

Creating an Ethical Training Environment

Tonia Jackson (SAICA Project Director: Training) and Korien Sander (SAICA Training Office Reviewer and Ethicist)

Training Offices play a critical role in developing future SAICA members and associates. For a long time, the emphasis of the training programme has been on providing an opportunity for trainees to practice and demonstrate technical competence while developing as professionals. The amended training programme competencies in 2016 started to place more emphasis on professional conduct as well as professional skill with the professional conduct values based directly on the fundamental principles in the SAICA Code of Professional Conduct.

The time for gentle evolution is however over. The numerous challenges faced by the accounting profession, which have received much media attention and raised questions from an increasingly concerned public that relies, not only on the expertise of accountants, but on the integrity and ethical principles of the profession, are a clear indication that we have reached a tipping point. A **revolution** is the only way forward.

With CA2025 expected to be implemented from 2022, that revolution has started... but what does that mean for SAICA Training Offices?

To enable a shift in ethical behaviour requires a fundamental shift in the way that ethics is trained and ethical issues are addressed. Training on ethics has brought us to the point where many of the contextual biases and cultural dynamics which impact on behaviour are better understood. It has also given us a foundation to build on, but it has fallen short in that training will remain in the classroom if the training environment does not further develop that learning and allow for a shift in behaviour.

A common concern for trainees, for example, is that if they question the ethical behaviour of someone more senior to them it may be career-limiting or may result in victimisation. They are also scared to own up to their own errors for the same reasons. That fear alone may prevent a trainee from taking action and perpetuate unethical behaviour.

Training Offices where ethics is top of mind, provide a training environment where ethical behaviour can be developed. In these environments, senior staff encourage questions, all employees are trained to increase awareness around ethical issue and discussion of ethical dilemmas is encouraged. Open communication channels are in place for staff to communicate their concerns without fear of being singled out or victimised and unethical behaviour is addressed transparently.

This last point needs to be emphasised. The development of ethical behaviour often starts with addressing unethical behaviour when it arises.

A training environment is a place where skills and behaviours are developed. It is important to understand the “why” behind unethical behaviour as in many instances the person who behaved that way may not intentionally have behaved unethically – there are often very good reasons for the behaviour, but if we only seek to understand why the person behaved as they did without addressing the actual behaviour we are only going part of the way to shifting that behaviour.

For an individual, the first step is to own the behaviour. Taking ownership for behaviour which we know or come to understand was not appropriate (however much we can justify why we did what we did) is the first step towards shifting that behaviour in future. And then we need to be able to practice the new behaviour. Similar to the individual level, the Training Office has a role to play in both of these aspects – creating awareness around ethical behaviour at all levels of staff and providing an environment conducive to the practice of ethical behaviour, for all levels of staff.

So how do we get there?

The time and thought invested into reflecting on the state of ethics in the Training Office, even if the decision is later made to involve an ethics specialist, is an unbelievably valuable learning opportunity. While reflection may at first sound foreign to accountants, it is merely an extension of experiential learning or learning from experience which is the purpose of the training programme. Reflection, or reflective practice, requires conscious effort and while not explicitly included in the education and training of prospective members to date, will soon be required of trainees – with the introduction of CA2025 – and is already required of existing members – in terms of the CPD Policy which became effective in 2020. Encouraging both trainees, SAICA members and other staff to start developing reflective practice will benefit both individuals and the Training Office.

Reflective practice requires asking questions. One approach would be for Training Offices to start by asking the general question: “Are we encouraging trainees to develop and display ethical behaviour?” Whether the answer is yes or no, it should then prompt the next question “Why?” Provided you have thoughtfully and critically applied your mind, the answer to “Why?” will be an indicator of what a Training Office needs to continue doing or where changes – minor revisions; or major interventions – are required. Reflection should become a habit and a reflective practitioner will continue to regularly revisit these questions. While reflective practice is typically an individual activity, an environment conducive to the practice of ethical behaviour will create opportunities for reflections on ethics to be shared.

Another approach would be to ask questions about the specific aspects which contribute to the establishment of an ethical organisational culture. These include leadership, governance structures, conducting ethical risk assessments, monitoring, and reporting.

But concerning the training environment, the following questions may be most relevant: “Have we clearly communicated what our Training Office’s values are?”

While there is no requirement to have a formal value statement, clearly communicating to everyone what the values are that the leadership of the Training Office subscribe to is critical. This includes the Training Office that draws their values only from Code of Professional Conduct. A once-off and isolated reference to either an organisational value statement or the Code of Professional Conduct is unlikely to have the necessary impact and requires answering the question “How can we include discussions about ethics in our day-to-day activities?” This will require engaging your moral imagination by considering what can go wrong in day-to-day activities, in the unlikely event that you have never had any unethical conduct from anyone anywhere in your Training Office.

The next question spotlights what behaviour is encouraged, and which may well be undermining what has been articulated as the Training Office’s values: “What do we reward in our performance systems and with promotions?”

While the high-performing manager may well be meeting financial targets due to his exceptional management skills, the manager which runs a project at the expense of the required development of his team and through threatening language may well be able to achieve an identical numerical target. The promotion of such a manager in a Training Office which has e.g. “Respect” or “Collaboration” or “Teamwork” as one of their core values, negates what is communicated in every discussion, training session, email banner and message from the desk of the CEO.

The final question to ask is “Do we encourage and support reports of unethical conduct?”

It takes moral courage to speak up and report unethical conduct, in particular where there is the risk of victimisation. Perhaps the final question should rather be “Am I willing to admit and take responsibility for my ethical failures?”