

Organizational Ethics

Individual Ethics- Professional Ethics. Corporate Ethics- Ethical Behavior – Ten Commandments of Ethical Behavior, Control & Audit of Ethical Behavior. **Finance:** Fairness and Efficiency in Financial Market, Insider Trading, Green Mail, Golden Parachute.

HR: Workers Rights and Duties: Work place Safeties, Sexual harassment, Whistle Blowing.

Individual/Personal Ethics

Personal ethics is a category of philosophy that determines what an individual believes about morality and right and wrong. This is usually distinguished from business ethics or legal ethics. These branches of ethics come from outside organizations or governments, not the individual's conscience. These branches of ethics occasionally overlap. Personal ethics can affect all areas of life, including family, finances and relationships.

Some common personal ethics include:

- Integrity.
- Selflessness.
- Honesty.
- Loyalty.
- Equality and fairness.
- Empathy and respect.
- Self-respect.

'Personal ethics' is rarely identified by philosophical institutions as a formal area for philosophical investigation, but there is little doubt that the history of philosophy, west and east, includes much work about individual choices, good and bad ways of living, and articulating what may be considered guides to good living on a personal level. That is, of course philosophers addressed good and bad values in terms of politics, culture, religion, and so on, but they also took seriously individual struggles and values involving such ordinary things as:

- How to eat and how much to eat?
- How should you devote your time?
- When do you know you have a good friendship or, backing up, what is friendship and its value?
- When is solitude good?
- Can fasting be purifying?

An important point to address in the domain of personal ethics is identifying when some matter is personal in the sense of “private” as opposed to public. An important argument has been advanced by Thomas Nagel in the essay “Concealment and Exposure,” in which he argues that, in a liberal democracy, it is important for individuals to have a zone or protected area in which they are unobserved and free to do what they like.

This is not a completely open-ended matter, but some privacy, Nagel insists, is essential. Some believe that your personal values are a matter not just of how you live, act, and feel, but how you would live, act, and feel under different conditions.

- What if a person is non-racist and non-sexist because it is simply uncool to be either, but if in a group of friends telling racist and sexist jokes, they would join in?
- Does friendship involve duties?
- Could you be good friends with someone who is cruel and self-destructive?
- How do you know when you are in love?

Ten Commandments of Ethical Business Behavior:

1. Be honest, truthful, forthright, candid and sincere.
2. Have integrity: Strive to be scrupulous.
3. Keep your word and abide by the spirit as well as the letter of the law.
4. Maintain fidelity: Be faithful and never disclose confidential information.
5. Always be fair: Demonstrate a commitment to justice, with equal treatment of all.
6. Care for others: Be kind.
7. Respect others in every way.
8. Be a responsible citizen. Obey just laws and protest unjust ones.
9. Rigorously pursue excellence. Never be content with mediocrity.
10. Always be accountable: good leaders lead by example.

Professional ethics

Professional ethics are principles that govern the behaviour of a person or group in a business environment. Like values, professional ethics provide rules on how a person should act towards other people and institutions in such an environment. Unlike values, professional ethics are often codified as a set of rules, which a particular group of people use. This means that all those in a particular group will use the same professional ethics, even though their values may be unique to each person.

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Ethical principles

Ethical principles underpin all professional codes of conduct. Ethical principles may differ depending on the profession; for example, professional ethics that relate to medical practitioners will differ from those that relate to lawyers or real estate agents.

However, there are some universal ethical principles that apply across all professions, including:

- honesty
- trustworthiness
- loyalty
- respect for others
- adherence to the law
- doing good and avoiding harm to others
- accountability.

Codes of conduct

Professional codes of conduct draw on these professional ethical principles as the basis for prescribing required standards of behavior for members of a profession. They also seek to set out the expectations that the profession and society have of its members. The intention of codes of conduct is to provide guidelines for the minimum standard of appropriate behavior in a professional context.

Codes of conduct sit alongside the general law of the land and the personal values of members of the profession. The primary value of a professional code of conduct is not as a checklist for disciplining non-conforming members, although breaches of a code of conduct usually do carry a professional disciplinary consequence. Rather, its primary value is to act as a prompt sheet for the promotion of ethical decision-making by members of that profession.

