and assess ethical risks and concerns.
3. Establish standards for acceptable behavior.
4. Create AI-specific guardrails.
5. Make “see something, say something” safe.
6. Tell stories to reinforce ethical behavior.
7. Ensure accountability for ethical lapses.
8. Provide effective training.



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Your Organizational Foundation

Vision: **Where** are you going?
Purpose: **Why** is this important?
Mission: **What** are you doing?
Values: **How** will you act?



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Assess Risks and Concerns



Hot Spots to Examine:

- Financial reporting
- Treasury and cash management
- Tax positions
- Audit/assurance
- Risk management
- Employee and client data

Where else would AI increase temptation or moral distance?



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Operationalize Your Values with Behavioral Standards

Pop quiz: What prominent corporation declared its values as Communication, Respect, Integrity, and Excellence?

Answer: Enron



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What guardrails are necessary to protect integrity, judgment, and trust while still gaining the benefits of AI?



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AI-Specific Guardrails: A Starting Point

1. Define approved and prohibited uses of AI.
2. Protect the entry of sensitive data.
3. Don't trust, but verify.
4. Require human sign-off on high-risk work.
5. Prohibit use of AI to seek loopholes or distort truth.
6. Require disclosure of material AI involvement.
7. Check for bias and unfair impact.
8. Slow down under pressure.
9. Escalate when something feels off: "See something, say something."



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Reinforce Culture with Storytelling

- Find living examples of your values in action.
- Recognize and affirm positive behaviors.
- Highlight ethical dilemmas handled well.
- Celebrate integrity and ethical choices.



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Accountability for Ethical Lapses



- Ethical lapses are addressed, not rationalized away.
- Review what happened, why it happened, who is responsible, and what must change.
- Apply consequences fairly, regardless of role or results.
- Ultimately, humans are responsible for AI-assisted work.



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Effective Training on Ethics

1. Focuses on the organization's unique ethical problems.
2. Taps into the experiences of participants.
3. Actively engages participants.
4. Reinforces the organization's ideology and standards.
5. Is integrated into the entire curriculum.
6. Addresses AI-specific risks and concerns.
7. Builds AI literacy and prevents competence atrophy.

Credit to Craig E. Johnson for #1-5



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• ***What was your top takeaway from today's program?***

• ***How will you use it to build an ethical culture in the age of AI?***



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