Speaker 1:	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 today's workplace. So, grab your favorite beverage, pull up a stool, and join us in the conversation. The bar is always open. Now here's your host, Sharlyn Lauby.
Sharlyn Lauby:	Hi, everyone, and thanks for being here. I'm your host, Sharlyn Lauby, author of the blog HR Bartender. Before I introduce today's guest, I'd like to take a moment to thank this season's sponsor, Case IQ.
Speaker 3:	Case IQ is the leading provider of modern investigative case management software to handle virtually any type of workplace incident. With millions of cases resolved and billions of dollars in litigation avoided, trust Case IQ to help you protect your employees, your organization, and your brand. Visit caseiq.com to learn more.
Sharlyn Lauby:	Season three of the HR Bartender Show is focused on ethics and I am excited to speak with today's guest. Dr. Martin Armstrong is Vice President of Payroll Shared Services for Charter Communications, a Fortune 100 company located in the United States. Charter Communications is a \$54 billion cable operator with 32 million customers and over 103,000 employees in 44 states. Dr. Armstrong has been a certified payroll professional since 1990 and holds a Doctor of Business Administration degree from Argosy University. His dissertation concentrated on employee readiness for organizational change and we're going to talk more about that later.
	In addition, he has authored over 45 published articles and has an extensive training in performance metrics, process improvement methodologies, change management, strategic tax planning, and mergers and acquisitions. Dr. Armstrong served 24 years in the US Navy and retired in 2008 as a Navy Supply Corps officer where he was awarded five Navy Achievement awards.
	Dr. Armstrong, thank you for your service. In addition to his role with Charter Communications, he is an advisory board member for the Workforce Institute, which is how we got to meet each other, a chair for Bloomberg's Tax Payroll Advisory Board, and chair of the Internal Revenue Service Advisory Council. Martin, thank you so much for being here. I know you're a busy person and I appreciate you taking the time to chat with us.
Dr. Martin Arms:	It is absolutely my pleasure. I'm really thrilled to be here and talk about this important topic.
Sharlyn Lauby:	So the theme for this season is ethics. While you don't need to provide in a specific situation, tell me one thing you think about or consider when you are faced with an ethical dilemma.

Dr. Martin Arms...: I always have this chip on my shoulder and it just says, my moral compass is what it really is on my shoulder. Having morals is what's right and what's wrong. So, that is always in the back of my mind. What can I do that is morally and ethically responsible as a human being? So that compass is definitely my North Star whenever I make decisions. I also think about the impact of really innocent people when others decide to act unethically and they impact people in ways that you have no idea. For example, I'm in the payroll industry and we make deductions from people's paycheck. Some of those deductions are garnishments and it could be even child support.

> I would say most employers that have a population of people who have some type of garnishment, I would say the number one type of garnishment is probably a child support order. So, you can imagine if somebody who is working at your employment is getting deductions for child support and that child support payment never reaches the intended person, which is usually the custodial parent, that to me is when an innocent person is really impacted, all because maybe an employer is having some cashflow issues and unethically does not remit deductions that they take from people. So, everything has a choice and a consequence in my mind, and it all starts really at the moral compass in my opinion.

> Now, also to say too, I was speaking at a conference in Utah about maybe 15 years ago. I never forget one of the speakers, Chuck Gallagher, he's an ethics expert. He was going over his story, and because he's an ethics expert, he talked about the three things that people normally think about when they want to act in an unethical behavior type of way. He talked about their rationale, making it rational for themselves that this is not a big deal and then also the need to do it. Some of it is probably cashflow driven. I really need some money. The rationale, well, if I just take this, let's just say I'm working on a company to have petty cash. The rationale, hey, this company I'm working my butt for and I don't even have enough money to afford my regular expenses, but I'm in charge of petty cash.

