

# Code of conduct at national australia bank

[Finance](#), [Banks](#)



## Introduction

**National Australia Bank is one of the four leading banks in Australia. In 2019, Royal Bank Commission report found it to be the single biggest loser and highlighted “ fee for no service scandal” as the most regrettable business service provided among others in the recent banking history (Thomson, 2019). This assignment would draft a new code of conduct for the NAB so that the lost reputation and prestige could be regained through mentioned code implementation and practise.**

A code of conduct clarifies an organisation’s missions, values and principles and links them with the standards of professional conduct. A code whereas has value that has both internal guideline and external statement of corporation values and commitments to themselves, stakeholders and public. Code is a reference guide that employees could and should refer to support day-to-day decision making when stuck with ethical dilemmas (Ethics, 1992).

All employees are expected to take responsibility and to act honestly and follow the procedures, guidelines and controls that have been implemented to mitigate Discrimination, Exploitation, Corruption, Dishonest and Fraudulent behaviour. They must also report immediately any incident, whether it is suspected or actual, either to their line manager or by following the procedures laid down in the Whistle-blower Policy.

The objective of the Code is to make sure that NAB employee maintain high standards of corporate and individual behaviour while conducting the

business. The examples provided are gender neutral in nature and highlight what does and doesn't constitute discrimination, exploitation, corruption, dishonest and fraudulent behaviour.

## **Discrimination**

**Discrimination is the act of treating someone differently or unjustly based upon some characteristic(s) or attribute(s). Some of these attribute(s) or characteristic(s) could be race, ethnicity, age, gender, parental status, family responsibilities, marital status, and sexual orientation ( *Australian Human Rights Commission Act 1986 (AHRC Act)*).**

What is discrimination: An employer rejected a candidate based on the name used in application, as it represented Asian origin and not using the Christian name, without looking the credentials. When asked what was wrong, employer said something about maintaining the company image.

What is not discrimination: A marketing employee who has made some critical errors in last project, has been put into performance improvement programme to develop the skills. The employee still makes the errors after the programme and hence the daily duties has been changed while the employee is going under further training.

A diverse and supportive environment is only created by supporting each other and working collaboratively. Providing and getting proper training to identify and stop unlawfully discrimination, bullying or harassment towards colleagues or anyone else in the workplace is one of the ways to stop

discrimination. For example, making the employment decisions based on merit and performance instead based on “ who knows whom” (Ho Kwan Cheung, Eden King, Alex Lindsey, Ashley Membere, Hannah M. Markell, 2016).

Failing any discrimination guidelines will be viewed seriously as they affect the legal obligations of the organisations in providing a safe and secure work environment. They may also constitute a breach of Anti-Discrimination laws.

Please refer to the enforcement section for disciplinary action that will be taken if found guilty

## **Exploitation**

Exploitation is the action or act of treating someone unfairly in order to benefit from their work (Velayutham, 2013; Clibborn, 2015).

What is exploitation: Exploitation of seasonal workers from Taiwan, Hong Kong and China employed at Company X poultry processing plants in New South Wales was enquired by the Fair Work Ombudsman in 2015. It was found that these seasonal workers were significantly underpaid and had to work extremely long hours. They were housed in overcrowded and unsafe accommodation. An example of this was about two Taiwanese workers who had worked up to 17 hours a day for 3 days without pay (Anna Patty, 2015)

What is not exploitation: A small business firm has received a last-minute huge contract of preparing plasticware for an exhibition due in one week. The owner mentions the crew that to achieve this deadline and deliver product the workers would have to work for lengthy hours for a short period

of time (one week). The company will provide all the adequate living and dining facilities to its worker for that period of time and meet the WHS obligations as well.

NAB supports and promotes employee's work/life balance and have progressive and well-established policies regarding it. We take alleged health and safety breaches seriously (Ganster and Rosen, 2013). Failing in exploitation guidelines will be viewed seriously as they affect statutory obligations of the organisations to provide a safe and secure work environment and they may also constitute a breach of Commonwealth, State and Territory workplace laws.

Please refer to the enforcement section for disciplinary action that will be taken if found guilty.

## **Corruption**

Corruption is defined as: “ dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity” (Australian Standard on Fraud and Corruption Control AS8001-2003).

(Tanzvi, 1995) defined corruption as the intentional non-compliance with the arm's-length principle aimed at deriving some advantage for oneself or for related individuals from this behaviour”. Corruption takes various forms some of the typical forms are listed here

- conflicts of interest

- favouritism and nepotism
- unethical preparation of decisions secretly or between insiders
- giving and taking of bribes

Other examples include: gifts and entertainment, interacting with public officials, roadshows, use of third parties, provision of goods and services, hiring practices, and acquisitions (Graycar, 2015).