Professional codes of conduct provide benefits to:

- the public, as they build confidence in the profession's trustworthiness
- clients, as they provide greater transparency and certainty about how their affairs will be handled
- members of the profession, as they provide a supporting framework for resisting pressure to act inappropriately, and for making acceptable decisions in what may be 'grey areas'
- the profession as a whole, as they provide a common understanding of acceptable practice which builds collegiality and allows for fairer disciplinary procedures
- others dealing with the profession, as the profession will be seen as more reliable and easier to deal with.

Basic Principles of Corporate Ethics

- Complying with the laws and rules of the countries and regions where business is conducted and engaging in fair practices in the light of social ethics.
- Aiming to become a sensible corporate citizen, and striving for harmony with society.
- Disclosing information in a timely fashion, and engaging in honest and transparent communications.
- Protecting the irreplaceable earth and contributing to the preservation of the environment.
 - Respecting fundamental human rights and individuality, and building up a corporate culture with a broad vision which fosters the spirit of corporate ethics.

Comply with the laws and regulations of the countries and regions

- Fair Competition
- Fair Procurement
- Respect for Intellectual Property Rights
- Proper Accounting Procedures
- Ban on Improper Expenditure
- Maintenance of Internal Systems

Responsible corporate citizens and strive to coexist harmoniously with society.

- Linking into Society
- Disengagement from Antisocial Forces
- Donations to Political Parties, etc.

Disclose information in a timely manner and aim to provide sincere and transparent communications.

- Management of Corporate Information
- Conservation of Corporate Property
- Corporate Communications

Appreciate our irreplaceable planet Earth and contribute to the protection of the environment.

- Conservation of the Environment

Respect fundamental human rights and individual personalities, and strive to create an open-minded corporate culture

- Establishment of a Healthy Working Environment

Auditing Ethics

Ethics is the foundation of any successful organization and internal audit has a key role to play by auditing the organization's ethical program. Ethics is all about behavior, choices and doing what is right. Internationally there have been developments around ethics and how organizations handle this. Many multinational companies have, over the past few years, appointed a senior executive with the responsibility for promoting ethical behavior throughout the company.

The 'Tone at the Top' is all about the board, chief executive officer and senior executives demonstrating their personal commitment to ethical behavior. Ethics is the basis of good governance and ultimately the basis for the success of an organization. **The lack of ethics can be safely described as the reason for many high profile corporate fraud cases.** Most organizations have a code of ethics for their workforce which prescribes expectations of the behavior expected of employees. In some cases, the code of ethics extends to consultants, contractors and suppliers. However, a robust ethics program is more than just a code of conduct that

- includes:
- policies
 - regular communication
 - response protocols for ethical violations

Regardless of who is responsible for the ethics program, the effectiveness is not always assessed. Therefore an audit of ethics becomes important to provide an independent view on the state of the organization's ethics program.

The Role of Internal Audit

Internal auditors have often avoided the challenge of auditing ethics because it is difficult. Far easier to do a simple compliance or financial audit where hard controls are easier to audit than soft controls. However, the International Standards for the Professional Practice of Internal Auditing (The Standards) issued by the Institute of Internal Auditor (IIA) state that (Standard 2110.A1):

“The internal audit activity must evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.”

The Scope of an Ethics Audit

The IIA Practice Guide 'Auditing Ethics-Related Programs and Activities'² states that the four pillars of organizational governance are the board, management, internal audit, and external audit, and that ethics is an integral part of this organizational governance structure. This means that any assurance provided around governance needs to take into account ethics. Internal audit needs to audit ethics in order to provide an opinion to the audit committee and senior management on its

effectiveness.

An audit of ethics should at least cover the following:

- **Tone at the top** – commitment of the board and top management to ethics.
- **Ethical principles** – how well these are adhered to by all levels of the organization, including stakeholders and suppliers.
- **Risk management** – recognition of the need for risk management and effective implementation of risk management throughout the organization.
- **Information** – availability of information relating to ethical conduct such as a documented ethical program, awareness activities, and breaches of ethical guidelines.
- **Sharing** – active sharing of information relating to the ethical program and its results.
- **Alignment** – risk management alignment with the organization's ethical culture.

Key Considerations to Auditing Ethics

There may be several approaches to take when carrying out an ethics audit such as reviewing ethics policies and procedures, reviewing the work of the ethics or compliance department or surveys / interviews with employees.

