



Professional Ethics

The Ethical Formula

Terry L. Price, CPA, CHAE, CHTP
VP of Product Management, Cenium AS



HFTP Certification Ethics Policy



HFTP[®]

Hospitality Financial and
Technology Professionals

HFTP Certification Ethics Policy



Overview

Ethics is a personal responsibility. The Code of Ethics is not merely a guideline; rather it is a benchmark for the high standards established relative to behavior and decision making for the CHAE and CHTP certification holders. Earning the designations identifies your competence; the Code of Ethics is the foundation for the personal and professional application of this competency.



HFTP Certification Ethics Policy



Professional Characteristics

- Becoming familiar with and abiding by the expectations, standards and rules of the designation and seeking out necessary information to interpret and apply them.
- Accepting personal responsibility for the foreseeable consequences of actions and inactions.
- Taking into account the long-term interest of the designation and its designees.
- Mastery of a particular skill, acquired by training, education and experience in the hospitality industry.
- Acceptance of the responsibility to the hospitality industry to uphold the standards represented as a certified individual.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Personal Behavior

1. Actively promote and encourage the highest level of ethics within the Hospitality Financial and Technical Profession.
2. Conduct yourself with integrity, dignity and respect for others.
3. Transmit or use confidential information obtained in your professional work only for the purpose intended and not for personal gain or other advantage or to the disadvantage of others.
4. Adhere to the standards of conduct of your employer and any professional associations or organizations of which you are a member.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Professional Competence and Performance

1. Strive to perform the duties of your position and supervise the work of your subordinates with the highest degree of professional care.
2. Continually seek to increase your professional knowledge and skills to improve your service to employers, associates and fellow members.
3. Render opinions, observations or conclusions for official purposes only after appropriate consideration of the pertinent facts and after assuring yourself that you have the appropriate expertise and are free from real or perceived conflicts of interest.
4. Exercise diligence, objectivity and honesty in your professional activities and be aware of your responsibility to disclose improprieties that come to your attention to the appropriate parties.
5. Be aware of and strive to apply work-related requirements and standards prescribed by the hospitality industry and its employers.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Responsibilities to Others

1. Avoid any activity that creates or gives the appearance of a conflict with your employer-related responsibilities.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Use of Designation

Certifications are personal individual designations. They may be used in conjunction with a certified individual's name, i.e., business card, personal letterhead, and email.

Misrepresentation that the certified individual is being endorsed by HFTP in any written or verbal material pertaining to individual's company services or products that said company (companies) may offer could result in the expulsion from HFTP's certification programs.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Discreditable Acts

Being convicted of the following criminal offenses should be reported to HFTP:

- Violence
- Dishonesty
- Fraud
- Moral Turpitude

It is the sole responsibility of the applicant/designee to immediately report offenses upon being convicted to HFTP.



**2015 HFTP Annual
Convention & Trade Show**



HFTP Certification Ethics Policy



Guidance and Enforcement

Certified individuals are required to be familiar with the code and to consult this code before acting on ethical issues. The code is part of the initial application which applicants will sign that they agree to follow the ethics policy. As a reminder, each designee when submitting a copy of their maintenance forms will also sign a copy of the HFTP Certification Ethics Policy to remain fully aware of what is expected of designated individuals.



**2015 HFTP Annual
Convention & Trade Show**



2015
HFTP Annual
Convention
& Trade Show



Ethical Scorecard



2015
HFTP Annual
Convention
& Trade Show



NATIONAL BUSINESS ETHICS SURVEY® of the U.S. Workforce



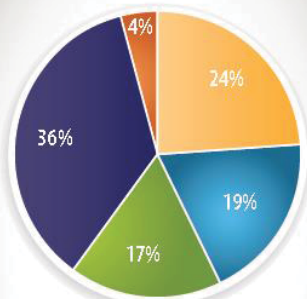
NBES 2013 | Eighth in a Longitudinal Cross-Sectional Study on Workplace Ethics

THE NUMBERS

| | 2011 NBES | 2013 NBES |
|-------------|-----------|-----------|
| PRESSURE | 13% | 9% |
| MISCONDUCT | 45% | 41% |
| REPORTED | 65% | 63% |
| RETALIATION | 22% | 21% |