They rationale out themselves to say, "I'm going to take a little bit of cash. Nobody will know it, and by the time I get honored, I'll just simply have it replaced and everything will be fine." So do the rationale in their mind. The need is there because they need money and then the opportunity is there because they don't have really good audit procedures. That is a recipe for why people have unethical behavior and I never thought about that in that way, but it all makes sense when you talk about rationale, need, and opportunity.

So, I would tell you as an operations and people leader, regardless of what setting I'm in, I'm always trying to figure out how do I eliminate the opportunity, which means I have to have really good strong audit procedures and segregation of duties and all of that to make sure that I can't control the rationale and the need. But as an operations leader, I can most certainly control the opportunity.

- Sharlyn Lauby: You mentioned duties and responsibilities. In my HR career, there have been times when I was responsible for the payroll function and there have been times when I wasn't. It was interesting to me because HR and payroll have to be partners. We rely upon each other for checks and balances. A lot of times when an employee has a question about their pay, the first place they go is to human resources, because we help employees get signed up on the payroll, like an orientation. How do HR and payroll build a bond? We need to have a great working relationship. We need to rely upon each other, but how do we also then have those checks and balances in place?
- Dr. Martin Arms...: Sure. I will tell you as the person in the payroll world in an industry, no payroll person gets their work internally. No one creates their own work. Their work is all given to the payroll group by someone else. We call those cross-functional partners. So, in my mind, we're talking about strengthening relationships and even establishing them. If I'm going to get my work from other folks, cross-functional partners, it's imperative that I have really good working relationships. So, our collective processes will result in a real positive experience for the employee, because at the end of the day, that's what it's all about. From an employee perspective, if you're working in payroll, that positive employee experience lends itself to a perfect paycheck.

Because I'm getting my work from you, if you're in HR, I'm going to make sure that my relationships are good because what I need from you is to give me a product. I want it on time, accurate, and maybe in a designer format that I can work with. It's a much better experience if we have good working relationships where I've physically met you before and we've had conversations. Maybe we've gone out to lunch or something, because just human psyche would suggest that once you meet someone, how you treat them and interact with them once you have established some type of personal interaction with them is going to be way different than about all I have from you is just an email and maybe an occasional conference call.

So, at the end of the day, communication I think is the key. Because HR is the liaison between employees and their overall experiences with other partners or departments in the corporation, I think it's important that HR, going back to relationship standpoint, understands the basic tenants, the basic blocking and tackling of payroll administrations, because it's been my experience that most employees don't have payroll problems.

As a matter of fact, I participate in a lot of benchmarking studies and the accuracy rate for most companies is really around 99.85% out of 100. So, that tells you that most people really don't have payroll problems. They simply have payroll questions and we can get those questions answered by our HR partners, whomever we're dealing with. That'll just be a good overall experience for everyone involved.

- Sharlyn Lauby: As we were preparing our conversation, one of the things that you mentioned was something about phantom employees. I've been reading more about this, I've been seeing it in the news a little bit more often. So, I wanted to ask for our listeners, tell everyone what a phantom employee is and you were talking about opportunity earlier. How do organizations put some process in place to reduce potential exposure in this area?
- Dr. Martin Arms...: That is a great question and déjà vu for me. I used to work in the gaming industry and I worked for a company that had over 100,000 employees. So, a phantom employee is an employee that has a record, but they never exist. So, this really takes some collaboration between people who are responsible for entering someone in the HR system as an employee and then someone on the payroll side that will pay that person a modest salary so no one even knows that they exist. Maybe a salary of say \$18,000 or something like that. Every payday this phantom employee, an employee never exists, if they're set up on a salary basis, I don't have to worry about time and attendance and when clocking in and out or missing a missed punch or something like that.

So, their hours aren't contingent on their day-to-day transactions and time and attendance system because they're salary. I put you in for a modest salary of \$18,000. Every two weeks or however the pay frequency is, I'm going to get a direct deposit and that direct deposit will probably go into maybe a standalone bank account that is neutral for my own bank accounts that I have at the same employer. I start getting paid that way. Someone would say, "Well, how in the world would someone not notice this so-called phantom employee?" Now, I'll tell you this, if you ever work at a large company, there are thousands of employees, hundreds of thousands employees in some cases.

