

CHAPTER 1

INTRODUCTION TO ETHICS AND PROFESSIONALISM



NEXT 

KEY TOPICS

- Definition of ethics and professionalism
- The importance of ethics and professionalism in banking
- Case studies



DEFINITION OF ETHICS

Ethics pertain to the moral norms and values that steer human conduct, decision-making processes, and actions. It encompasses the distinction between right and wrong, beneficial and harmful, and fair and unfair. Within a professional environment, ethics applies to the guiding principles and standards that regulate the actions and behaviours of individuals and entities in their respective sectors. Ethics is more than just rules. It is the moral principle behind rules and regulations. It is the spirit behind the rules, regulations, and policies. Ethics answers the question, "Is it right?". Consideration of ethics is pivotal in retaining trust and credibility among stakeholders, averting conflicts of interest, and preserving the honour of the profession.



DEFINITION OF ETHICS

In the context of banking, ethics revolve around honesty, integrity, transparency, privacy, and fairness. It's about making choices that not only benefit the bank but also uphold the best interests of customers, colleagues, and the broader community. Ethical banking aims to conduct business responsibly and to avoid actions that might harm others.



KEY COMPONENTS OF ETHICS

Ethics, as a moral philosophy or framework, is composed of several critical components. These are the aspects that allow individuals and organisations to determine what is right, fair, and just. Here are the primary components of ethics:

1. **Values:** These are the guiding principles that individuals or organisations hold dear. They provide the foundation for determining what is important, what is right, and what is worth striving for. Examples include honesty, fairness, integrity, respect, and responsibility.
2. **Morals:** These are the specific beliefs or principles about what is right and wrong. They may be influenced by culture, religion, family upbringing, personal experiences, and societal norms. Morals guide our decisions and actions.
3. **Duties:** Duties are the ethical obligations or responsibilities that an individual or organisation must fulfill. They are often determined by one's role or position and can include duties to oneself, others, and the broader society or environment.



KEY COMPONENTS OF ETHICS

4. **Rights:** Rights refer to the entitlements or freedoms that all individuals should have, such as the right to life, liberty, privacy, and free speech. Respecting and upholding others' rights is a crucial aspect of ethical behaviour.

However, there may be situations where we have a right to do something that may not be right. Those situations may exist where doing the wrong thing is legal.

But always remember that not all that is lawful (permissible) is ethical (right).

Therefore, in being ethical, we do what is right, but not just what is lawful. Again, we make decisions that can be justified by their rightness, but not only by our right to make those decisions.



KEY COMPONENTS OF ETHICS

5. **Justice:** This refers to the fair treatment of individuals and groups. In an ethical context, justice often involves considerations of fairness, equality, impartiality, and adherence to legal standards and societal norms.

6. **Virtue:** Virtue refers to the desirable traits or characteristics that individuals strive to develop and exhibit. Examples of virtues include courage, humility, kindness, patience, and prudence. Virtue ethics focuses on the development of moral character rather than just the adherence to rules or duties.

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KEY COMPONENTS OF ETHICS

7. **Consequences:** The outcomes or consequences of actions are a significant factor in many ethical frameworks. This aspect of ethics evaluates actions based on their potential benefits and harms. This perspective is central to consequentialist theories like utilitarianism, which advocates for actions that maximise overall happiness or well-being.

Remember, these components do not exist in isolation. They often interact and overlap, and different ethical frameworks may emphasise some components more than others. However, a comprehensive understanding of ethics should consider all these components.

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BUILDING ETHICAL CHARACTER

In the pursuit of cultivating a robust ethical character and fortifying our ethical resilience, it is crucial to bear in mind three key elements:

1. Discernment (D)
2. Commitment (C)
3. Action (A)

Together, these three components are collectively referred to as "the ethical attitude," which forms the foundation for our ethical development.



BUILDING ETHICAL CHARACTER

Let us now have brief explanation.

Exercising Ethical Discernment: It is imperative that we consistently possess the ability to distinguish between right and wrong. This discernment is guided by our conscience, which serves as an unconscious reservoir of our moral principles and values.