**What is Corruption:** A government agency is going to invite tenders for one of its services. The public official responsible for public procurements at the agency knows a contractor friend that provides the service in question and the public official has an arrangement to receive a kick back if his friend succeeds in getting the contract. The public official provides the niche details of the agreement to his friends and gives insight of the value (financial) that would be acceptable to the department. The information on the financial part gives advantage to his friend over other prospective tenderers from getting the tender. The only company that got tender is the one where the public official is receiving the kickback.

**What is not corruption:** A restaurant manager receives a generous tip from a regular clientele, who also supplies groceries to the same restaurant. The manager requests the client to fill up a form as the tip being more than the regular and the reason behind such generosity so as to avoid any undue influencing. The form is sent to the owner of the restaurant along with the tip for approval.

We can avoid corruption by promoting a transparent manner and share information; avoiding conflicts of interests and dual roles and to remember equal treatment (Schmidt, 2007).

Failing in corruption guidelines will be viewed seriously as they affect legal obligations of the organisations in providing a safe and secure work environment. They may also constitute a breach of Commonwealth, State and Territory laws as listed below

- New South Wales – Section 249B of the Crimes Act 1900;
- Victoria – Section 176 of the Crimes Act 1958;
- South Australia – Section 150 of the Criminal Law Consolidation Act 1935;
- Queensland – Sections 442B-442BA of the Criminal Code Act 1899;
- Western Australia – Sections 529-530 of the Criminal Code;
- Tasmania – Section 266 of the Criminal Code Act 1924;
- Australian Capital Territory – Sections 356-357 of the Criminal Code 2002; and
- Northern Territory – Section 236 of the Criminal Code Act 1983.
- The commonwealth also has laws which prohibit the bribery of domestic and foreign public officials (Part 7. 6 of the Criminal Code) (AS8001-2003)

Please refer to the enforcement section for disciplinary action that will be taken if found guilty.

## **Dishonest and Fraudulent behaviour**

Dishonest behaviour involves actions which are not consistent with the ethos of the company policies and minimum mandatory expected standards of workplace behaviour or Code of Conduct (Leavitt and Sluss, 2017).

Fraud is defined as an intentional act by one or more individuals amongst management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage” (Board, 2015).

Dishonest and fraudulent behaviour examples are as follows; using inside knowledge for personal gain; false accounting; accepting bribes or kickbacks; unauthorized alteration or manipulation of computer files (Capital, 2008).

What is dishonest and fraudulent behaviour: A bank employee who is filling a car loan application for a customer, realises that one of the forms is not been signed by the customer. To fill the application and get the loan approval on time for customer, bank employee scans and pastes the signature of the same customer from another form and submits the application.

What is not dishonest and fraudulent behaviour: A local bank provides support to community by sponsoring small grants for sports facility development. One of the sports club treasurers who is also an employee of the same bank applies for the sports facility loan along with others. The employee informs the bank manager that one of the applicants for the grant is the bank employee itself (as mentioned also in the form).



Report immediately any suspicious behaviour of fraud, theft or other dishonest behaviour to your office or Group Head. Failing any of dishonest and fraudulent guidelines will be viewed seriously as they affect legal obligations of the organisations in providing a safe and secure work environment. They may also constitute a breach of Commonwealth law under Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Act 2000.

Please refer to the enforcement section for disciplinary action that will be taken if found guilty.

## **Whistle-blower Protections**

A commonly accepted definition specifies that 'whistleblowing' is: ... the disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers to persons that may be able to effect action (Senate, 1994).

NAB will do its best efforts to protect whistle-blowers against retaliation. This will be achieved by keeping the whistle-blower's identity confidential. Only under special circumstances the identification of the whistle blowers would be disclosed and these circumstances are as follows; identification is required by law or the person willingly agrees to be identified or where law enforcement officials requests for the disclosure to investigate or respond effectively to the report as a matter of legal right in disciplinary proceedings (Lavena, 2016).

Whistle-blowers are protected under the AS 8004-2003 corporate governance whistle-blower protection programme. NAB employees should not retaliate against a whistle-blower in any form including the terms or conditions of employment. If and when whistle-blowers believe that they have been retaliated a written complaint with the Director of Human Resources should be lodged. A disciplinary action, including dismissal, against the retaliating person may be taken if found guilty.

Managers are allowed in taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors. Whistle-blowers must be cautious to avoid baseless allegations.

## **Enforcement**

Code of conduct described here does not anticipate every situation. If ever unsure, the best way to judge your action would be by asking following questions;

- Is my action aligned with our business and personal values?
- Is my action legal and safe?
- Whether my action will impact NAB reputation and if so how?
- Will I be ashamed to tell my family or colleagues?

Difficulty answering in any of the above questions means you should seek advice from your line manager and bank officer.

Breaches of the Code will result in action being taken, which can include counselling, formal warnings, official written reprimand, performance

management meeting, final written warning, suspension or demotion and or termination of employment.

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