I go back to my gaming days. I'd say the two largest departments in any casino is probably security and housekeeping. Security has hundreds of employees in the security department and so does the housekeeping department. So, if I put in an employee who's a phantom employee with a modest salary of \$18,000, no one will know amongst 725 people that this phantom employee is causing a bunch of noise with an \$18,000 salary. Same thing with housekeeping. So, that could go on for years quite frankly until someone gets caught. Usually, I know you've seen in the news that some of these things do happen year over year and the only reason they get caught is because they've gotten greedy.

Maybe they have something that they want to increase the salary, get themselves a bonus, or something like that. So, it exists all the time. If you're not careful on how to weed them out and identify them, this could be an ongoing thing. We call that leakage like payroll leakage. When you have set of data points that you're looking at and just something doesn't make sense because productivity never equals the output of someone's labor and wage expense on a P&L statement. I'll give you a real time story of another, I wouldn't say phantom employee, but of an instance in which fraud happens in this way and no one ever detects it until checks and balances come into play. So, I used to work at a company and we had a huge IT department.

I have an IT group in my department, so I'm very lucky, but I would say most payroll people or even HR, whoever, they have an HR group that's assigned to them but not really part of their organization. So, in this one instance, this IT programmer that was assigned to the payroll group to do all of its programming changes, upgrades, patches, system conversions, whatever it is, this person was assigned to payroll. So, this person had a real intimate knowledge of how the payroll system worked. Long story short, what this person did was they went into the payroll system and made an entry of \$25,000 for federal income tax withholdings.

So, when that person got their W2, this entry that they made some several months ago of \$25,000, it actually increased their federal income tax withholding amount. That was on their W2. So, when they go and file their 1040, it seems like they had all this withholding and they got these big refunds and they were doing this over and over again except for when it came time for filing tax returns. So, what the IT programmer didn't know is that W2s is \$25,000 additional that he eventually put in his file and made it to his W2s. Those W2s have to match the employer's quarterly tax return. You guessed it.

Once they did the quarterly tax returns four quarters in a calendar year and it didn't add up to all the monies and boxes that was on the W2, it was off by \$25,000 and that's how that person got caught because it was just a matter of time. Other instances in which phantom employees occur I would say is we have this term called gaming the timekeeping system, where again, you're working at a large organization. I used to work at Caesars Palace in Las Vegas. It's a huge property, I mean a huge property. It would take me at least 10 minutes from the parking lot to get to my office because I had to walk through the casino.

It was all these seas of people there and it would make you late if you were running press for time just to make sure that you had those 10 minutes baked in even when you reached work to get to your workstation so you can clock in. So, a lot of people would say, "Gosh, I am running late." Maybe I'm carpooling. The driver says, "I got to now park my car and try to make it to my workstation. I'm going to give you my badge and I'd like for you to badge in for me." We call that buddy punchy. That happened all the time until someone said, "You know what? Someone's gaming the system recognizing that we have a lack of procedures."

Now they started to go to biometric punching where I had to put my index finger or maybe my eyes into a machine so they can identify that it's Martin Armstrong clocking in this time and not someone else. I used to work in internal audit by the way. So, when I was in internal audit, we had to come up with ways on this very topic that you asked me. So, it's really timely here on how we can prevent that. At some points in time, we said, "You know what? This particular pay when we designated a particular payday, maybe it have been three months in the making that we're going to require everyone down here to come here and pick up their pay statement." Definitely required. We turned off direct deposits for that day and everybody had to get a check.

