

# **THE IMPORTANCE OF ETHICS IN EVERYDAY DECISIONS**

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**Presented by**

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# **WHY SHOULD FINANCE PROFESSIONALS CONTINUE TO STUDY ETHICS**

- Most people fail to recognize the moral implications and the moral consequences of their decisions.
- Ethics provides an essential foundation for business and personal transactions.
- Ethics are essential for effective organizations.
- Moral behavior includes both knowing what to do and deciding to do it.
- Studying ethics helps strengthen our resolve to behave ethically.

# WHY SHOULD FINANCE PROFESSIONALS CONTINUE TO STUDY ETHICS

(Continued)

- Our commitment to choose the right path is not fixed in childhood but continues to develop (or weaken) throughout our lives.
- As accounting professionals we need to be aware of our responsibility to others.
- We need to be aware of the impact inappropriate behavior, either on or part or on the part of others, can have on our organization, our reputation, and our self-image.
- We need to have a periodic reminder of the behavioral responsibilities that are part of our job and our profession.

# HONESTY

- Honesty means to be free from deceit and fraud, to be open and above board in your transactions, and to treat others fairly and justly.
- Everyone lies!
- Honest people don't try to manipulate the truth by leaving the listener with an incomplete understanding of the facts.
- Some who have researched honesty have concluded that people either demonstrate SPECIFICITY of moral behavior or GENERALITY of moral behavior.

# **THREE IMPORTANT DIMENSIONS OF HONESTY**

- Have very high, well-defined general standards of morality.
- Internalize these standards as moral imperatives.
- Live a moral life to the degree that violating these standards causes feelings of remorse.

# **SOME THINGS TO CONSIDER WHEN YOU'RE TEMPTED TO LIE**

- Be sure the benefit you're trying to gain by lying is important enough to risk the loss of trust.
- Don't lie if you can accomplish your noble goal without lying (remember, necessity is not a fact, it's an interpretation).
- Be careful that a lie doesn't cause serious unintended consequences (e.g., telling a child that a monster will take him/her away could generate serious long-term anxiety).

# INTEGRITY

- Integrity means to be true at all times to high moral principles and to be consistent in attitudes, behaviors, and speech.
- Three essential steps to integrity:
  - Discern what is right and wrong.
  - Act on what you have discerned, even if it entails personal cost.
  - Openly declare that you're acting on your understanding of what you have discerned to be right.
- Integrity requires a person to follow his/her moral beliefs in all situations, both personal and professional.

# THE DISHONESTY CULPRIT

- Why are cheating and lying so common in schools, on sports fields, and in business and politics.
- Apparently, it's a thing called *PRESSURE!* Pressure impacts the actions of kids, athletes, coaches and business professionals.
- What we call pressure today used to be called temptations.
- Lots of people give in to pressure. But pressure is merely an explanation, not a justification!
- Sure, it would be helpful if we had less pressure, but it's far more important that we strive to have **MORE CHARACTER!**

# **THE DIFFERENCE BETWEEN ETHICS AND VALUES**

- The terms ethics and values are not interchangeable.
- Ethics is concerned with how a moral person should behave.
- Values are the inner judgments that determine how a person actually behaves.
- Values concern ethics when they pertain to beliefs about what is right and wrong. However, most values have nothing to do with ethics.
- Values are the ideals or principles that matter to us!

# **ETHICS IS NOT FOR WIMPS**

- It's not easy to be consistently kind, to think of others first, to judge generously, or give the benefit of the doubt.
- It's not easy to learn from failure, to risk failing again, to start over, to lose with grace, or to be glad for the success of others.
- It's not easy to resist temptations or avoid excuses and rationalizations.
- It's not easy to be grateful or to give without concern for reward or gratitude.