Embracing Ethical Commitment: Following discernment comes commitment. Once we have a clear understanding of right and wrong based on our set of moral values and principles, we make a firm decision to prioritise doing what is right over what is wrong, regardless of the circumstances.

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BUILDING ETHICAL CHARACTER

Practicing Ethical Conduct: Commitment alone is insufficient. To truly embody ethics, it is essential to take the next step and act upon our commitment. This means putting our commitment into action by consistently doing what is right. Acting in alignment with our conscience is the essence of ethical behaviour, evident in both our decisions and actions.

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BENEFITS OF ETHICAL CONDUCT

To help us appreciate the benefits of ethical conduct, we will look at it from three perspectives.

- Personal
- The bank or organisation
- Society



BENEFITS TO THE INDIVIDUAL

1. **Gives Peace of Mind:** Acting ethically provides a sense of inner tranquilly and contentment. Knowing that you are making choices aligned with your values and principles brings a deep sense of peace.
2. **Feeling of Pride:** Upholding ethical standards instills a sense of pride in oneself. Knowing that you consistently do what is right, even in challenging situations, boosts your self-respect and confidence.
3. **Boosts Self-Esteem:** Acting ethically reinforces a positive self-image. It affirms your belief in your own integrity and strengthens your sense of self-worth.



BENEFITS TO THE INDIVIDUAL

4. **Enhances Good Reputation:** Consistently behaving ethically builds a reputation for trustworthiness and reliability. Others are more likely to respect and admire you, which can open up new opportunities both personally and professionally.

5. **Builds Trust:** Ethical behaviour is the foundation of trust in any relationship, whether it's with family, friends, or colleagues. Knowing that you can be relied upon to act with integrity fosters deeper and more meaningful connections.

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BENEFITS TO THE INDIVIDUAL

6. **Lessens Stress:** Making ethical choices often leads to fewer internal conflicts and dilemmas. This reduction in inner turmoil can lead to a significant decrease in stress levels, contributing to improved mental and emotional well-being.

By embracing ethics in your daily life, you not only contribute positively to society but also reap numerous personal benefits that enhance your overall quality of life.

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BENEFITS TO THE ORGANISATION

1. **Ensuring Policy Adherence:** Upholding ethical standards within an organisation ensures that policies and guidelines are consistently followed. This reduces the likelihood of non-compliance, which can lead to legal issues, financial penalties, and reputational damage. By prioritising ethics, organisations create a culture of accountability and responsibility, fostering an environment where everyone understands and respects the established rules.

2. **Fostering Strong Teamwork and Productivity:** When ethics are at the forefront of organisational culture, it cultivates an atmosphere of trust and mutual respect among team members. Employees feel confident that they are working in an environment where their colleagues and superiors share a commitment to doing what is right. This sense of trust promotes collaboration and teamwork, leading to increased productivity and the achievement of common goals.



BENEFITS TO THE ORGANISATION

3. **Enhancing Organisational Reputation:** Ethical behaviour is a cornerstone of a positive organisational reputation. When a company is known for its commitment to ethical practices, it builds trust with customers, stakeholders, and the wider community. This trust can be a significant competitive advantage, as it attracts and retains loyal customers and partners. Additionally, a strong reputation for ethics can serve as a buffer during times of crisis, helping the organisation weather challenges with greater resilience.

By recognising and prioritising ethics, organisations can create a foundation for long-term success, ensuring compliance, fostering a collaborative work environment, and solidifying their reputation in the market.

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BENEFITS TO SOCIETY

1. **Improving Society:** Ethics provide a framework for individuals and communities to navigate their interactions with one another. When individuals adhere to ethical principles, it fosters trust, cooperation, and mutual respect. This leads to a more harmonious and cohesive society where people can work together towards common goals, whether they be economic, social, or cultural.

2. **Maintaining a Moral Course in Times of Difficulties:** In times of adversity or uncertainty, ethical principles serve as a guiding light. They offer a clear path to follow, ensuring that even during challenging circumstances, individuals and communities stay rooted in their values. This moral compass helps society make decisions that uphold integrity, fairness, and justice, rather than succumbing to unethical shortcuts or questionable practices.