These phantom employees, if that was the case, there's always going to be a check, because when you get your check, you have to show your ID and it's yours. There's always going to be some checks not picked up, and therefore, we know that it was probably somebody punching. We also implemented periodic signage sheets where people had to come physically and sign in their workstation versus using the automated time and attendance system. I mentioned already that we had also implemented biometric time clocks to authenticate that it's me using my index finger or maybe my eye retina. The last thing we implemented was a monthly review of employee rosters.

So, this could really happen at any point in time and it really should, where you as a department leader, you get a monthly roster of your employees, you just verify that they're still there. We do that a lot in accounting because we keep a lot of FTE metric data and we want to make sure that our budgets are with the right number of FTEs that they have been budgeted for. So, nothing gets surprised on the P&L when we have that data in a month.

Sharlyn Lauby: As you were telling that, I was reminded of my days in the hotel industry when we did employee events. Maybe it was open enrollment or it was some employee appreciation event. We would decide that that was also the opportunity that we would hold it on a payday and you could pick up your check at the same time and you would sign for your check. So, it had a dual purpose. I mean, yes, we're celebrating, but we're also doing a payroll audit at the same time. It was an opportunity to just make sure that everything was the way it was supposed to be.

> I haven't worked for companies as large as some of the ones that you've mentioned, but I know sometimes in a smaller organization, it can be a challenge reminding people of the rules because we're small and there's a lot of talk right now about the whole we're family and we trust one another and we don't need to have a whole lot of rules. I hate to say it, but people can take advantage of that. So, there's not those checks and balances and processes in place and things can happen because there aren't processes in place.

Dr. Martin Arms...: Absolutely, and you know what? Those are the best internal auditors that we can ever find because they find those loopholes in so-called policies or exposures if you will. They will take advantage of them because they have made a rational decision in their mind that it's okay, it's not that bad. They find out that they have a need for it. Then the other was that opportunity as we talked about before. So, that is a recipe. I find in my case sometimes people have too much time on their hands and they're always trying to game the system, trying to get paid for not doing productive work.

- Sharlyn Lauby: All this talk about maybe, what would you call it, weaknesses in our policies and procedures reminds me about our obligation, both payroll and HR to protecting employee data. We're talking about garnishments. People don't need to know that. Organizations have an ethical obligation to keep an employee's data about them secure. Are there any steps that you've taken, that you know about when it comes to technology and security and privacy that organizations should consider so that employees feel comfortable that their personal data that they need to get paid and is secure?
- Dr. Martin Arms...: Yes, absolutely. Even more so in this 21st century where we have all these cyber-attacks and people having ransomware because some bad actor has gotten an entire database of a company's PII information and credit card information. It is just running rampant. So, we see now a lot of companies not only establishing the need to know on a need to know basis, what small subset of employees need to know this very sensitive information, and then making security around that, but also using simple things like two-factor authentication where not only should you put in your login and your password, but once you get that, that's to get you in door number one. But to get to door number two and then finally to the application, there's another authentication, whether it be by a FOB.

I know the IRS uses this where they will say, "Okay, you made it to door one. Now let's send you a text message" or "Let me send you an email code with this six-digit code that now you should put into this field. If you put that in, then fine, we'll let you into the application." So that's two-factor authentication to me, that probably is the most secure, especially if you are asking someone to send you a text message with a six-digit number or something like that. We know that unless you're really in collaboration with a lot of folks, that probably would be not too bad. Also, we're talking about PII information, especially in payroll. I was speaking to a group not too long ago and I said, "Payroll, HR, we have the most amount of data that can really ruin someone's life from a security standpoint."

We have your name, your government name, not just your nickname. We have your government name, we have your social security number, we have your address, we have your bank account information, we have your social security number, we have all this sensitive data. If it's not in the right hands, a breach could happen very easily. So, with all that said, wherever this data is, it needs to be in secure locations. That require things like access badges, not just someone that can make their way up to the elevator and just roam around and see all this information or maybe on the printer or someone's desk or even in a shrub bin or something like that.

