

Podcast: HR Bartender

Episode: Dr. Martin Armstrong Defends Why Everyone Owns Organizational Ethics

You're listening to the HR Bartender Show, a casual place to talk about all things work. Here's where you get practical advice about how to be a better employee, manager and leader in your workplace. So, grab your favorite beverage, pull up a stool and join us in the conversation. The bar is always open! Host Sharlyn Lauby, author of the blog HR bartender, shares how season 3 of the podcast is focused on ethics. In this episode, Sharlyn interviews guest Dr. Martin Armstrong, the Vice President of Payroll Shared Services at Charter Communications, a Fortune 100 company located in the United States.

To kick things off, Dr. Martin Armstrong shares one thing he thinks about or considers with an ethical dilemma. He states that his moral concept and knowing what's right and wrong are the main things that drive him when faced with an ethical dilemma. He also says we need to be morally and ethically responsible as human beings, and he also thinks of the impact of innocent people when others decide to act unethically. Everyone has a choice to do what's right or wrong. He shares that there are three things that people normally think about when acting in an unethical way: the need to do it, their rationale and the opportunity. He can't control the need or rationale, but as an operations leader, he can eliminate the opportunity. Martin discusses strong audit procedures and segregation of duties to help eliminate that. No payroll person can still work internally because the paywork has to be given to them by someone else. Communication is key and the accuracy rate of payroll for most businesses is 99.85% so they don't have payroll problems, but have payroll questions. It is imperative to have good, working relationships and a positive employee experience is what it's all about.

Next, Sharlyn and Martin talk about phantom employees, which are employees that have a record but never existed. For phantom employees to occur, there has to be a collaboration of HR to enter someone's information into the system and payroll as well to give this employee a reasonable salary. The hours for this phantom employee are not contingent since they are salaried. You may think how someone would not notice this, but if you work at a large company with thousands of employees, no one would know. The only reason they get caught is because they get greedy. We need to be careful in how to identify them and weed them out. Martin tells a story of how a phantom employee got caught. This individual did not know that the W2s have to match the employees quarterly tax return. When it didn't match and was \$25,000 off, that's how that person got caught. To prevent phantom employees, Martin implemented periodic sign in sheets where employees have to physically come in and sign in. They also have biometric time clocks to indicate that it's the employee with eye or finger scan. He also uses a monthly roster of employees, where the supervisors verify that all those employees are still there. There is also an ethical obligation of protecting employee data and keeping them secure. Martin talks about the two factor authentication, like sending a text message before you can access an application. He also says organizations need to limit access into secure locations like badges, facial recognition, etc.

Lastly, Martin discusses how to prepare employees for change and how to do it well. The most successful change is achieved at the mass policy organizational level. The only way to recognize how well it's adopted is how many people are using it. To do this, you must create a sense of urgency and already answer the question, "What's in it for me?" Employees want to know how this change will benefit them. You also need principal support and leadership with time, money and resources. There needs to be a strong need for change where employees have to be convinced that a change is necessary with appropriateness of the change or solution. Employees also need a level of personal valence for how it will benefit them and understanding the change itself. All of these examples are change readiness factors or drivers and 66.66% of all organizational change initiatives fail. In order to get that 30% success rate, you need to use those factors. Employees also have to link ethics to their reputation. They want to project an image that they want people to buy into and believe they are a success. Companies need to make employees feel safe and one way to do that is to create an open-door ethics policy where people can report violations or suspected violations of ethics.

Links

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