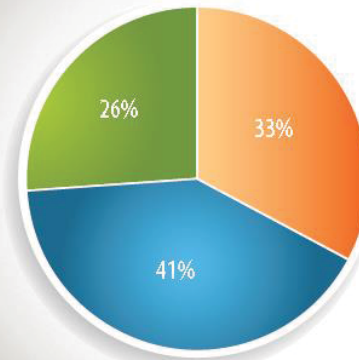
■ Significant improvement since NBES 2011
■ No significant improvement since NBES 2011

Most Misconduct Committed by Managers



- Senior leader(s)
- Middle manager(s)
- First-line supervisor(s)
- Non-management employee(s)
- Other

Vast Majority of Misconduct Happens Repeatedly



- Single incident
- Multiple incidents
- Ongoing pattern

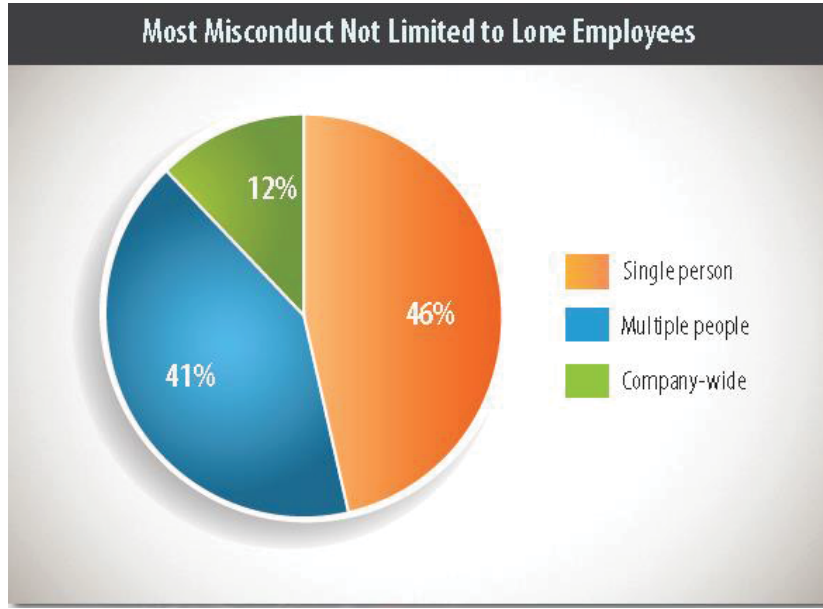
Ethics Resource Center – National Business Ethics Survey of US Workforce

Speaking
of Ethics

2015 HFTP Annual
Convention & Trade Show



Most Misconduct Not Limited to Lone Employees



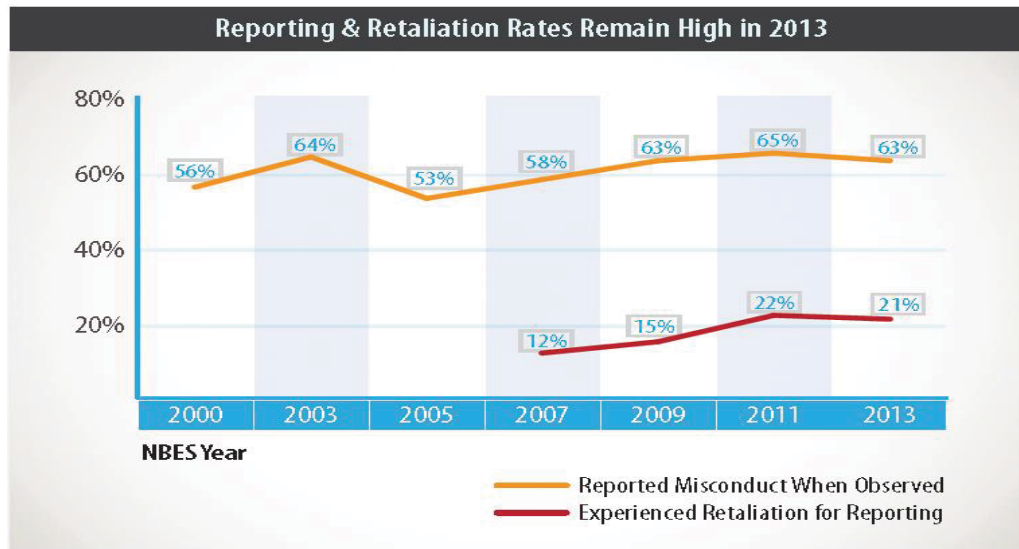
Ethics Resource Center – National Business Ethics Survey of US Workforce