Regardless of the approach taken, there are several considerations that should be taken into account:

1. The audit committee should identify specific ethics-related issues on which to focus. In some settings, the committee may decide to conduct a comprehensive ethics audit. In other organizations, the committee may focus on specific ethical issues that are especially important in those settings.
2. An audit of ethics needs to be risk-based and based on a risk assessment. The internal auditor must establish the key risks to the organization's ethics program which will help to focus the audit objectives.
3. Realistic audit objectives need to be set, which are likely to include such things as whether:
 - There is compliance with laws, regulations and policies.
 - The organization has a documented ethics program and adequate means of measuring its effectiveness.
 - There has been effective implementation of the ethics program.
 - Breaches of the ethics program have been properly investigated and adequate sanctions imposed on offenders.
 - Lapses in ethical behavior have an impact on the efficiency, effectiveness and economy of business operations and, if so, what is the impact on the organization.
 - Assets are properly safeguarded from unethical conduct.

- Opportunity for fraud and corruption is minimized.

4) Determine how to audit controls around ethics:

“Internal auditors should help a company improve its ethical culture”

- Tone at the top from the board, chief executive officer and senior executives.
- Employee awareness.
- Assurance regimes to identify unethical conduct and its impact on the organization.
- Code of conduct and treatment of breaches.
- Reporting arrangements for alleged unethical conduct.
- Investigation protocols and if these are independent.
- Effectiveness of whistleblower mechanisms and treatment of whistleblowers.
- Report the audit results without fear or favor to the audit committee and senior management.
- Monitor and follow-up to ensure recommendations are effectively implemented and meaningful change occurs in a timely way.

7 Elements of a World Class Ethics Program

In a maturity model² provided by the IIA, the following elements are considered to be an integral part of a world class ethics program (not a comprehensive list):

Detailed guidance on key components of the Code of Ethics including the use of an anonymous reporting hotline.

Periodic surveys of employees to understand perceptions on the organization’s ethical climate. **Review of disciplinary action** in response to ethical violations takes place by an independent party to ensure consistency.

Openly praising employees for demonstrating ethical conduct.

Regular communication on the importance of the code of ethics and reporting on the ethics program in the company’s annual report.

Investigations are conducted by experts in accordance with a defined investigation protocol. **Ethics related metrics** are included as part of an employee’s performance goals.

Conducting an ethics audit requires a team effort as well as a clear definition of ethical behavior.

Auditing ethics is not only required by the IIA’s Standards but it is essential for the overall health of the organization. Even though there is no “one size fits all” approach to auditing ethics, the internal audit department should still take steps to audit the ethics program. Just because it is a difficult audit to do is no reason to ignore it especially when the risk of not carrying out an ethics audit can be severe.

Fairness and efficiency in financial markets

Financial markets unite entrepreneurs seeking funds for new ventures and investors

seeking a store of value for savings. Investors initially allocate capital to entrepreneurs through a trading system in which securities issued by entrepreneurs are priced as they are sold to investors.

Securities continue to be priced as one investor sells them to another. Financial markets are regulated by rules requiring companies to disclose information about their assets and earnings, rules allowing state regulators to prohibit sales of securities that fail merit tests, and rules setting minimum levels of margins on purchases of securities. What is the goal of such regulation?

Regulation of financial markets is an attempt to enhance both efficiency and fairness. Enhancement of fairness increases efficiency in some cases, but in other cases, a conflict exists. We seek to understand the nature of each set of financial market regulations by analyzing the fairness and efficiency goals they serve and the trade-offs they entail. Promotion of efficiency is generally accepted as a goal of the financial market and its regulation, but does fairness matter? Yes and no.

Efficiency

We distinguish Pareto efficiency (**Pareto efficiency**, or **Pareto** optimality, is an economic state where resources cannot be reallocated to make one individual better off without making at least one individual worse off) from informational efficiency. The Pareto notion of efficiency takes as given the subjective beliefs of all people. Also given are the amounts of available resources and technology, which define feasibility. An allocation is Pareto efficient if no other feasible allocation exists such that at least one person's situation can be improved without harming another person.

Pareto efficiency assures maximization of production by precluding wasteful use of resources. It also assures that the riskiness of investment projects undertaken matches the attitudes of investors toward risk; that is, all mutually beneficial transfers of risk take place, and investors are subjectively content with the riskiness of their portfolios. Pareto efficiency does not imply, however, that investors never make mistakes. Investors might take on more risk than is objectively appropriate, they might overreact to information, and they might cause security prices to be excessively volatile.

Informational Efficiency

If all investors hold objective beliefs and information is common, then competitive prices accurately reflect that information. When prices accurately reflect information, prices are considered informational efficient.