So, your location with this information should come with security code, because someone from security should be able to look at a list and determine actually, who's badged in and who's badged out or who's in this sensitive room. Even where I work at, we have a security access here. So, you have to have a badge. Even within our department where we have checks and machines, there's another security badge to get into that sensitive information. We actually have security information inside of security information.

Internal audit has required us to other companies as well whoever's in charge of security areas, they have to perform quarterly audit, access audits to ensure that "Hey, I've given Martin Armstrong sensitive information and access to this location. Is it still needed? Perhaps, is he still working here? Was he termed two months ago and no one told us and we still have it?" So quarterly audits to ensure access to information and access to secure locations is good. Then requiring passwords, pins, security tokens, even biometric scans to get in somewhere are all credentials commonly used to identify and authenticate a person, a user, an end user, whatever it might be to get into an application or a location or some other really sensitive information.

Sharlyn Lauby: I do have to tell on myself here. Years ago, one of my first jobs in human resources, I got counseled by an executive for shredding documents in the wrong direction and I thought, "Wow, you are just really over the top." But in today's day with all of the information, I've come to appreciate that talking to that I got many years ago about shredding, but it just reminds me how important information is and how much we need to protect it, because you're right, employees trust us with a lot of information about them and we need to treat that with respect. Now, I know we could chat all day about the inner workings of payroll and what it means to be entrusted with all of that data and information, but I do want to ask you, your doctorate thesis was on preparing employees for change.

> We're talking about changes that have happened over time. We're talking about payroll and HR. We're talking about organizations and the way that they operate. Any suggestions or recommendations for organizations about how they can prepare employees for change in the way that they might be considering doing business? I mean, 10 years ago, we were not talking about two-factor authentication when it comes to payroll records and now we are. So, how do we help organizations say this is the new standard without telling employees the way we've been doing things in the past is bad or wrong? It just evolves over time.

Dr. Martin Arms...: Yeah, I tell you, I appreciate you asking that question. I did spend 18 years of my life on organizational change. That was my dissertation, 178 pages long. I still use it to this day. One thing that I've learned about organizational change and successful organizational change is that organizational change is achieved at the mass employee adoption level. If you're an employer and maybe you change a policy or you change something that you're asking people to do differently, adopting a change, how do you measure if that change was successful? The measurement for that is employee adoption. How many people have actually adopted this change? How many people have we got a brand new employee self-service system and they have all these bells and whistles?

Well, someone is bound to say, "Well, are people even using this?" So you should be able to run metrics that says, "Yes, all these transactions, 85% of them are done on employee self-service portal." That's what successful change looks like at the mass employee adoption level when we talk about an employer. So, we're talking about changing a new standard for ethics or something like that. Maybe we got a new policy, a code of ethics policy or something like that. There should be some systems in place to make sure that we can measure how well the effectiveness of this new change was. One of the things that should be considered right from the start is creating a sense of urgency. That is the number one reason why organizational change initiatives fail.

There is actually eight reasons of them, but the number one reason is that no one has a sense of urgency that says this is important. If we don't do this, bad things are going to happen. So, when we create a sense of urgency and we're still dealing with employees who are asking to adopt the change, one of the things that we also have to create above and beyond a sense of urgency is answering the question that someone who's asked to adopt a change already has in their mind, what's in it for me? We've heard that a thousand times. We're not going to make any money off of that within it for me, but that is still a relevant question because you're asking someone to do something differently.

They're going to ask themselves, "Is this going to benefit me? Why should I do this? What's in it for me?" So we have to answer that question before even that question is formulated in someone's mind. So, that's all about communication. Hey, we're going to make this change. Here's the reason why I create a sense of urgency and here's how it'll benefit you. So, those three things is answering what's in it for me will go a long way. In my course of doing organizational change research, I found that there's some change readiness factors or drivers as we call it, that when you want to implement an organizational change at any workplace, they need to have a number of things.