2015 HFTP Annual
Convention & Trade Show



Reporting & Retaliation Rates Remain High in 2013



Ethics Resource Center – National Business Ethics Survey of US Workforce



2015 HFTP Annual
Convention & Trade Show



HIGH RETALIATION RATE: A Cause for Concern

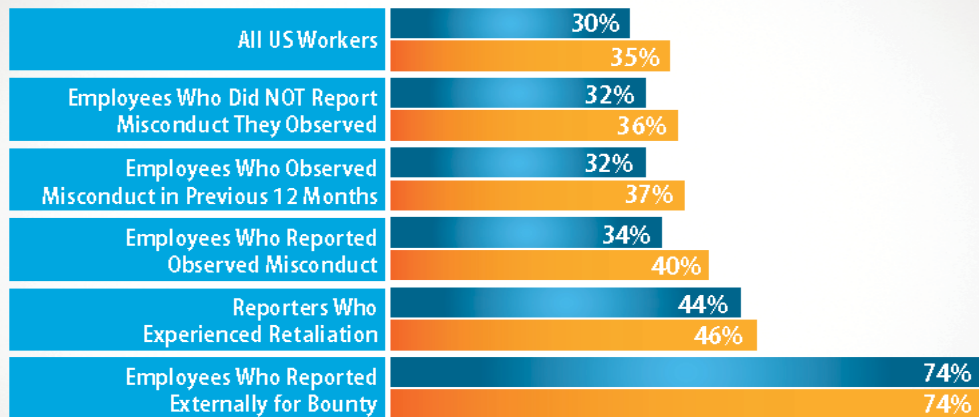


More than 1 in 5 U.S. workers

[21%] who reported misconduct said they experienced **6.2 million** retaliation. That is about **Americans.**"

Ethics Resource Center – National Business Ethics Survey of US Workforce

Whistleblower Rules Make Reporting More Likely



■ Percent More Likely to Report Internally Because of Whistleblower Rules
■ Percent More Likey to Report to Federal Government Because of Whistleblower Rules

Ethics Resource Center – National Business Ethics Survey of US Workforce



Ethical Culture

- Top two sources of pressure for unethical behavior
 - Keeping their job
 - Paying their bills
- 23% of employees said they would look the other way if someone committed misconduct in order to save their job or avoid cuts in pay and benefits...compared to 13% in 2009

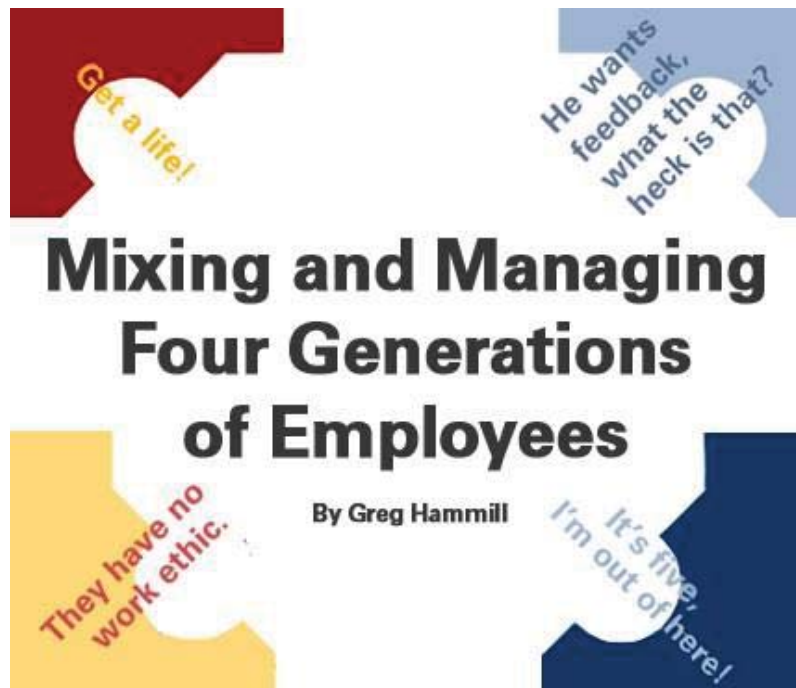
Speaking
of Ethics



2015 HFTP Annual
Convention & Trade Show



2015
HFTP Annual
Convention
& Trade Show



**Mixing and Managing
Four Generations
of Employees**

By Greg Hammill

Get a life!