Note that prices can be informational efficient even when not all investors have objective beliefs. If subjective errors contain no systematic component (so that investor errors aggregate to zero) and the covariance between wealth and error is zero (so that no investor exerts a disproportionate effect on the market), then competitive prices will be informationally efficient. Informationally efficient prices provide proper guidance to

entrepreneurs, managers, and investors.

Entrepreneurs and managers who observe correct prices have an opportunity to avoid projects with negative expected net present values. Investors who observe correct prices can design and hold optimal portfolios. Informational efficiency, however, does not ensure that the guidance offered by correct prices will be followed. Entrepreneurs and managers might select projects with negative expected net present values, and investors might choose undiversified portfolios. Common information is essential to the fundamental theorems of welfare economics. Asymmetric information is a well-known destroyer of efficiency.

Moral hazard can interfere with efficiency by causing the market to collapse. The preceding notions of efficiency are termed just best, because feasibility is defined in terms of resource and technology availability. The introduction of additional constraints to cope with information asymmetries leads to second-best efficiency notions.

Fairness

A claim to fairness is a claim to entitlements. Seven classes of fairness are identified by the entitlements they provide:

- Freedom from coercion
- Freedom from misrepresentation
- Equal information
- Equal processing power
- Freedom from impulse
- Correct (efficient) prices
- Equal bargaining power

In the category **freedom from coercion**, fairness comes in two forms, a positive form and a negative one. The positive form entitles people to the right not to be coerced into a transaction. The negative form entitles people to the right not to be prevented from engaging in a transaction. Thus a transaction is fair if all people enter into it voluntarily. Each person is free to engage in a search for information but not to compel another to reveal information. Moreover, no person is to rely on information received from another as truthful. For example, bargainers might be allowed to say, "This is my last offer," even when that is not true

Fairness in **freedom from misrepresentation** entitles all people to rely on information voluntarily disclosed by others as truthful. For example, laws pertaining to contracts provide that a person has a valid claim against another if information provided was willfully untrue. A claim is not valid, however, because a product or service simply did not meet the buyer's expectations. Fairness in freedom from misrepresentation does not compel people to reveal information.

Fairness regarding equal information entitles all people to equal access to a particular set of information. Therefore, a person who has the set of information is compelled to disclose it to the others. For example, some states require sellers of houses to disclose to buyers information about defects in the houses. Similarly, people with inside information on securities are prohibited from using it in trades.

Fairness in equal information processing entitles all people not only to equal access to a common set of information but also to a "competency floor" of information processing skills. This class of fairness recognizes that some people commit cognitive errors as they process information. For example, although information about state lotteries is available to the public, some people are unable to estimate correctly their odds of winning. Protection from deficiencies in information processing can take the form of compulsory disclosure in a "processed" form, such as disclosure of interest rates in the annual percentage rate form prescribed by the Truth-in Lending Act, or prohibition of certain transactions, such as lotteries, in which people might be at an information processing disadvantage.

Fairness in freedom from impulse entitles all people to protection from imperfect self-control. Lack of self-control might cause a discrepancy between what people claim they should do and what they actually do. Overeating, drug abuse, and overspending are examples of self-control problems. Protection from such problems is sometimes provided through outright prohibition, such as outlawing the use of drugs, or through remedial mechanisms, such as the Truth-in Lending Act, which requires sellers to provide buyers with a three-day "cooling-off" period during which they can cancel an impulsive transaction.

Provision of rights to equal processing power and to freedom from impulse are usually called paternalism, because outsiders are charged with protecting people from their own mistakes, as parents protect their children.

Fairness regarding efficient prices entitles all people to trade at prices they perceive as efficient or correct. Fairness in the efficient prices class is the entitlement that underlies the notion of fairness inherent in the term "fair and orderly market." NYSE specialists are responsible for preserving a fair and orderly market by trading from their own inventories in response to order imbalances that might distort prices. The alternative is to let prices adjust by whatever amount necessary to equate supply and demand by investors, even if this process creates "excessive" volatility.

Fairness in equal bargaining power entitles all people to differential alternatives to a negotiated agreement. Unequal bargaining power can occur when one person in a transaction has deficiencies in information processing or imperfect self-control. Unequal bargaining power can also exist, however, in the absence of such deficiencies. For

example, poor people might be at a power disadvantage relative to rich ones. The ultimatum game provides another example. The inequality in bargaining power is created by the first-player advantage; the second player is disadvantaged because he or she faces a take it or leave it position. One example of a remedy to a perceived inequality in bargaining power is a state-mandated limit on interest rates charged by credit card companies.