One of them is just principal support. All principal support is leadership. Does my leader support this? If he does, I'm looking for enough time, money and resources to pull this off. That is leadership support or principal support. Then one of the other things is called the need for change. So, people may say, "Gosh, something does need to change here." You have to be convinced that a change is necessary, so the need for change. So, to me, when you as a leader say, "This is why we're doing it," we have to really support the reason why we're doing this change and give real evidence and data and scenarios as to why this is broken and this is why it needs to be changed. Then the appropriateness change.

Once you get to the place where someone says, "Yeah, you know what? Those are great points and we do need to change," the next thing comes, the appropriateness of the change. So, people understand that a change is needed, but then you put in solution and they're like, "Hmm, I don't even know why this

is here. This didn't even address the problem." So we got to get people on board with the solution or the appropriateness of the change. It's like football season. We just had the NFL draft. I live here in Charlotte, North Carolina. We desperately needed the quarterback. We had the number one pick. No other pick in my mind as a layperson would've been worse had we not chosen Bryce Young, the quarterback out of the University of Alabama. We did choose Bryce Young.

So, let's take that scenario and say, "What if we chose another person?" Someone wouldn't have said, "Yeah, we needed a quarterback. Gosh, they got this guy, and that is not going to work." The appropriateness of the change is what we're talking about. So, once you have consensus that a change that needs to happen and then the solution for the change is what we're going to go for and people buy into that, then you're on your way to something. Then I'll go over something else that's called personal valence. Personal valence is as an individual where we talk about what's in it for me, the question becomes, "Is this going to benefit me or not? Is this going to be an intrinsic feeling that I have? Is it going to be an extrinsic feeling?"

But me as an individual person, I got to feel whether it's intrinsic or extrinsic, that this is the right thing that I can see myself doing. Then the last thing I would say is understanding the change. Why are we talking about this in the first place? These are all called change readiness factors or drivers for successful change, because what a lot of folks don't know is that and I only knew this because of my research, that 66 and 30% of all organizational change initiatives fail. That's daunting when you're a people leader and you already know that 7 out of 10 organizational change initiatives that have been undertaken did not make it. So, you're in a 30% success percentile rate, right?

So the question becomes, "How do you get in that 30% success probability?" It's with these readiness factors or these drivers that I just discussed. So, now that we got rid of the academic organizational change model, I would also say that if we're talking about standing up an ethical policy, I think the employer has to link that to their reputation, right? Every employer has what we call reputation management. That could be a tenant of social responsibility or whatever the company calls it, but at the end of the day, they want to project an image that they want people to buy into. That is their social responsibility and their reputation. It's hard to argue that.

If they have strong ethical policies that people really feel strongly about their employees doing the right thing, you are going to have a strong reputation and definitely your social responsibility will definitely increase. It's all about culture, right? When you think about the work culture, as a person in academia, we talk about this all the time because I teach a lot of management classes. Really, when someone asks you about the culture, what they're really asking you is how does it feel to work here? How does it feel to work here? As a leader, I would loved one of our employees, our teammates that we have working here say all the great things about how does it feel to work here. We have a great culture. We value teamwork, continue education.

We've put a high emphasis on process improvement, accuracy, and all these things that someone might say to yourself, "Gosh, I would love the work there." I mean, seriously, do you really think a company like Google or Apple has any problems with recruiting? No. Why? Because their reputation and their culture has already been submitted. People want to be associated with success, and that's how it feels to work at some of these really high profile companies. So, last thing I would say, keeping on this theme of maybe creating a policy and having people adopt that is to then make changes and align your policies to support the change that you're asking people to make.

An example of that, if we're talking about standing up an ethics policy is creating an ethics hotline or an open door policy if you don't already have it. Because what's important if you really want people to adopt changes is you got to create an environment to encourage people to ask questions, to encourage and make it simple and easy for them to report unethical behavior, any violations or suspected violations of what it is that we're trying to stand up, whether it be some ethics violation or code of conduct violation, something.