He wants feedback, what the heck is that?

They have no work ethic.

It's five, I'm out of here!



Our Workplace...



Speaking
of Ethics

2015 HFTP Annual
Convention & Trade Show



What Shaped Us???

| TRADITIONALISTS | BOOMERS | GEN X | MILLENNIAL |
|--|--|--|---|
| Great Depression World War II Disciplined Workplace Loyalty Move to the 'Burbs Vaccines | Vietnam, Moon Landing Civil/Women's Rights Experimental Innovators Hard Working Personal Computer | Fall of Berlin Wall Gulf War Independent Free Agents Internet, MTV, AIDS Mobile Phone | 9/11 Attacks Community Service Immediacy Confident, Diversity Social Everything Google, Facebook |

Speaking
of Ethics

2015 HFTP Annual
Convention & Trade Show





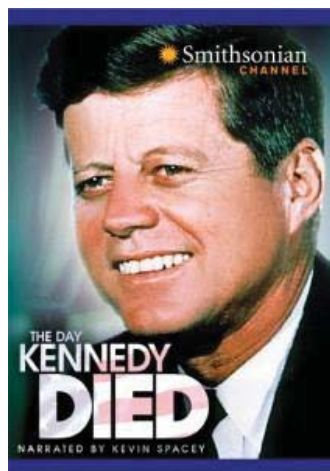
Speaking
of Ethics



2015 HFTP Annual
Convention & Trade Show



When and How did Kennedy Die?



Speaking
of Ethics



2015 HFTP Annual
Convention & Trade Show



Workplace Characteristics

| Traditionalists | Boomers | Gen X | Millennials |
|--|--|--|--|
| Hard work Respect authority Sacrifice Duty before fun Adherence to rules | Workaholics Work efficiency Crusading causes Personal fulfillment Desire quality Question authority | Eliminate the task Self-reliance Want structure and direction Skeptical | What's next? Multitasking Tenacity Entrepreneurial Tolerant Goal Oriented |



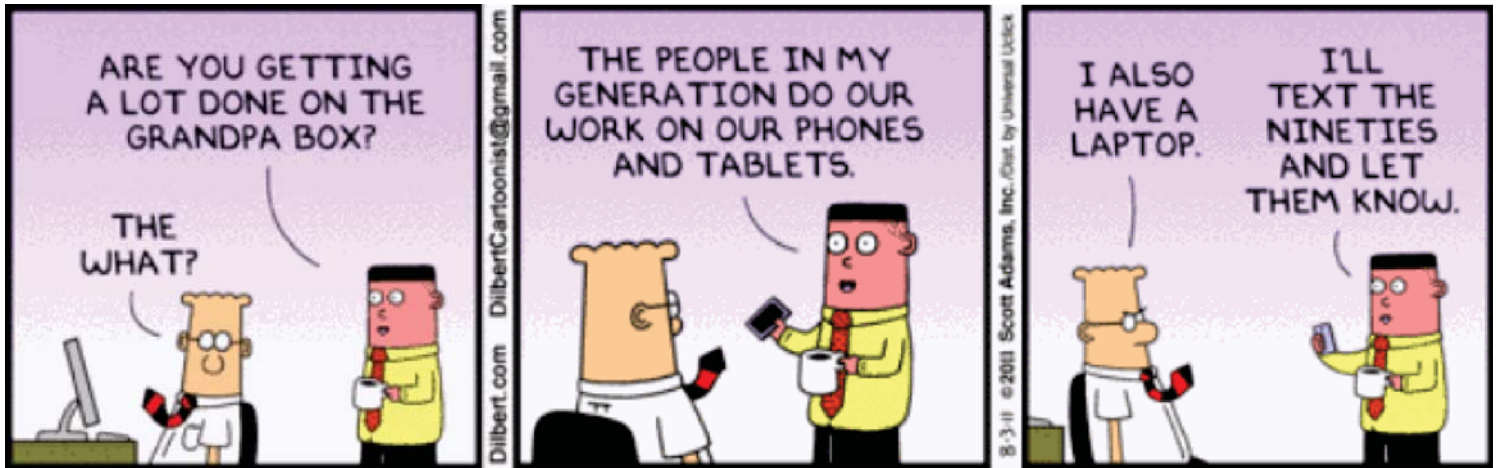
**2015 HFTP Annual
Convention & Trade Show**