An additional notion of efficiency, called ex post efficiency, is a hybrid of Pareto efficiency and fairness. Recall that Pareto efficiency rests on the subjective judgments of individuals to ascertain whether one situation is more efficient than another. The ex post notion replaces subjective judgments with objective ones. Ex post efficiency is, in effect, what Pareto efficiency would be if all investors had equal information, equal processing capabilities, and no self-control difficulties. The implicit notion of efficiency is ex post in some regulatory issues.

Insider Trading

Insider trading refers to the practice of purchasing or selling a publicly-traded company's securities while in possession of material information that is not yet public information. Material information refers to any and all information that may result in a substantial impact on the decision of an investor regarding whether to buy or sell the security.

By non-public information, we mean that the information is not legally out in the public domain and that only a handful of people directly related to the information possess. An example of an insider may be a corporate executive or someone in government who has access to an economic report before it is publicly released.

Hypothetical Examples of Insider Trading

- The CEO of a company divulges important information about the acquisition of his company to a friend who owns a substantial shareholding in the company. The friend acts upon the information and sells all his shares before the information is made public.
- A government employee acts upon his knowledge about a new regulation to be passed which will benefit a sugar-exporting firm and buys its shares before the regulation becomes public knowledge.
- A high-level employee overhears some conversation about a merger and understands its market impact and consequently buys the shares of the company in his father's account.

Insider trading happens when someone makes an investment trade based on "material" information that's not publicly available. In market terms, material information is any detail that could affect a company's stock price. This information

gives the individual an edge that few others have. The trader must typically be someone who has a fiduciary duty to another person, institution, corporation, partnership, firm, or entity. You can get into trouble if you make an investment decision based upon information that's related to that fiduciary duty if that information isn't available to everyone else

A fiduciary duty exists when one individual or entity has an obligation to act in another's best interest. Fiduciaries have duties of care, loyalty, good faith, confidentiality, prudence, and disclosure

Greenmail

Greenmail is an intentional purchase of a substantial number of shares in an entity with an ultimate objective to threaten it with a hostile takeover, which usually results in forcing the owners to repurchase the shares at a premium. The target firm is actually forced to buy its stock at an increased price to ward off a corporate raider. It is a blackmail that gives the corporate raider a good profit by just creating a takeover threat. In the case of mergers and acquisitions, this payment is made to put a stop on the takeover bid.

Greenmail – “Blackmail of a Different Color”

It is a very challenging situation for the target company. They are forced to decide between being taken over and paying a high premium to buy back their shares from the corporate raider. In most circumstances, the target firm chooses to pay the premium price and buy back their shares over a hostile takeover. It is like blackmail, where the raider asks for a ransom amount to release the control of shares over the target company. It should be kept in mind that the raider has no intention of buying the target company, but it just wants to make the profit from the costly premium it demands from the target company.

On accepting this payment, the raider will stop harassing the target company for takeover and cannot buy any shares of the target company for a specified period. Though the target company gets back its control over its shares, it may have an additional debt of a considerable amount that the target company has taken to finance the greenmail. The term is derived from the combination of blackmail and greenbacks (dollars).

How does Greenmail work?

- **Purchase** – A corporate raider or an investor gets hold of a large stake in the target company by purchasing its shares from the open market.
- **Struggle** – Threaten the target company over a hostile takeover. Still, they offer to sell the acquired shares to the target company at a premium price, much above the market value. The raider also makes a promise of not harassing the target

company on repurchasing the shares by the target company.

- **Sale** – The corporate raider sells its share at a higher price. The target company utilizes the shareholder money to pay the premium price for buyback. The target company is left with a considerable amount of debt, and its value is reduced, whereas the raider makes a handsome profit.

Examples of Greenmail

American Investor Carl Icahn bought an approximately 9.9% stake in Saxon Industry at an average price of \$7.21 per share. Saxon Industries were afraid that he might go for a hostile takeover and increase his stake further. Saxon Industries offered to buyback Carl Icahn's stake at an average price of \$10.50 per share. It represented a premium of 45% of his purchase price, thereby making Icahn a handsome profit.

Effective Measures by the Target Company

During these situations, the target companies have two options.

