

Ethical Dilemmas & Other Ethical Considerations

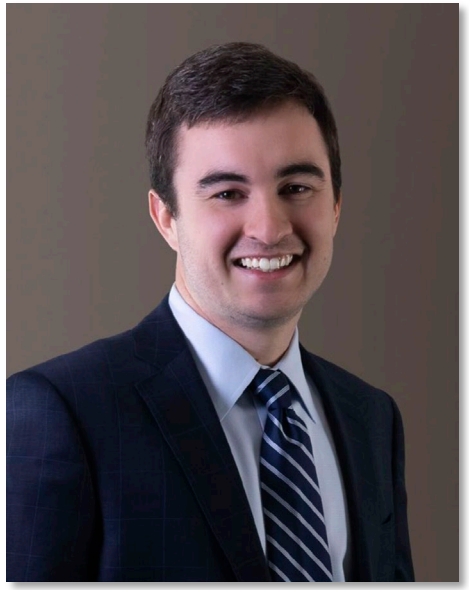
November 10, 2026

forvis mazars

Meet the Presenters



Sabrina Preston
Partner
Greenville, SC
sabrina.preston@us.forvismazars.com



Grey Worthy
Senior Manager, Assurance
Greenville, SC
grey.worthy@us.forvismazars.com



Michael Fisher
Senior Manager, Assurance
Greenville, SC
michael.fisher@us.forvismazars.com



Patrick Ward
Senior Manager, Assurance
Charleston, SC
patrick.ward@us.forvismazars.com



Allison Crawford
Manager, Tax
Asheville, NC
allison.crawford@us.forvismazars.com

© 2026 Forvis Mazars, LLP. All rights reserved.

Agenda

1. What is Ethics?
2. Ethics Lenses & An Ethical Framework
3. What is an Ethical Dilemma?
4. Dilemmas in the Workplace
5. Case Study
6. Impact of Bad Ethics
7. Strategies for Ethical Dilemmas



© 2026 Forvis Mazars, LLP. All rights reserved.

Disclaimer Slide

CPE requirements for ethics can vary between states & between the different credentials. While this was approved for 2 CPE credits in Behavioral Ethics, it is up to each professional to understand the specific requirements for their state or their credential before applying this CPE as ethics credit.

© 2026 Forvis Mazars, LLP. All rights reserved.

01

What is Ethics?



Markkula Center for Applied Ethics Santa Clara University



Founded in the fall of 1986, the Markkula Center for Applied Ethics was created to provide a focal point for the ethics research and teaching that Santa Clara University was already carrying on in various departments. The Center has partnered with many companies, organizations, and governments to increase the discussion and teaching of ethics in the community. One of the school's key efforts was the development of "A Framework for Ethical Decision Making".

https://www.scu.edu/ethics/about-the-center/history/

© 2026 Forvis Mazars, LLP. All rights reserved.

What is Ethics?

Santa Clara Markkula Center for Applied Ethics



Ethics refers to standards and practices that tell us how human beings ought to act in the many situations in which they find themselves—as friends, parents, children, citizens, businesspeople, professionals, and so on. Ethics is also concerned with our character. It requires knowledge, skills, and habits.

https://www.scu.edu/ethics/ethics-resources/a-framework-for-ethical-decision-making/

© 2026 Forvis Mazars, LLP. All rights reserved.

What is Ethics?

It is helpful to identify what ethics is NOT:

Ethics is not the same as feelings.

Feelings do provide important information for our ethical choices. However, while some people have highly developed habits that make them feel bad when they do something wrong, others feel good even though they are doing something wrong. And, often, our feelings will tell us that it is uncomfortable to do the right thing if it is difficult.

Ethics is not the same as religion.

Many people are not religious but act ethically, and some religious people act unethically. Religious traditions can, however, develop and advocate for high ethical standards, such as the Golden Rule.

Ethics is not the same thing as following the law.

A good system of law does incorporate many ethical standards, but law can deviate from what is ethical. Law can become ethically corrupt—a function of power alone and designed to serve the interests of narrow groups. Law may also have a difficult time designing or enforcing standards in some important areas and may be slow to address new problems.

https://www.scu.edu/ethics/ethics-resources/a-framework-for-ethical-decision-making/

© 2026 Forvis Mazars, LLP. All rights reserved.

What is Ethics?

It is helpful to identify what ethics is NOT:

Ethics is not the same as following culturally accepted norms.

Cultures can include both ethical and unethical customs, expectations, and behaviors. While assessing norms, it is important to recognize how one's ethical views can be limited by one's own cultural perspective or background, alongside being culturally sensitive to others.

Ethics is not science.