2015
HFTP Annual
Convention
& Trade Show

Let's Communicate...





2015 HFTP Annual
Convention & Trade Show



Ethical Issues

| Overall | | Traditionalist | Boomers | Gen X | Millennials |
|---------|-----------------------|----------------|---------|-------|-------------|
| 13% | Felt Pressure | 22% | 9% | 13% | 15% |
| 45% | Observed Misconduct | 36% | 44% | 45% | 49% |
| 65% | Reported Misconduct | 39% | 64% | 69% | 67% |
| 22% | Perceived Retaliation | 16% | 18% | 21% | 28% |

Guardian/ICM Survey, 2014



2015 HFTP Annual
Convention & Trade Show



Are the generations really that different?

| | Traditionalist | Boomers | Gen X | Millennials |
|----------------------------------|----------------|---------|-------|-------------|
| Must lie to succeed | 10% | 11% | 18% | 36% |
| Told a significant lie to spouse | 18% | 22% | 34% | 48% |
| Kept too much change | 15% | 18% | 19% | 31% |
| Unauthorized copy of software | 14% | 18% | 27% | 34% |
| Lied to client | 6% | 8% | 12% | 18% |
| Lied on this survey | 6% | 6% | 7% | 11% |
| More ethical than others | 67% | 69% | 71% | 73% |