The first option is that the target company can take no action and allow the hostile takeover to happen. Secondly, the target company can pay a premium price above the market value to avoid hostile takeovers and buy back its shares. Suppose a company X buys 30% shares of company Y and then threatens X for a takeover. The management of company Y decides to buy back the shares at a premium price to avoid the takeover bid. After this greenmail, company X makes a considerable amount of profit from the resale of shares at the premium price. Still, company Y makes a significant loss and is left with additional debt.

Greenmail is a profit-making strategy wherein the investor buys large stakes of the target company and then threatens the target company of hostile takeover and creates a situation in such a way that the target company is forced to buy back their shares at a significant premium. It is similar to blackmail, where threats are made to establish a benefit and gain profit. This money is paid to another company to stop the aggressive behavior.

Golden Parachute

A golden parachute consists of substantial benefits given to top executives if the company is taken over by another firm, and the executives are terminated as a result of the merger or takeover. Golden parachutes are contracts with key executives and can be used as a type of anti takeover measure, often collectively referred to as poison pills, taken by a firm to discourage an unwanted takeover attempt. Benefits may include stock options, cash bonuses, and generous severance pay. Golden parachutes are thus named as such because they are intended to provide a soft landing for employees of certain levels who lose their jobs.

Golden parachutes are lucrative severance packages inked into the contracts of top

executives that compensate them when they are terminated. In addition to large bonuses and stock compensation, golden parachutes may include ongoing insurance and pension benefits. The practice is controversial as poorly performing or short-lived CEOs and other top executives can get paid large sums for little or poorly perceived work.

How Golden Parachutes Work

Golden parachute clauses can be used to define the lucrative benefits that an employee would receive if they are terminated. The term often relates to the terminations of top executives that result from a takeover or merger. Golden parachutes may include severance pay in the form of cash, a special bonus, stock options, or vesting of previously awarded compensation. The employment contract contains explicit language detailing the conditions under which the silver parachute clause will become valid.

In addition to monetary awards, other examples of opulent parachute benefits

- include:**
- Continued enrollment in company pension plans
 - Vesting of all retirement benefits
 - Paid health and dental insurance
 - Compensation for legal fees

Instances of these and other exclusive advantages have drawn criticism from shareholders and the public. As a result, the post-financial crisis era has seen many companies review their executive-level compensation policies and devise new ways to link executive performance to corporate success. In many cases, their goal has been to determine whether such packages were in the best interests of the firm and its investors.

Advantages of Golden Parachutes

By providing golden parachute clauses to high-level company executives, companies are able to:

- **Hire and retain top talent:**
- **Reduce/Remove conflict of interest during a merger:**
- **Reduce hostile takeovers:**

Controversies Regarding Golden Parachutes

Golden parachutes given to company executives create controversies because they create the following circumstances:

- **Require the company to pay a lot of money:** Golden parachute compensation may substantially reduce the company's bottom line profitability.
 - **Moral hazard problem:** Knowing that their termination would give them substantial benefits, executives with golden parachutes may feel little to no

incentive to do a good job. Executives with a golden parachute may not act in the best interest of shareholders.

- **May not deter hostile takeovers:** Although golden parachutes may reduce hostile takeovers, they typically make up only a small percentage of the overall cost of a merger. Therefore, golden parachutes may not significantly inhibit hostile takeovers. That would mean that they offer relatively little benefit as compared to their very high cost.

Workers' Rights and Duties

As a worker, you have a legal right to:

- A safe and healthful workplace
- Any information your employer has about any exposure you may have had to hazards such as toxic chemicals or noise. You also have a right to any medical records your employer has concerning you.
- To ask your employer to correct dangerous conditions.
- To file a complaint about workplace hazards:
- To participate in enforcement inspections.
- To not be discriminated against for exercising your health and safety rights. Your employer may not fire you, threaten you, harass you, or treat you differently for exercising your health and safety rights.
- To refuse work that puts you in immediate danger of serious harm. Before you refuse unsafe work, request that your employer eliminate the hazard and make it clear that you will accept an alternate assignment.
- To information on hazards in your workplace; chemicals used in your workplace; tests your employer has done to measure chemical, noise and radiation levels; and what to do if you or other employees are involved in an incident or are exposed to other toxic substances.
- To training from your employer on chemicals you are exposed to during your work and information on how to protect yourself from harm and on other health and safety hazards and standards that your employer must follow.

As a worker, it is your responsibility to:

- Read the workplace safety and health poster at the jobsite.
- Comply with all applicable safety standards.
- Follow all lawful employer safety and health rules and regulations, and wear or use required protective equipment while working.
- Report hazardous conditions to the employer

Report any job-related injury or illness to the employer, and seek treatment promptly.

