



WITH NEARLY 1 IN 3 AMERICAN WORKERS ADMITTING TO SOME DEGREE OF EMPLOYEE THEFT, LET'S EXPLORE THE SCOPE OF THE PROBLEM.

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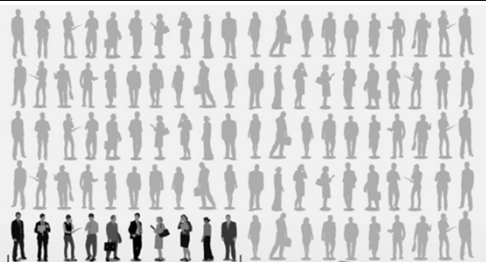
ESTIMATED ANNUAL IMPACT on U.S. businesses from employee theft and fraud



IT'S 15 TIMES MORE LIKELY that a business will be targeted by an employee than anyone else.



EMPLOYEE-RELATED CRIMES that go unnoticed



10%

OF THE EMPLOYEE POPULATION is responsible

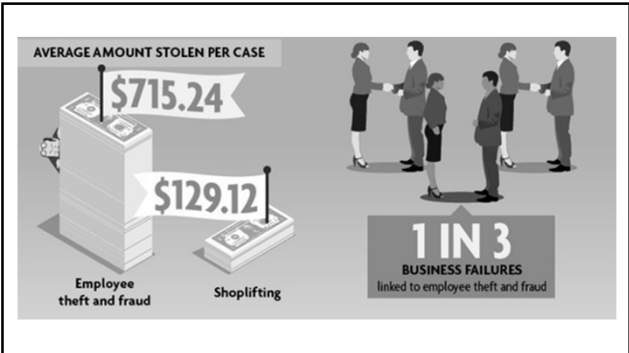
FOR MORE THAN

95%

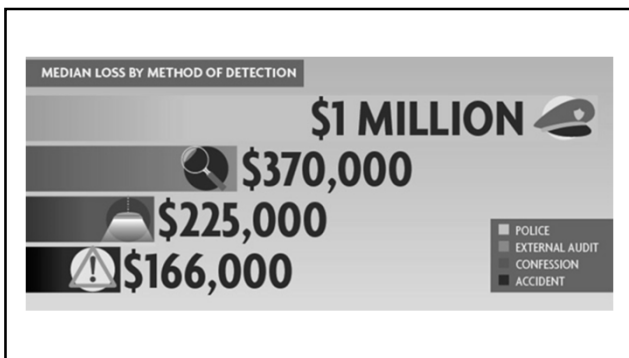
OF THE TOTAL LOSSES from employee theft.

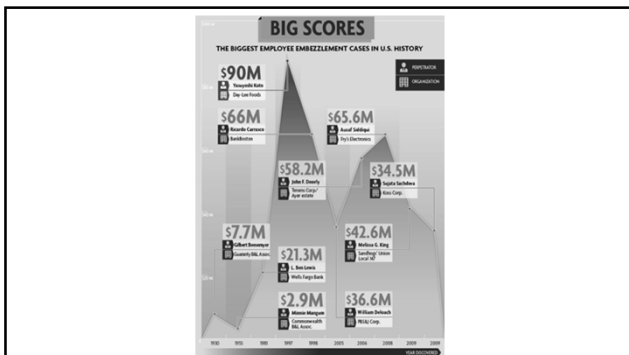

















BUSINESSES ETHICS 101:
WHY DO PEOPLE CHEAT



TRUE OR FALSE?

"Ethics has to do with whether my feelings are right or wrong"

True – but we must realise that sometimes our feelings can cloud are judgement and make it difficult to see both sides.



TRUE OR FALSE?

"Ethics has to do with my religious beliefs."

True – it can be linked to religious beliefs, but remember it is much more than this.



TRUE OR FALSE?

"Being ethical is doing what the law always requires"

**True – people and business
have to follow law, but
remember that some laws
may be unethical.**



TRUE OR FALSE?

"Ethics consists of standards or behaviour our society expects."

**True – but remember that
society is sometimes
unpredictable and cruel.**



CAN ETHICS BE TAUGHT?

x Academics say yes...
x ...but real-life would tell us otherwise...

- ☐ Just think of all the scandals and ethical lapses we see in the news
- ☐ Aren't most these individuals educated?



CAN ETHICS BE TAUGHT?

- ✗ I can't tell or teach anyone to be ethical
- ✓ What we hope to provide people with is:
 - A decision making framework
 - Principles and foundations on what is right & wrong
- At the end of the day, everyone will all make their own decisions!