The Josephson Institute, 2014

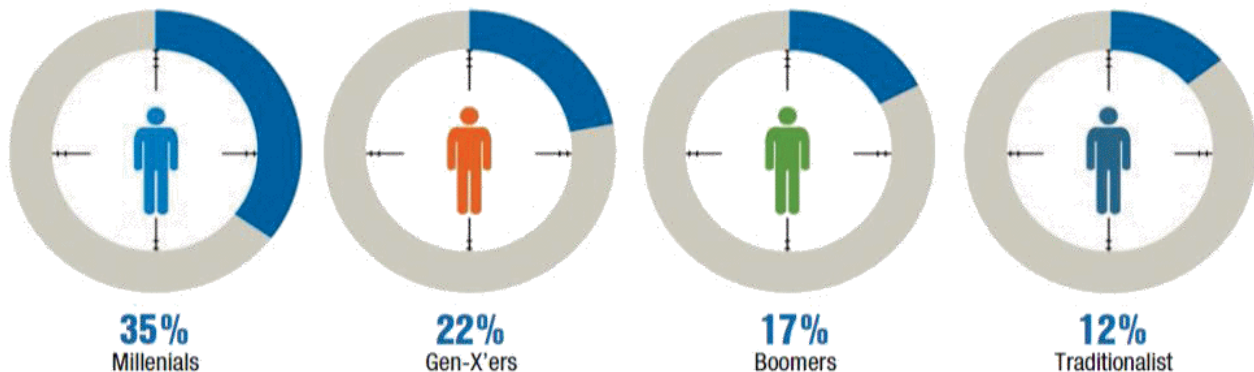


**2015 HFTP Annual
Convention & Trade Show**



Ends and Means

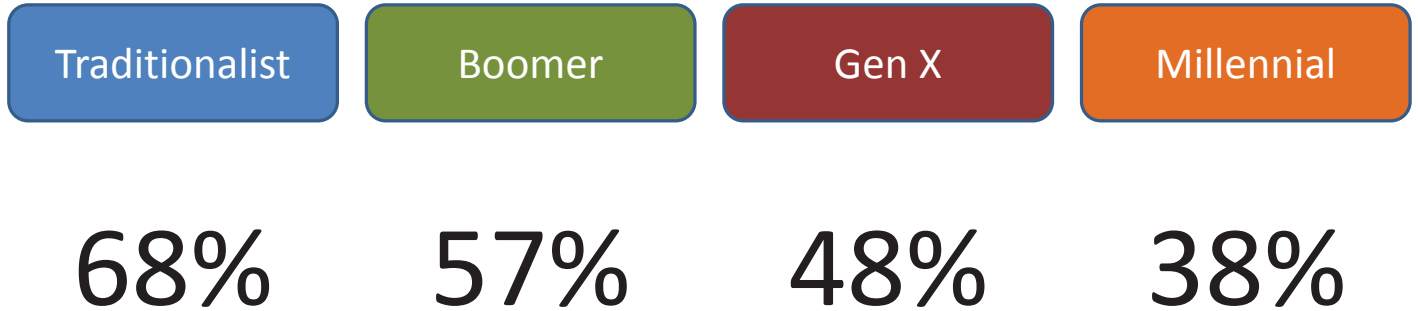
% of workers who agree to look the other way if the company did something questionable



**2015 HFTP Annual
Convention & Trade Show**



Can most people be trusted?



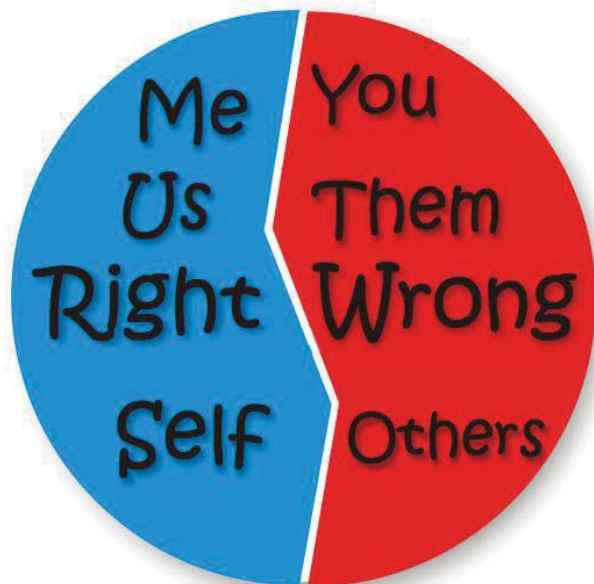
Guardian/ICM Survey, 2014



**2015 HFTP Annual
Convention & Trade Show**



Does this effect our ethics?



2015
HFTP Annual
Convention
& Trade Show



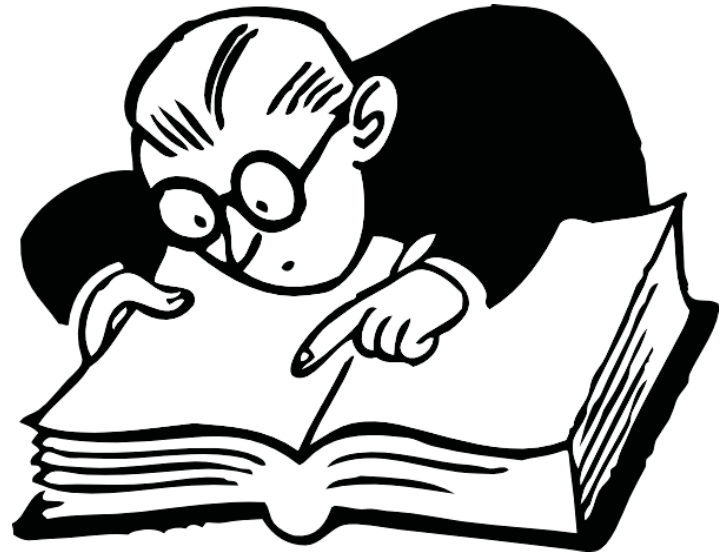
The typical answer is...