Workplace Safety: Importance, Benefits, and Ways To Incorporate It A work environment free from injuries and accidents attracts employees. Employees are more satisfied and productive in such an environment. A safe work environment is important for both employees and employers alike. It is the right of all employees to have safety

in the workplace. Workplace safety is important regardless of the size of a company. All companies, big or small, need to incorporate safety in their workplaces. Well implemented safety measures keep employees safe and also protect industry equipment. It is the responsibility and duty of employers to protect their employees and keep them safe.

What is the Need for Safety in the Workplace?

It is not possible to measure the effects of human casualties. They can have grave consequences for employees and their families and friends as well. This is why workplace safety and health measures are necessary. They are important for the wellbeing of employers and employees alike. The feeling of assurance that one has, knowing that he will return safely from work is greater than anything else.

There are occupational safety and health risks in every company. Factors affecting workplace safety include unsafe working conditions and environmental hazards. It can also include substance abuse and workplace violence. For example, employees working in an IT company may have to work with faulty wires or electronics. Whereas in a construction company, employees may be exposed to the dangers of operating heavy equipment. To combat these risks, employers should create strategies that ensure and promote safety in their workplaces. Employers should also learn the desired aspects of their employees in terms of safety and protection. This will help increase productivity and the quality of the products and services.

Here are some Benefits of a Safe and Healthy Work Environment

- It goes without saying that the safer the work environment, the more productive it is. Productive employees are an asset to all companies. For instance, productive employees can produce more output in less time, reducing operational costs for a company.
- Workplace safety promotes the wellness of employees and employers alike. Better safety equates to better health. Healthier employees do tasks more efficiently and they are happier in general.
- There are very few accidents in a safe working environment. This results in less downtime for safety investigations and reduces costs for worker's compensation. This also reduces the time needed for employees to heal from injuries.
- Damage to industrial equipment creates costs for replacement and repair. Avoiding workplace injuries and damage to industrial equipment will incur fewer expenses and increase profit.
- If employers are concerned about the safety of their employees, the employees are more confident and comfortable in general. Also, absenteeism rates drop and employees are more focused on doing their tasks

Ways to Create a Safe Working Environment

- Being Aware and Identifying workplace Hazards
- Implementing Workplace Safety Programs
- Providing Proper Safety Training to Employees
- Using Protective Safety Equipment
- Reporting Unsafe Working Conditions
- Practicing Correct Posture
- Promoting Regular Breaks
- Staying Sober and Alert
- Easy Access to Exits in Case of Emergencies
- Using Mechanical Aids

The Bottom Line

- A safe work environment is a feature of good companies throughout the world. All employees want assurance of their safety and protection.
- Workplace safety is a very important issue. Employers should ensure that their employees are working in a safe environment.
- Management systems and business owners are responsible for promoting workplace safety. Employers should encourage employees to adopt safe practices and use safety equipment. They should promote safety policies and safety programs.
- Also, employees should be aware of the risks of operating hazardous machinery

Sexual Harassment at Workplace

Sexual harassment at a workplace is considered violation of women's right to equality, life and liberty. It creates an insecure and hostile work environment, which discourage women's participation in work, thereby adversely affecting their social and economic empowerment and the goal of inclusive growth

Sexual Harassment is said to take place

- When one person subjects another person to an unwelcome act of physical intimacy! contact such as grabbing, brushing, touching, pinching, eve teasing, etc.
- Makes an unwelcome demand or request directly or by implication for sexual favors from another person.
- Shows a person any sexually explicit visual material, in the form of pictures/cartoons/pin ups/calendars/ screensaver version computers/any offensive written material / pornographic e-mails, etc. or any other form of unwelcome conduct of a sexual nature. • Eve teasing, jokes likely to cause awkwardness or embarrassment, innuendos, sexist remarks

What you should do?

- Hold the harasser accountable for his actions. Let people know what he did. Privacy protects harassers, but visibility undermines them.
- Objecting to harassment is a matter of principle and one's right.
- Don't respond to the harasser's excuses or diversionary tactics.
- Speaking out: Speaking about sexual harassment is an effective tool in combating it. It mobilizes public opinion against it.
- Report such harassment immediately or as soon as possible to the superior officer or to the police or seek the assistance of any NGO

As per official data, not even half the people report about sexual harassment experiences for the fear of losing their job. But, no one should have to put up with sexual harassment at a workplace. We all have the right to enjoy a safe and comfortable work environment. Many times women worry that people won't believe their story or will try to tell them how it was all their fault and for fears similar to these, most women prefer to stay quiet.