BENEFITS TO SOCIETY

In essence, a society that embraces ethics not only functions more smoothly on a day-to-day basis but also demonstrates resilience and integrity when faced with challenges, ultimately contributing to its overall well-being and progress.



DEFINITION OF PROFESSIONALISM

Professionalism refers to the conduct, behaviour, and attitude of an individual in a work or business environment. It involves maintaining the standards, skills, integrity, and competencies required for a particular profession.

Professionalism in banking encompasses a wide array of behaviours, including competence, reliability, proper communication, respect for others, and adherence to rules and regulations. It also includes understanding and upholding the ethical standards of the banking profession.



KEY PRINCIPLES OF PROFESSIONALISM

Professionalism in the banking context can be broadly defined by several key principles. Here are some of them:

1. **Integrity:** This is foundational to any profession, and banking is no exception. Banking professionals should deal honestly and fairly with customers, colleagues, and third parties. Misleading, deceitful, or fraudulent activities are against the principle of integrity.

2. **Competence:** Banking professionals should strive to maintain and improve their knowledge and skills to provide high-quality service. This includes understanding the products and services they offer and their suitability for clients.



KEY PRINCIPLES OF PROFESSIONALISM

3. **Compliance:** Compliance with laws and regulations is crucial in banking. Non-compliance can lead to legal issues, financial penalties, and damage to reputation. This includes adherence to financial regulations, data protection rules, and anti-money laundering laws.

4. **Confidentiality:** Banking professionals have access to sensitive customer information, and they must respect and protect this data. Breaches of confidentiality can lead to legal issues and a loss of trust.

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KEY PRINCIPLES OF PROFESSIONALISM

5. **Responsibility and Accountability:** Banking professionals should take responsibility for their actions and decisions. They should strive to make decisions that are in the best interests of the customer and the bank and should be prepared to account for these decisions when required.

6. **Respect:** Treating customers, colleagues, and others with respect is vital in banking. This includes respecting cultural, racial, and gender diversity and avoiding any form of discrimination.

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KEY PRINCIPLES OF PROFESSIONALISM

7. **Ethical behaviour:** Banking professionals should commit to high ethical standards. This includes avoiding conflicts of interest, acting in the best interests of the customer, and refusing to engage in unethical practices such as bribery or corruption.

8. **Professional development:** The banking industry is continuously evolving due to changes in regulations, market conditions, and innovations in technology. Therefore, banking professionals should commit to continuous learning and development to stay abreast of these changes.

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COMBINING ETHICS AND PROFESSIONALISM

In the world of banking, ethics and professionalism are interconnected. A truly professional banker not only possesses the knowledge and skills necessary to perform their duties effectively but also commits to ethical principles, ensuring that all business activities are conducted with integrity, honesty, and fairness.

Therefore, in the context of a professional banker, ethics and professionalism can be viewed as two sides of the same coin. One cannot exist without the other. Professionalism is the visible representation of the internal ethical compass guiding one's actions.

In the following sections of this chapter, we'll delve deeper into the importance of these concepts in banking, exploring the implications of ethical and professional behaviour within this sector.



THE IMPORTANCE OF ETHICS AND PROFESSIONALISM IN THE FINANCIAL SECTOR

In the banking industry, ethics and professionalism are critical for several reasons. These are not merely idealistic concepts but practical necessities that foster trust, compliance, and long-term success. Here, we will examine their significance in depth.

Building Trust and Confidence

The banking sector, by its very nature, is built on trust. Customers entrust banks with their hard-earned money and sensitive financial information, expecting that the bank will act in their best interest. A strong ethical framework and consistent professional conduct are key to building and maintaining this trust. Without this, the bank's reputation can suffer, leading to the potential loss of customers or legal repercussions.



THE IMPORTANCE OF ETHICS AND PROFESSIONALISM IN THE FINANCIAL SECTOR

Regulatory Compliance

In many jurisdictions, ethics and professionalism in banking are not only encouraged but legally required. Financial institutions must comply with various laws and regulations designed to ensure fair and ethical practices. These regulations often cover areas such as customer privacy, fair lending, and anti-money laundering. By adhering to ethical standards and professional conduct, banks can ensure they meet these regulatory requirements.