So, once people feel safe to make these type of reportings for unethical or violations or suspected violations, then your whole end to end cycle for this whole ethical policy I think would hit its place and you'll have everybody participating. Going right back to where we started, you will have mass employee adoption. That's where we want to end up at the end of the day.

- Sharlyn Lauby: We could talk about all the different things that we could do to create ethics hotline, open door policy all day, but I know that your time is limited. I just want to thank you again for being here. Listeners, please give a big thanks and cheers to Martin for sharing his knowledge with us. If you want to connect with him, if you want to learn more about the different things that Charter is doing, I'll be sure to put his contact information in the show notes, but don't leave just yet. I'm looking forward to sharing with you my takeaways from our conversation after a quick break.
- Speaker 3: Case IQ is the leading provider of modern investigative case management software to handle virtually any type of workplace incident. Case intake, workflow, data centralization, and reporting have never been simpler or more efficient. Whether you're dealing with potential employee discrimination, harassment, or misconduct, trust Case IQ to provide the clarity and confidence you need to protect your employees, your organization, and your brand. With millions of cases resolved and billions of dollars in litigation avoided, Case IQ can help you make a difference in your workplace. Visit caseiq.com to learn more.
- Sharlyn Lauby: I really enjoyed the conversation with Martin today. In particular, I enjoyed the conversation about phantom employees, because sometimes as a human

resources professional, as a payroll professional, one of the things that might cross our mind is that we have a process in place. So, none of this could possibly happen to us. I think it's important that we step back and regularly look at our policies and our procedures and the way that we're doing things to ask ourselves the question, "Have we covered everything that we should be doing?" It reminds me of when I first became a consultant and I went out, I became a consultant, and I got my business license and I started calling my friends. I said, "Hey, I just want you to know I'm a consultant now."

One of my friends said, "Get over here right now. I need you." So I went over to talk with them. It was my very first consulting assignment, and I talked about getting an agreement. She's like, "Don't worry about it. We're friends. We don't need an agreement." I said, no, "We are friends and that's why we're going to have an agreement." I would just take that story and apply it to where we are right now. Having policies and procedures and rules doesn't mean that we're not trustworthy and that we're not respectful and we're not doing the right thing.

In fact, to the contrary, when you have those policies and procedures and rules in place and you go out and you talk about them within the organization and you say, "This is how we're going to conduct ourselves, and this is the reason that we're going to do it this way," we create trust within the organization and we need that trust to create an ethical culture. We need that to build compliance within the company. Martin was talking about creating that culture component and how people want to work for organizations that are successful. Well, that's part of it. A candidate or an employee comes into the organization and they can see that we have those policies and procedures and rules in place because we want that to happen.

Whether it has to do with safety or misconduct or fraud or any of those things, the point is we're setting the rules and it lets employees know that the company is not going to tolerate inappropriate behavior and there's a process in place for doing it. It allows them to feel safe and feel like they're respected and feel like I can work here because I know that the company is going to do the right thing.

That's one of the reasons that I wanted to talk about ethics this season with HR Bartender, because regardless of where you are, whether you're a big company or a small company, regardless of where you are in your business cycle, whether you're a startup or you've been around a really long time, we do need to have rules and policies and procedures in place and we need to ask every employee to follow them. It starts with the company saying, "We're going to build trust by building these rules in place that we all expect everyone to operate within." I'm looking forward to talking more about ethics and ethical behavior throughout the season, and just thank you for being here. Thank you for listening. We appreciate you and until the next episode. Cheers. Speaker 1: Thanks for listening to the HR Bartender Show. To make sure you don't miss a single episode, subscribe on Apple Podcast, Spotify, Stitcher, or wherever you go for the very best podcast productions. While you're there, we'd love it if you would rate the show and leave us a review. The HR Bartender Show is an ITM Group presentation, produced by HR Bartender and your host, Sharlyn Lauby. Remember, people, work responsibly.