WHAT ARE SOURCES OF ETHICAL DEVELOPMENT

- ✓ **Transparency and Openness**
- ✓ Childhood Upbringing
- ✓ Cultural Upbringing
- ✓ Later Life Experiences
- ✓ Religious Beliefs
- ✓ Discussions with others
- ✓ Ethical Philosophers
- ✓ Ethical Dilemmas



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IT IS IMPORTANT TO DEFINE YOURSELF TO THOSE AROUND YOU

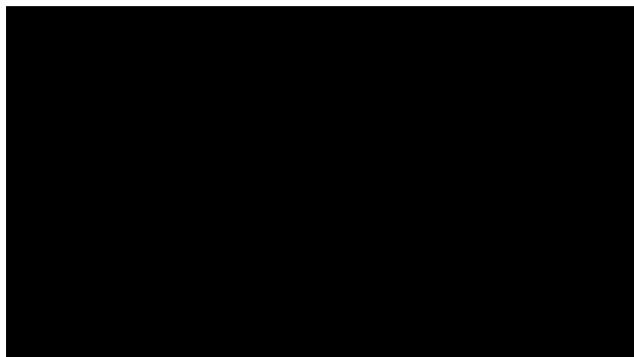




HAVE YOU ALWAYS DONE RIGHT?

☐ How likely are people to...?

- ☒ Exaggerating accomplishments on college / job applications
- ☒ Lying about their age
- ☒ Using a false excuse to delay taking an exam or turning in an assignment
- ☒ Taking low-cost items from a retail store / workplace
- ☒ Taking small amounts of money from parents' wallet without their permission
- ☒ Copying from another student on a test





HAVE YOU ALWAYS DONE RIGHT?

☐ How likely are people to...? (Cont'd)

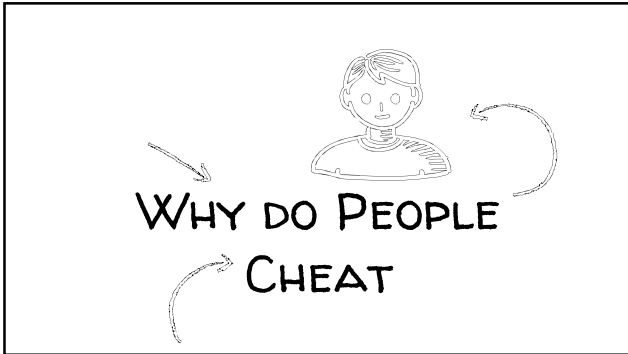
- ☒ Helping someone else cheat on a test
- ☒ Copying material and turning it in as their own work
- ☒ Asking another student who has previously taken a quiz or exam for the questions or answers prior to taking the test
- ☒ Changing a response after a paper or exam is returned and then reporting a grade error to the instructor
- ☒ Take home office supplies from work
- ☒ Buy a garment, wear it, and return it
- ☒ Be in an express line with too many groceries

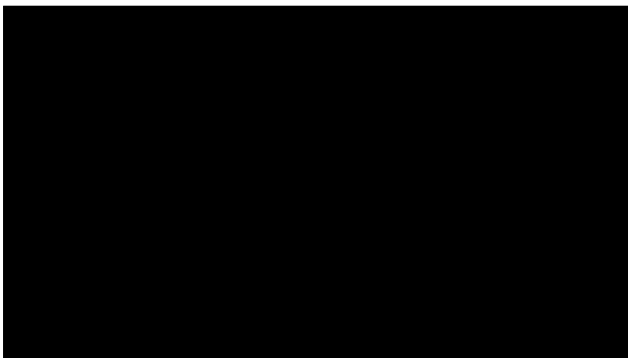





WHAT ARE UNETHICAL BUSINESS PRACTICES?

- ☒ Cheating/Lying
- ☒ Theft or Fraud: Personal Use of Company Property or Expense
- ☒ Expense Account Misrepresentations, Accounting Fraud
- ☒ Abusive or Intimidating Behaviour
- ☒ Discrimination
- ☒ Receiving/Offering Bribes, Kickbacks, or Incentives
- ☒ Sexual Harassment
- ☒ Termination without Fair Notice or Cause
- ☒ ...







WHY DO PEOPLE CHEAT?

- ❑ **Most of us are 98-percenters:** "1% of people would never steal, another 1% would always try to steal, and the rest of us are honest as long as we're not easily tempted." (Locks)
- ❑ **We rationalize it:** "The biggest driver of dishonesty is the ability to rationalize our actions so that we don't lose the sense of ourselves as good people."

Source :The (Honest) Truth About Dishonesty



WHY DO PEOPLE CHEAT?

- ❑ **Psychological Distance:** "Our willingness to cheat increases as we gain psychological distance from our actions". Pencils okay, money not.
- ❑ **We cheat more when it's for other people:** "People are able to cheat more when they cheat for other people." Ability to rationalize.