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THE IMPORTANCE OF ETHICS AND PROFESSIONALISM IN THE FINANCIAL SECTOR

Risk Mitigation

Unethical behaviour can expose a bank to significant risks, including legal and financial consequences. These might include penalties for regulatory non-compliance, lawsuits from wronged customers, or financial losses from poorly judged decisions. Maintaining high ethical standards helps to mitigate these risks by guiding employees to make better decisions.

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THE IMPORTANCE OF ETHICS AND PROFESSIONALISM IN THE FINANCIAL SECTOR

Employee Morale and Retention

A strong commitment to ethics and professionalism also benefits a bank's internal culture. When employees feel that they are working in an environment that values fairness, integrity, and respect, they are likely to have higher job satisfaction and engagement. This can lead to better performance, lower turnover, and a more positive workplace culture.

Long-Term Success

Lastly, ethics and professionalism are vital for the long-term success and sustainability of a bank. Banks that are committed to ethical practices and professional conduct tend to enjoy more positive relationships with their customers, a better reputation in the market, and, ultimately, higher financial performance.

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THE IMPORTANCE OF ETHICS AND PROFESSIONALISM IN THE FINANCIAL SECTOR

In the subsequent sections, we will illustrate these concepts through case studies, shedding light on real-life ethical dilemmas in banking and how ethical principles and professional conduct can help navigate these situations.

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CASE STUDY 1: CONFIDENTIALITY BREACH

John, a junior banker, was assigned to handle the account of a high-profile celebrity. This was his first time working on the account of a notable figure. However, while examining the account one day, he stumbled upon some intriguing financial information. Unable to restrain his enthusiasm, he made the decision to divulge this information to his friends.

Discussion of the case:

John's actions unequivocally violated the principle of confidentiality. By disseminating confidential customer information, John not only demonstrated unprofessional conduct, but he also exposed the bank to potential legal repercussions due to the violation of privacy laws. Moreover, should the celebrity discover the leak, it could inflict severe damage on the bank's reputation and precipitate a loss of trust from other customers, who would then fear for their own privacy.



CASE STUDY 1: CONFIDENTIALITY BREACH

Tease the ethical issue in the case. What should the bank do to avoid similar occurrences?



CASE STUDY 2: UNFAIR LENDING PRACTICES

A Bank has been a reputable institution in the community for years. However, a recent audit reveals a worrying trend. The bank appears to be charging higher interest rates for loans to customers from certain demographic backgrounds.

Discussion of the case:

This practice is a clear violation of the principle of fairness and constitutes unethical behaviour. Charging higher interest rates based on demographics rather than creditworthiness and other relevant financial factors goes against ethical banking standards.



CASE STUDY 2: UNFAIR LENDING PRACTICES

The fallout from this revelation could be significant. Regulatory sanctions may be imposed, and the bank's reputation could be seriously damaged. The trust of customers and the wider community could be lost, leading to a potential drop in business. This case demonstrates why it's so important to uphold fairness and equal treatment in all banking practices and the consequences when these principles are ignored.



CASE STUDY 2: UNFAIR LENDING PRACTICES

How does this case relate to your bank?

What is the key lesson?



CASE STUDY 3: ETHICAL BANKING CROSSROADS - PRIORITISING CUSTOMER WELFARE OVER IMMEDIATE PROFIT

James, a zealous loan officer at ABC Bank, recently stepped into his role and is driven by the desire to excel at his targets. One day, he encounters Mrs. Amoah, a diligent entrepreneur looking for a loan to expand her thriving small business. From James's analysis, Mrs. Amoah has an impeccable record of repaying her previous loans. However, she seems unfamiliar with a newly introduced loan product that, though less lucrative for the bank, would align perfectly with her financial needs and capacities.



