

Making ethics a core competency

Business



A rapport may be built with fellow officers and subordinate staff in a transparent and equitable manner. An ethical decision in such an ambiance of good governance will stand to any test of reason. Encouraging a scrupulous and responsible atmosphere requires that management sets the right tone and tenor for it from above.

A working group entrusted with the responsibilities of a watchdog body may be constituted to formulate necessary policies, which would enhance the decision-making processes of the organization. Such a committee will be formed on a rotation basis and in this way a stream of new minds will not only get ethical training but also contribute valuable suggestions to the organization.

Congress passed the Sarbanes-Oxley Act (the corporate responsibility act) in 2002. It binds an organization to establish comprehensive internal control structures for financial management and decision-making. The appropriateness of the financial statements is countersigned by COOs and CEOs of their respective companies. This Act also checks on the quality of the internal control structures and makes sure that they conform to the accepted standards. This is particularly related to the assigned readings of the week, which are about the control environment and control activities (sometimes called control procedures), as well as the need for monitoring. With greater awareness and global campaign of good governance and emphasis on the adoption of conscientious and transparent measures, it has become all the more obligatory for corporate concerns to imbibe strict and right work ethics in them. The management has to set the mood from the top and establish organic and dynamic conditions on work floors. Information flow should be in a two-way channel, which will make the organization more

<https://assignbuster.com/making-ethics-a-core-competency/>

inclusive and interactive in nature. Before decisions are made, decision-makers have to inquire themselves of justifications for the premises on which their process of decision-making rests. With the help of these new techniques, accounting and financial officials will become proactive, straightforward and effective managers. These qualities will build their capacity to handle any untoward occurrences and take feasible accounting and financial decisions at work.