Source :The (Honest) Truth About Dishonesty



WHY DO PEOPLE CHEAT?

- ❑ **One (dishonest) thing leads to another:** "Once you behave badly, at some point, you stop thinking of yourself as a good person at that level and you say- What the hell".
- ❑ **Encourage Honesty > Discouraging Cheating:** We don't react as well to punishments of cheating as we do to encouragement of honesty.
- ❑ **Mind:** "Small reminders of ethical standards can be very powerful"

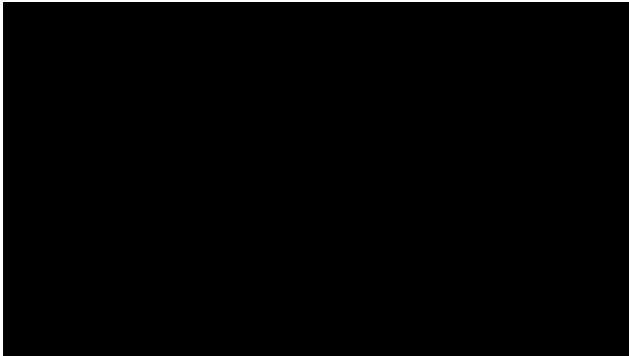
Source :The (Honest) Truth About Dishonesty



WHO CHEATS MORE?

1. (A) Bankers or (B) Politicians?
2. (A) Americans, (B) Canadians, (C) Chinese or (D) Israelis?

Source :The (Honest) Truth About Dishonesty



PRACTICAL REALITIES OF THE
THEORETICAL BASIS

CORRUPTION BY POWER, NUMBERS & SUFFERING

WHAT IS ETHICS? WHAT MAKES ONE ETHICAL?

Annual
Acknowledgement
of Business Conduct
and Ethics



To confirm your understanding and compliance with London Life's Code of Business Conduct and Ethics – 2016/17 and the Code of Business Conduct for Quindus Investment Services Ltd., your annual acknowledgement is required by Friday, September 30, 2016.

Action:

To submit your acknowledgement:

- Go to [The Learning Centre](#) (located under Quick Links on [Advisor site](#) home page)
- Launch the Code of Business Conduct and Ethics – 2016
- Select and review the codes that correspond with your role



It's not EASY to be ETHICAL

1. Corruption by **POWER/MONEY**
2. Corruption by **NUMBERS**
3. Corruption by **SUFFERING**



Laurens van der Post, A Far-Off Place - Recounting ancient philosophy of the Bushmen



If you could have ANYTHING...



*Corruption
by
POWER*





Corruption by Numbers



Corruption by Suffering





WHAT IS GOING TO KEEP ME FROM DOING THIS?

- ☐ Seven most cited principles of ethical analysis are: self-interest, personal virtues, caring, utilitarian benefits, universal rules, individual rights, and justice.
- ☐ Challenges to ethics in business includes simplistic approaches, myths, and lack of awareness



CORRUPTION BY POWER

Practice active Gratitude:

- ☐ Bring mundane fortune to conscious awareness.
- ☐ Good examples are the ability to think, walk, talk, see, hear and enjoy those around us....
- ☐ And, if we are lucky, to impact the world positively!
- ☐ What would our day look like if one or more of these factors were not present?



CORRUPTION BY NUMBERS

Celebrate Individuality:

- ☐ We are so often tempted to compare ourselves with others
- ☐ Constant marketing and social pressure does not make it easy to be content with who we are and what we have.





CORRUPTION BY SUFFERING

Get off center stage:

- ☐ So often we place ourselves squarely in the middle of situations.
- ☐ Especially in difficult times we feel that the world is out to get us...





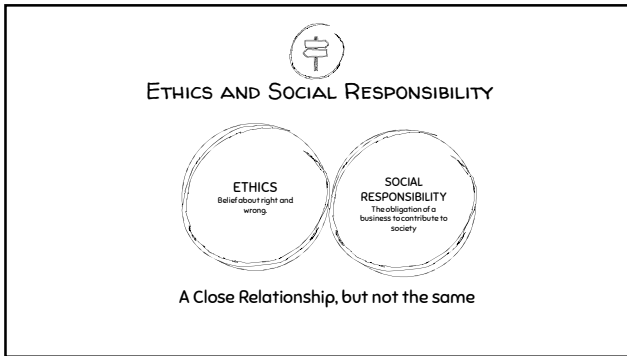
CORRUPTION BY SUFFERING


Get off center stage:

- ☐ Realizing that bigger-picture love is not always evident
- ☐ Applying exercise 1 & 2 will ensure our ability to be accepting of, and effectively manage, not only our unique selves, but also the inevitable randomness, chance, and the wild-card factor that life so regularly throws at us




UNIVERSIAL ETHICAL STANDARDS AND FORCES THAT SHAPE BUSINESS ETHICS





ETHICS AND THE LAW

- ❑ Legal requirements often represent an ethical minimum
- ❑ Personal ethics standards generally exceed legal standards



BUSINESS ETHICS: NOT AN OXYMORON

- ❑ Ethical Dilemma
 - Two unfavourable options with negative consequences
 - Most challenging business decisions seem to arise when **Values are in Conflict**

Business Ethics is the Application of Right and Wrong in the Workplace



DON'T FORGET OUR STAKEHOLDERS

Company Responsibility to...