CASE STUDY 3: ETHICAL BANKING CROSSROADS - PRIORITISING CUSTOMER WELFARE OVER IMMEDIATE PROFIT

James stands at a crossroads: he could capitalise on Mrs. Amoah's lack of knowledge and promote a more expensive loan, accelerating his journey to achieve his sales target. Conversely, he could uphold the bank's commitment to ethical service by suggesting a less costly, more tailored loan to Mrs. Amoah.



CASE STUDY 3: ETHICAL BANKING CROSSROADS - PRIORITISING CUSTOMER WELFARE OVER IMMEDIATE PROFIT

Discussion of the case:

By choosing to guide Mrs. Amoah towards the most beneficial option for her, James would not only be acting ethically but also solidifying her trust in the bank. This decision might momentarily slow his sales achievements, but it would indubitably cement a lasting relationship with Mrs. Amoah and enhance the bank's reputation for prioritising customer welfare.



CASE STUDY 3: ETHICAL BANKING CROSSROADS - PRIORITISING CUSTOMER WELFARE OVER IMMEDIATE PROFIT

Tease out the ethical issues in this case.

If you were to be James, what would you do?



DEFINITION OF PROFESSIONAL MISCONDUCT

Professional misconduct can be defined as any behaviour or action that violates the ethical standards and codes of conduct established by a profession, leading to harm or potential harm to clients, colleagues, or the organisation. In the context of the banking sector, professional misconduct can include actions such as fraud, misrepresentation, embezzlement, money laundering, insider trading, and violations of regulations and policies.



DEFINITION OF PROFESSIONAL MISCONDUCT

The Chartered Institute of Bankers Ghana Regulations 2021 (LI 2434) say that professional misconduct in the banking industry is any action or omission that goes against the ethics and standards of the profession. This includes, but isn't limited to, theft of funds, fraud, willful or negligent breach of duty, and failing to follow regulatory requirements.

Professional misconduct can have serious consequences for both the individual and the organisation, including legal action, loss of reputation, and financial damage. Therefore, it is essential that banking professionals uphold high standards of professionalism and adhere to the ethical standards and codes of conduct established by their profession to prevent professional misconduct and promote trust and confidence in the banking industry.

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FORMS OF PROFESSIONAL MISCONDUCT

Fraudulent Activities: This involves unethical actions like embezzlement, theft, or falsification of bank records and financial statements. It's one of the most serious forms of professional misconduct.

Breach of Confidentiality: Bankers have access to sensitive customer information. Misuse of this information or sharing it without proper authorization is serious professional misconduct.

Money Laundering: This is the process of making illegally gained proceeds appear legal. Bankers who aid in such processes are engaging in professional misconduct.



FORMS OF PROFESSIONAL MISCONDUCT

Insider Trading: This involves using confidential information for personal gain, typically through the stock market.

Negligence: This occurs when a banker fails to perform their duties with due care, leading to financial losses for the bank or its customers.

Conflict of Interest: Bankers should not engage in activities or hold personal interests that may conflict with the interests of the bank or its customers.

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FORMS OF PROFESSIONAL MISCONDUCT

Unfair Practices: This includes actions like preferential treatment of certain clients, manipulative marketing tactics, or deceitful selling of banking products.

Non-Compliance with Banking Laws and Regulations: Failure to comply with banking laws, regulations, and standards is a serious form of professional misconduct.

Misrepresentation or Omission of Facts: This involves presenting false information or intentionally omitting important facts in order to mislead customers or other parties.

Inappropriate Lending Practices: This includes predatory lending or approval of loans without proper evaluation of the borrower's ability to repay.

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FORMS OF PROFESSIONAL MISCONDUCT

Discrimination: Treating customers differently based on their race, religion, gender, age, or any other protected category is also a form of professional misconduct.

Accepting Bribes: This involves taking payments or other forms of compensation in exchange for favourable decisions or treatment, which is highly unethical and illegal.

Unauthorised Transactions: Performing transactions without the customer's knowledge or consent

Inadequate Risk Management: Failure to properly manage risk can lead to severe financial losses for the bank and its customers.