It Depends

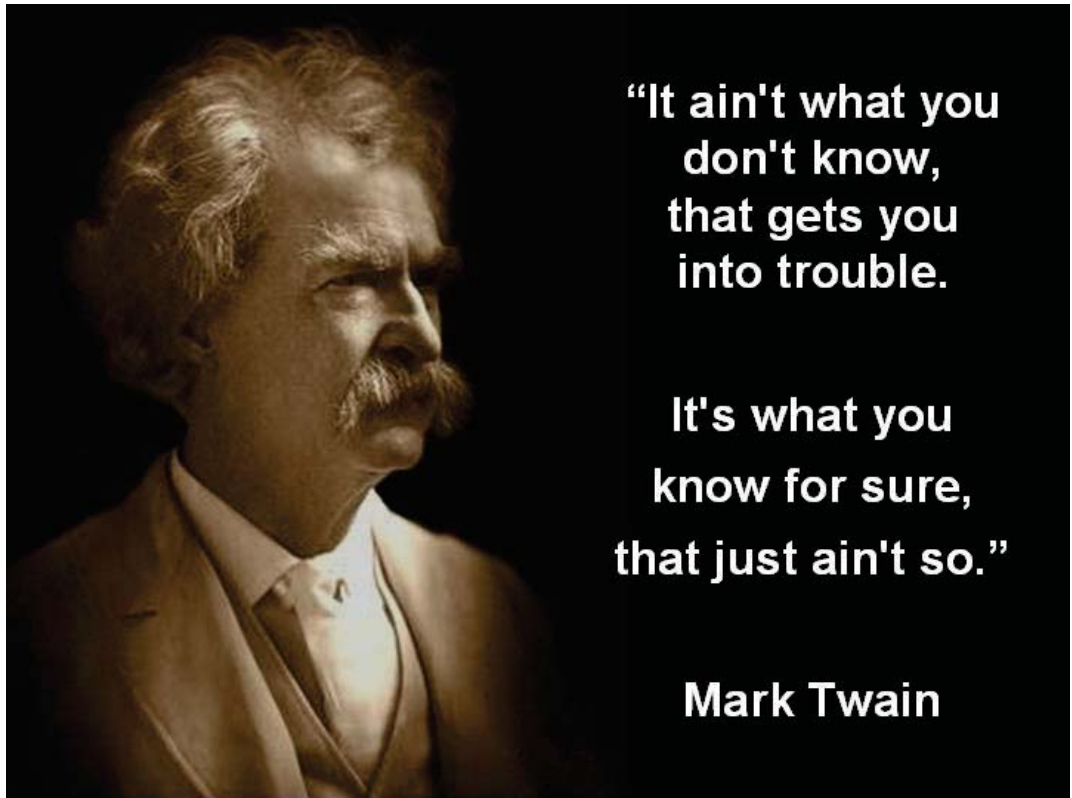


Can you give me direction?





What is Professional Ethics?



Professional Ethics Definition

Wikipedia...

- **Professional ethics** encompass the personal, organizational and corporate standards of behavior expected of professionals.
- Professionals, and those working in acknowledged professions, exercise specialist knowledge and skill. How the use of this knowledge should be governed when providing a service to the public can be considered a moral issue and is termed professional ethics.



**2015 HFTP Annual
Convention & Trade Show**



Professional Ethics Definition

BusinessDictionary.com...

Professionally accepted standards of personal and business behavior, values and guiding principles. Codes of professional ethics are often established by professional organizations to help guide members in performing their job functions according to sound and consistent ethical principles.



**2015 HFTP Annual
Convention & Trade Show**



Professional Ethics Definition

My version...

The manner in which the people who place reliance in the performance of your professional duties expect you to respond as it pertains to associated policies, laws, regulations, and agreements.



**2015 HFTP Annual
Convention & Trade Show**



Three *P*'s of Ethics

*P*eople

*P*rofessional Duties

*P*olicies, Laws, Regulations & Agreements



**2015 HFTP Annual
Convention & Trade Show**



People



Who are the People?

- Customers
- Employees
- Members
- Management
- Owners
- Etc. Etc. Etc.





Professional Duty



Policies, Laws, Regulations, & Agreements



Laws or Flaws



**STUPID
LAWS**

- In North Carolina:
 - Bingo games may not last over 5 hours unless held at a fair.
 - Organizations may not hold their meetings while the members present are in costume.
 - It's against the law to sing off key.
- In Alaska, no child is allowed to build a snowman taller than himself/herself on school property
- In California, it is illegal to eat an orange in your bathtub
- In Colorado, it's illegal to loan your next door neighbor your vacuum.
- In Florida, it's against the law to dream about another man's wife or cow.

