

Hampton Roads AFP Education Conference

April 24, 2012

Business Ethics

Your Instructor

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What are Ethics?

Ethics are the use of rational thought to produce the rules for living life to the fullest.

Morality involves religious values to produce the rules for living life to the fullest

Organizational Codes of Conduct are:

“The rules or standards governing the conduct of the members of an organization”

Why are Ethics Important?

- Allow Organization to meet its objectives.
- Prevent Fraud
 - Fraud Triangle – opportunity, incentive, rationalization
 - Addresses a little of Incentive and much of Rationalization
- Employees are more productive if they are in harmony with organization and they are living fulfilling lives.

Codes of Conduct

- Suffer from a dilemma
- Too broad and code doesn't provide guidance (no letter of the law).
- Too specific and users take a legalese or jailhouse lawyer approach to compliance (break spirit of the law).
- Organizations attempt to address this dilemma by having a Statement of Values and a Code of Conduct with specific rules, rulings and interpretations.

Codes of Conduct

- Must be approved by the highest management level.
- Be Specific
- Be Comprehensive
- Be Relevant
- Be Updated periodically
- Be as simple as possible

Codes of Conduct

- Prevention
- Clearly define and communicate Code and penalties for violations
- Have a means of clarification:
 - Mentoring
 - Counseling
- Have a means of enforcement:
 - Clearly defined procedures for reporting breaches
 - Clearly defined reporting and handling of Complaints

Codes of Conduct

- Content
- Identification of Stakeholders
- Identification of Stakeholders' legitimate interests
- Conflicts of Interest
- Service to the citizens or public good
- Performance of Duties
- Lying
- Cheating
- Stealing
- Reporting Obligation

Values Statement

(Example)

The Shared Values of the College of Business and Public Administration:

- Appreciation of diversity of people and perspectives
- Commitment to academic excellence
- Community outreach
- Concern for students
- Global orientation
- High ethical values and behavior
- Intellectual curiosity

Value Statement

(Example)

- Virginia Military Institute – Honor Code
- “A Cadet Will Not Lie, Cheat, or Steal nor tolerate those who do.”
- Discussion

Ethical Decision Making

How Do We Learn Ethical Behavior?

- Initially from our parents, teachers etc.
- Usually by adolescence.
- This training will not change your values.
- Hopefully it will provide you with some discipline to your thinking.

SOURCE

- ARTHUR ANDERSEN “Ethics in Business Program”
- Produced in the Late 1980’s

How to resolve ethical dilemmas?

1. Determine the facts - What, Who, Where, When, How.

2. Identify the ethical issues and stakeholders involved.

3. Define the norms, principles and values related to the situation.

This would be a great time to bring this issue up with your organization!

4. Identify various courses of action.

5. Decide the best course of action consistent with the norms, principles, and values.

6. Identify the consequences of each possible course of action.

7. If appropriate, discuss the choices with a trusted person to help gain greater perspective regarding the choices.

8. Make a decision.

9. Document the above.

Case Studies

- You go by the photocopy room and notice an employee making copies of a flyer for a family reunion. What do you do?

Case Studies

- Your organization sends you to training. You leave a portion of the training to interview for another job? What do you do?
- You notice a co-worker is shopping on-line during normal business hours? What do you do?

Case Studies

- You discover that your supervisor has been reporting personal expenses on his expense report. What do you do?

Comments and Questions
Are Welcome!