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CASE STUDY: INCIDENCE OF FRAUD

- **Wells Fargo Fake Accounts Scandal (2016):** Wells Fargo employees opened roughly 1.5 million bank accounts and applied for 565,000 credit cards without the consent of their customers, leading to the bank being fined \$185 million. The incident is a perfect example of professional misconduct involving unauthorised transactions and the deceitful sale of banking products.
- **HSBC's** failure to put in place adequate anti-money laundering measures resulted in a \$1.9 billion fine from U.S. authorities in the HSBC Money Laundering Case (2012). This allowed Mexican and Colombian drug cartels to launder billions of dollars. The case demonstrates professional misconduct involving money laundering and non-compliance with banking laws and regulations.



CASE STUDY: INCIDENCE OF FRAUD

- **Barclays Libor Scandal (2012):** Barclays manipulated the London Interbank Offered Rate (Libor), which is used to price trillions of dollars of financial products worldwide. They were fined \$450 million. This case shows misconduct in the form of market manipulation.

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CASE STUDY: INCIDENCE OF FRAUD

- **BNP Paribas Sanctions Violations (2014):** U.S. authorities fined French bank BNP Paribas nearly \$9 billion for breaking sanctions against Sudan, Iran, and Cuba. The bank processed billions of dollars through the U.S. financial system on behalf of these countries. This is a clear case of non-compliance with banking laws and regulations.
- **Goldman Sachs IMDB Scandal (2015):** Goldman Sachs was involved in a scandal where billions of dollars were embezzled from Malaysia's state investment fund, IMDB. The bank was accused of misleading investors and failing to maintain proper internal controls, leading to a \$2.9 billion settlement with U.S. authorities. This case highlights misconduct involving fraudulent activities and negligence. **Cont..**



CASE STUDY: INCIDENCE OF FRAUD

- **The Collapse of XYZ Bank and CJ Bank (2017):** In August 2017, the Bank of Jevaz revoked the licences of XYZ Bank and CJ Bank due to severe impairment of their capital. An investigation later revealed that the banks' shareholders used depositors' funds as their personal cash. They issued loans to companies they owned without following banking procedures. This case shows professional misconduct involving fraudulent activities and insider trading.
- **The collapse of five banks to form Consolidated Bank Jevaz (2018):** In August 2018, the Bank of Jevaz consolidated five banks (ZP Bank, Soka Bank, Rock Bank, MavisBank, and Jospee Bank) into a new entity called the Consolidated Bank Jevaz Limited. The reason for this consolidation was primarily due to mismanagement and fraudulent activities by the directors of these banks, causing a significant capital deficit.



CASE STUDY: INCIDENCE OF FRAUD

- **The Menzgold Saga (2018):** Although not a traditional banking institution, Menzgold Company Limited was involved in a high-profile scandal involving fraudulent activities. The company promised customers extremely high returns on investments in gold. It was later revealed that Menzgold was operating an unlicensed and unsustainable business model akin to a Ponzi scheme. The Securities and Exchange Commission of Ghana eventually shut down the company's operations.
- **Abeka Savings and Loans Collapse (2019):** Abeka Savings and Loans, formerly Abeka Bank, had its licence revoked by the Bank of Jevaz due to insolvency and liquidity issues. An investigation revealed several instances of related-party transactions that were not properly disclosed, as well as loans to sister companies that were written off. This misconduct involved fraudulent activities and insider trading.

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CASE STUDY: INCIDENCE OF FRAUD

- **Third Banc Financial Services Case (2020):** In 2020, the Securities and Exchange Commission (SEC) of Ghana revoked the licences of 53 fund management companies, including ThirdBanc Financial Services, for various breaches, including failing to return client funds, which is a form of professional misconduct involving fraudulent activities.
- **GCB Bank Fraud Case (2018):** In 2018, a GHC 1 million fraud case involving the vault supervisor hit the Ghana Commercial Bank (GCB). The officer allegedly misappropriated the said amount and falsified the bank's records to cover up the crime. This case represents professional misconduct involving fraudulent activities and falsification of financial records.