Employees	Creating Jobs that work
Customers	Value, Honesty, and Communication
Investors	Fair Stewardship and Full Disclosure
Community	Business and being good citizens
Environment	Sustainable Development
Government	Follow laws, regulations, pay taxes



DON'T FORGET OUR STAKEHOLDERS

Responsibility to Employees: Creating Jobs that Work

- ✓ Meet legal standards
- ✓ Workplace Safety
- ✓ Minimum wage/overtime requirements
- ✓ Value employees
- ✓ Provide work/life balance



DON'T FORGET OUR STAKEHOLDERS

Responsibility to Customers

Consumerism:

- ✓ The Right to be Safe
- ✓ The Right to be Informed
- ✓ The Right to Choose
- ✓ The Right to be Heard



DON'T FORGET OUR STAKEHOLDERS

Responsibility to Community

- ✓ Corporate Philanthropy – business donations to non-profit groups, including both money and time.
- ✓ Corporate Responsibility– The actions of the business rather than donations of money and time.



DON'T FORGET OUR STAKEHOLDERS

Responsibility to Environment


- ✓ Green Marketing – Marketing environmental product and practice to gain a competitive edge.
- ✓ Greenwashing – Marketing environmental practices when there is no real green effort.



UNIVERSAL ETHICAL STANDARDS

Trustworthiness

Be honest.
Don't deceive, cheat, or steal.
Do what you say you'll do.




UNIVERSAL ETHICAL STANDARDS

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Respect	Treat others how you'd like to be treated. Be considerate. Be tolerant of Differences



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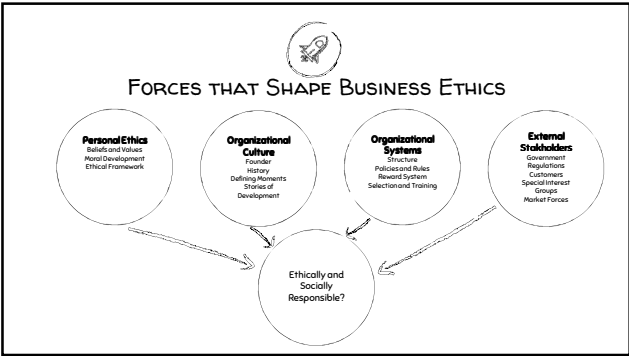
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Fairness	Provide equal opportunity. Be open-minded. Don't take advantage of others.
Caring	Be kind. Be Compassionate. Express gratitude.
Citizenship	Contribute to the community. Protect the environment. Cooperate whenever feasible.





PRACTICAL DECISION MODEL

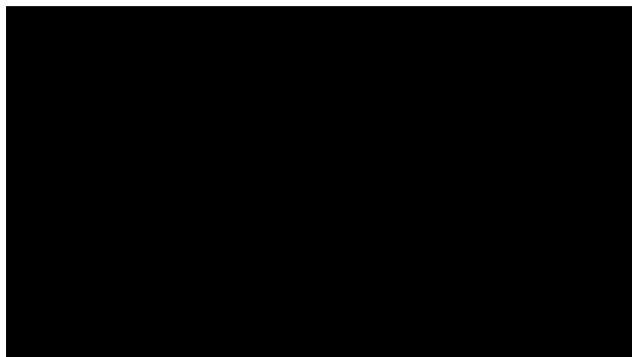
1. Does my decision fall within the acceptable standards that apply in business today?
2. Am I willing to see the decision communicated to all people and groups affected by it?
3. Would the people with whom I have a significant relationship approve of the decision?



A SOURCE OF EVIL: OBEDIENCE

The Milgram Experiment

Managers hold **Power**, with the power to **Corrupt** by **Numbers**.





THANKS

Any questions?

You can find also reach me at
psafi@uottawa.ca

Slide Credits & Sources

- [Inside Job Infographic](#)
- [Teaching Managerial Ethics : Content and In-class Exercises](#)
- [London Life Code of Conduct](#)
- [A26S-ethics-powerpoint-presentation](#)
- [The \(Honest\) Truth About Dishonesty](#)