While there are some apparent ways that people are molested like unwanted kissing, touching of privates, butt slapping, making sexually explicit comments, uninvited massages, requests for sexual favours, sexually suggestive gestures, ogling, catcalls or cornering someone in a tight space, there are more subtle forms of harassments too.

- Making sexual jokes.
- Repeated compliments of an employee's appearance.
- Commenting on the attractiveness of others in front of an employee.
- Discussing someone's sex life in front of a colleague.
- Circulating nude photos of women in bikinis or shirtless men in the workplace
- Interrogating an employee about their sex life.
- Leaving unwanted gifts of a sexual or romantic nature.
- Spreading sexual rumors about a colleague.
- Repeating hugs or other types of unwanted touching.

Any of the above-mentioned actions can be taken as sexual harassment if they happen often or are severe enough to make an employee feel uncomfortable, intimidated or evident enough to interfere with their work.

Sexist comments as well as actions also fall under harassment. It is a misconception that harassment must only be sexual in nature in order to be illegal. Offensive conduct based on an employee's gender is severe enough to create an abusive work environment which is also illegal. For example, if women are told to compete and live up to other gender stereotypes and looked down upon or not taken seriously, the workplace is considered hostile

Most people know that sexual harassment by a manager or coworker is illegal. But a boss or a leader has the responsibility to protect its employees from any kind of sexual harassment by outsiders as well. This very much includes clients, vendors, business partners, customers, etc. As long as the boss knows that harassment is taking place, the company should take necessary action against it.

It's a very traditional way of thinking if you only believe that females get sexually harassed. While this is still the most common scenario in today's world, there are many cases where females harass male members of a workplace. Same-sex harassment by a male against a male or a female against a female is also illegal. The harassment doesn't necessarily have to be motivated by sexual desires. It just has to base on the victim's gender.

Whistleblowing

Whistleblowing is the term used when a person passes on information concerning wrongdoing, such as corruption, sexual harassment... This can be referred to as "blowing the whistle", "making a disclosure", "making a whistleblowing report", or otherwise.

The person is usually closely associated with the organisation, often an employee, but also sometimes a supplier or a customer. They become a whistleblower when they observe behaviour or actions that they believe to be misconduct, illegal and not in line with the company's Code of Conduct, and report that suspicion as a whistleblowing matter.

Whistleblowing can take place either within an organization, or publicly.

Organisational whistleblowing: Is a preventive tool for organisations to reduce the risks of malpractice and irregularities. Empowering employees and other relevant stakeholders to blow the whistle increases the chances of managers obtaining information on irregularities that should be acted upon at an early stage. Organisations that take their Code of Conduct seriously will therefore put in place mechanisms to enable organisational whistleblowing, such as a secure corporate whistleblowing system or hotline and a whistleblowing policy or guidelines.

Public whistleblowing: In organisations where trust is low, the above mechanisms are not in place, or there is no possibility to be an anonymous whistleblower, the person may be more inclined to blow the whistle publicly. This may include reporting to the police, media or through online social channels, which of course brings a greater risk of reputational damage for organisations. In some instances, though, there is a duty to blow the whistle to a professional body or regulator.

What counts as a whistleblowing complaint?

Perspectives vary from organisation to organisation, and whistleblower protection laws define whistleblowing cases differently from jurisdiction to jurisdiction.

- a criminal offence, e.g. fraud or corruption
- a person's health and safety is in danger
- risk or actual damage to the environment
- a miscarriage of justice
- serious forms of discrimination or harassment
- the company is breaking the law, e.g. does not have the right insurance
- there is suspicion that someone is covering up wrongdoing

Why is whistleblowing currently so in focus?

The rise of whistleblowing started with the 2007-08 global financial crisis, which re-awakened the world to the need for a crackdown on corporate corruption. Further, in the last two years, the #Metoo campaign has completely changed how whistleblowers are viewed; from troublemakers to heroes. Consequently we have seen a sharpened focus on anti-corruption and greater pressure on organisations to give employees a voice.

At the same time, more and more governments are putting in place whistleblowing laws that in some cases mandate the implementation of whistleblowing systems, in other cases, enhance whistleblower protection. As a result, organisations are increasingly choosing to set up whistleblowing channels to better manage issues internally and to ensure compliance.