

HOW LEADERS CAN CREATE ETHICAL WORKPLACES

An organization's culture and ethics play a big role in how employees act. As a leader, you want to create a culture that will positively influence employees and prevent negative associations to their workplace, which can lead to job turnover, subpar performance or even fraud.

Below are things every leader should focus on to create a positive ethical environment for employees:

1

Ethics Training

Make sure to have ethical policies, procedures and training in place.

2

Whistleblower Policies

Have a solid whistleblower policy in place that includes multiple avenues of reporting and an anti-retaliation policy. This helps employees be your eyes and ears to fraud and lets potential fraudsters know they can be caught and reported.

3

Open-Door Policies

Make sure employees know they have someone to talk to about ethical concerns and personal and professional problems. Make sure employees do not have the opportunity to rationalize that the company didn't care about them, so they don't need to care about the company.

4

Reasonable Goal Setting

Set aggressive but realistic targets for work. Gather feedback from involved employees to make sure they are realistic. Revisit goals to continually monitor if they're attainable. Listen to employees, check their stress levels and make sure you're not overpromising in an attempt to keep them engaged and productive.

5

Be a Role Model for Positive Ethics

Talk through potential situations to show employees how to handle them. Let them know that you also grapple with ethical considerations and reinforce the importance of seeking out guidance.

6

Get Comfortable About Ethics

Talk about ethics openly and nonjudgmentally. Make sure it is a subject everyone feels comfortable talking about on a day-to-day basis.

Traits of NON-EFFECTIVE ethics training:

1. Making training generic to all employees instead of tailored to different people in different positions.
2. Not using practical examples that help people picture how ethics fits into their day-to-day.

Ethics training sets the expectations,
but conversations keep that
awareness going.

Don't forget to have good fraud awareness and compliance training in place, and always have internal controls to prevent fraud.

EVERYONE at an organization should be leading by example and making ethically sound decisions. Without this, internal controls will not work.