Speaking
of Ethics



**2015 HFTP Annual
Convention & Trade Show**



Laws or Flaws



**STUPID
LAWS**

- In Washington:
 - Doesn't allow marathon dancing, skipping, sliding, gliding, rolling or crawling.
 - It's illegal to sleep in an outhouse without the owner's permission.
 - It's illegal to catch a fish by throwing a rock at it.
 - Fake wrestling is illegal.
 - Any restroom with pay toilets has to have an equal number of free toilets.

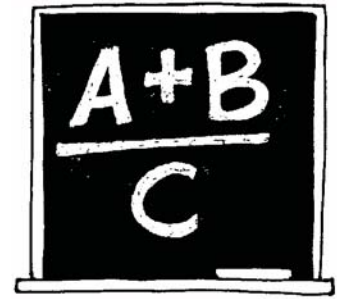
Speaking
of Ethics



**2015 HFTP Annual
Convention & Trade Show**



Ethical Formula



People + Professional Duty

=

Ethical Response

Policies, Law, Regulations,
& Agreements



2015 HFTP Annual
Convention & Trade Show



An Un-Exact Science

Money Magazine and USA Today ran separate surveys of 45 tax professionals asking for the tax liability of a hypothetical US family.

Facts:

- Curt Baker made \$30,831 in Schedule C income and also received a \$60,000 lump-sum payout from his 401(k) when he retired.
- Ann Baker switched jobs and made \$80,900 and inherited \$30,500.
- The Bakers' investments include a mix of stocks, bonds and mutual funds totaling \$21,298 in interest, dividends and capital gains.

Results:

- 45 different tax liabilities ranging from \$36k to \$94k.



2015 HFTP Annual
Convention & Trade Show



Case

Debbie, an insurance adjuster for the XYZ Insurance Group, received a phone call from the Henderson family after a massive storm went through their area. Mrs. Henderson described how the storm ripped off a large section of their room of their home that they've lived in for the past 20 years. The Henderson's have had home coverage for their home with XYZ the entire time. The wind and rain damage rendered the home and contents a complete loss. After the phone call, Debbie analyzed the file for the Henderson's. The policy indicates that there must be a roof inspection every 10 years and the Henderson's were 2 months past due on that inspection.

What is the "ethical" response?

What is the "right" response?



Ethical -vs- Right

Are they different?



Case

Joyce, a Controller for a country club, has been employed for 6 months. While reviewing the financial statements, she noticed that the General Manager had 15 charges in the restaurant last month. When Joyce was first hired, she reviewed the club policies and recalled that the General Manager was entitled to eat in the restaurant, but not to exceed 5 times in a given month. The next day, Joyce had the opportunity to talk with the Chairman of the Board and brought up the issue with the restaurant charges. The Chairman told Joyce that the GM has been going through some personal issues at home, so it was ok that he was using the restaurant more than normal. Has Joyce completed her “ethical” responsibilities?



Case

Mike is a new employee in the accounts payable department in a small software sales company. He recently graduated from college and this is his first professional job. Brenda is a long time, experienced sales manager with the company who travels extensively. She approached Mike for help in submitting several expense reports for business related travel. Mike has assisted Brenda in the past, to include making travel arrangements for her. In preparing the expense reports, Mike noticed that a number of the receipts are for personal items, which are not authorized for reimbursement; including a massage at a health club and a manicure. When he approached Brenda about this, she angrily told him to “just submit the report like you are told.”





"I expect you all to be independent, innovative, critical thinkers who will do exactly as I say!"

Case

Susan, a senior manager, notices as she walks by Andrew's desk (a new employee) that he is on the social media site LinkedIn. When Andrew realized that Susan was looking at his computer screen he quickly exited the website. Susan proceeded to walk away while thinking to herself that she was going to have to talk to Andrew and remind him about the Company's policy regarding company resources used for personal reasons. She also considers what else Andrew is doing that he feels the need to cover up.

Andrew grimaces as Susan walks by shaking her head. Even though he was screening the website, as well as other social media sites, for opportunities and networking possibilities with potential business partners, Andrew worries that these activities are not understood or valued.



What is your Ethical Meter?



This is what we should strive for...



Speaking
of Ethics



2015 HFTP Annual
Convention & Trade Show



2015
HFTP Annual
Convention
& Trade Show