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CASE STUDY: INCIDENCE OF FRAUD

- **The Collapse of the Chief Bank (2018):** One of the reasons for the collapse of The ChiefBank was due to fraudulent activities by some of the bank's employees. In particular, the bank's employees had reportedly created fictitious accounts and loans, syphoning off substantial sums of money and thereby contributing to the bank's distress.
- **Stanbic Bank Fraud Case (2015):** In 2015, a staff member of Stanbic Bank was arrested in connection with a GHC 900,000 fraud case. The staff, in collusion with an accomplice outside the bank, cloned the ATM cards of customers and withdrew money from their accounts. This is a clear case of professional misconduct involving fraudulent activities.

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CASE STUDY: INCIDENCE OF FRAUD

- **Agricultural Development Bank Fraud Case (2013):** A staff member of the Agricultural Development Bank was jailed for stealing GHC 700,000 from the bank. The employee had created a fictitious account, transferred the money into the account, and subsequently withdrew the funds. This is a clear case of professional misconduct involving fraudulent activities and embezzlement.

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CASE 1: SEXUAL HARASSMENT AT DAKBANK (2015)

In 2015, a top executive at DakBank was suspended following allegations of sexual harassment. A female employee at the bank filed a formal complaint accusing the executive of making unwanted sexual advances towards her and creating a hostile work environment.

According to the complaint, the executive had made inappropriate comments about the woman's appearance and had on several occasions tried to engage her in conversations of a sexual nature. The woman claimed that she felt uncomfortable and threatened by the executive's behaviour, which she said had escalated over time.



CASE STUDY: SEXUAL HARASSMENT AT DAKBANK (2015)

The bank took the allegations very seriously and immediately suspended the executive pending a thorough investigation. DakBank issued a statement reiterating its commitment to providing a safe and respectful workplace for all employees. The bank also promised to take strict action against any form of misconduct, including sexual harassment.

Discussion of the case:

The case served as a stark reminder to all financial institutions about the importance of maintaining a respectful work environment and promptly addressing any form of harassment. It emphasised the need for banks to have in place clear policies on sexual harassment, training programmes to help employees understand what constitutes harassment, and procedures to report and deal with such cases.



CASE STUDY: SEXUAL HARASSMENT AT DAKBANK (2015)

Tease out the ethical issues. Did the management of the bank overreact?



CASE STUDY: REPORTING ETHICAL VIOLATIONS

Susan, a fresh recruit at a financial institution, stumbles upon an unsettling discovery. Her senior colleague, Mike, a respected figure in the organisation, seems to be doctoring financial reports, painting a misleadingly rosy picture of the bank's financial health. Her apprehension is twofold: concern about the apparent unethical conduct she has unearthed and fear of potential backlash should she choose to expose her well-regarded senior colleague.

Susan is at the crossroads of a profound ethical conundrum. Despite her misgivings, the principles of honesty and integrity, the cornerstone values of banking professionalism, dictate that she should report the malpractice. Manipulating financial records does not merely risk tarnishing the bank's credibility; it can potentially land the bank in a quagmire of legal and regulatory trouble.



CASE STUDY: REPORTING ETHICAL VIOLATIONS

However, the lack of a clearly defined, secure, and private mechanism in her bank for reporting such violations makes Susan's situation worse. This lack of procedural clarity leaves her feeling vulnerable and unsure of the right course of action. Furthermore, the bank appears to lack robust policies to safeguard whistleblowers from retaliation, adding to her apprehensions about the possible repercussions of her actions.

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CASE STUDY: REPORTING ETHICAL VIOLATIONS

Discussion of the case:

This case study underscores the urgency for robust ethical guidelines and an environment that promotes professionalism in banking institutions. It highlights the need for transparent, secure reporting mechanisms for unethical conduct and stringent measures to protect those who, like Susan, find themselves torn between their professional obligations and personal fears. Above all, it underscores the importance of fostering a culture that encourages employees to make ethical decisions, even when faced with challenging circumstances.

If you were Susan, would you react differently? How does the bank contribute to the entrenchment of this unethical behaviour in the bank?

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CASE STUDY: REPORTING ETHICAL VIOLATIONS

If you were Susan, would you react differently?

How does the bank contribute to the entrenchment of this unethical behaviour in the bank?

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Thank You

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