Social and natural science can provide important data to help us make better and more informed ethical choices. But science alone does not tell us what we ought to do. Some things may be scientifically or technologically possible and yet unethical to develop and deploy.

https://www.scu.edu/ethics/ethics-resources/a-framework-for-ethical-decision-making/

© 2026 Forvis Mazars, LLP. All rights reserved.

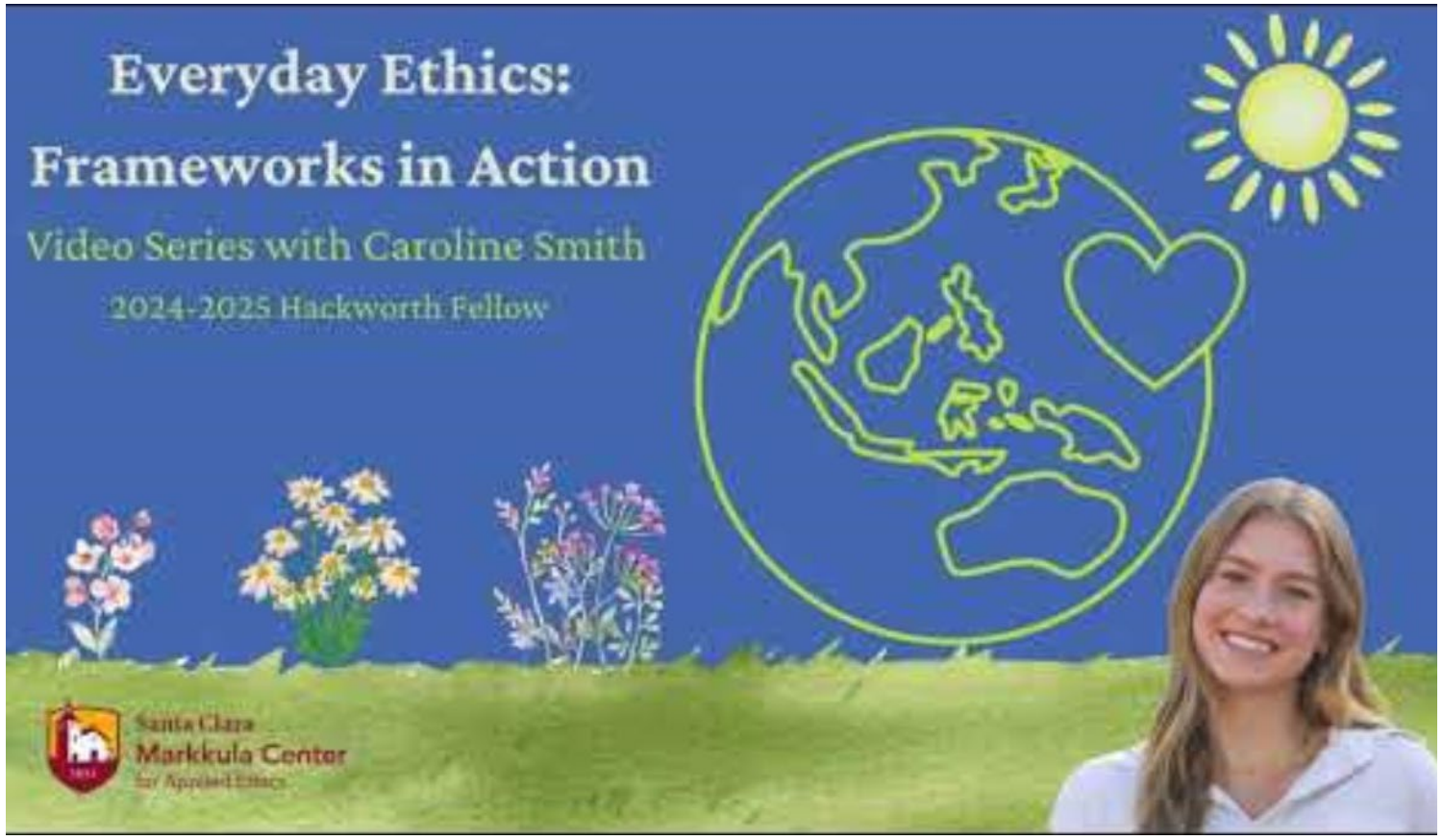
02

Ethical Lenses and An Ethical Framework



Everyday Ethics: Frameworks in Action

Making Ethical Choices: A Student Guide to Ethical Lenses

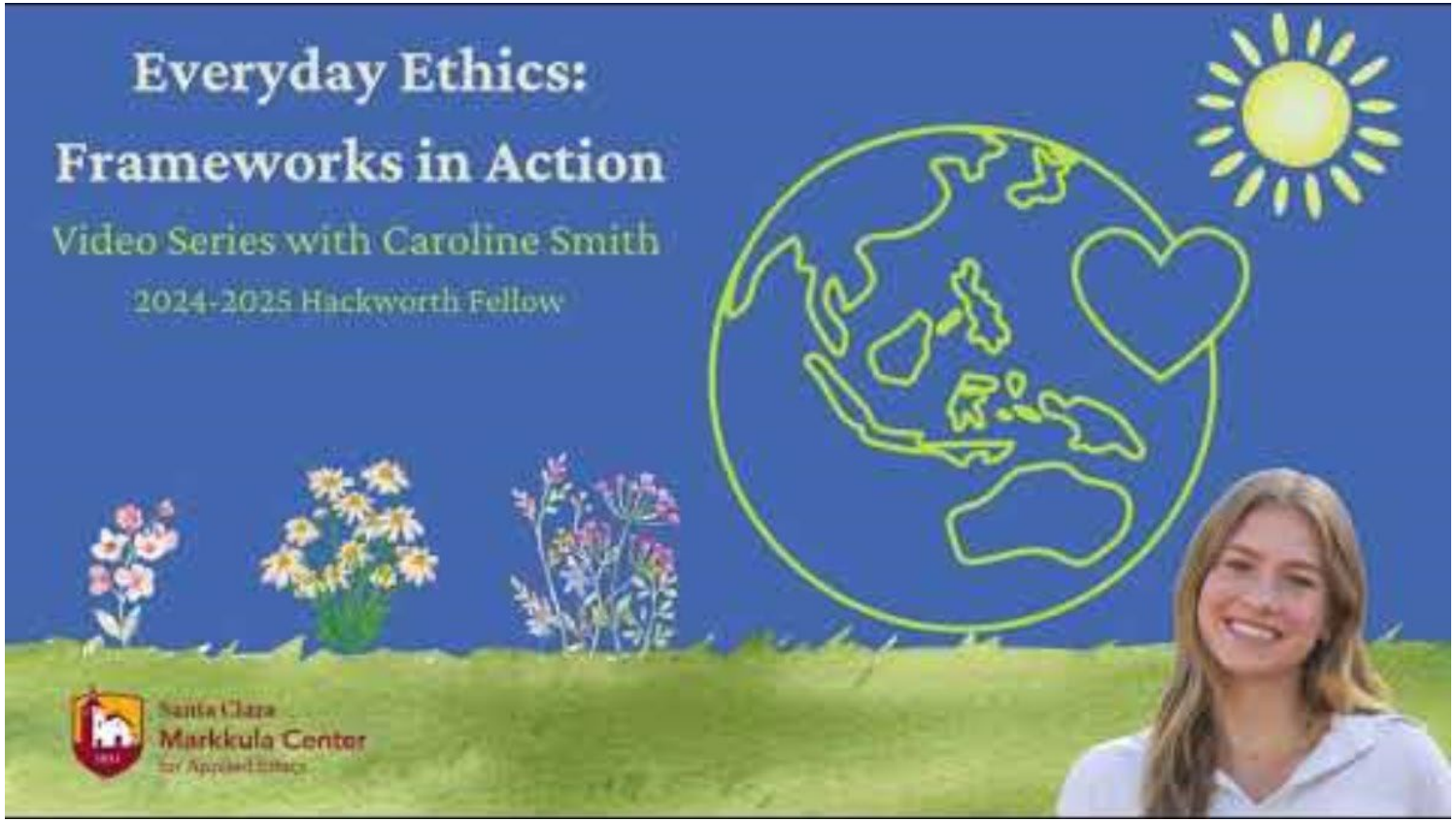


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Overview: Why Ethics Matters

Making Ethical Choices: A Student Guide to Ethical Lenses



https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

Six Ethical Lenses

If our ethical decision-making is not solely based on feelings, religion, law, accepted social practice, or science, then on what basis can we decide between right and wrong, good and bad? Many philosophers, ethicists, and theologians have helped us answer this critical question. They have suggested a variety of different lenses that help us perceive ethical dimensions. Here are six of them:

1. The Rights Lens
2. The Justice Lens
3. The Utilitarian Lens
4. The Common Good Lens
5. The Virtue Lens
6. The Care Ethics Lens



https://www.scu.edu/ethics/ethics-resources/a-framework-for-ethical-decision-making/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

Six Ethical Lenses

Each of the lenses introduced above helps us determine what standards of behavior and character traits can be considered right and good. There are still problems to be solved, however.

Problem #1

The first problem is that we may not agree on the content of some of these specific lenses. For example, we may not all agree on the same set of human and civil rights. We may not agree on what constitutes the common good. We may not even agree on what is a good and what is a harm.

Problem #2

The second problem is that the different lenses may lead to different answers to the question “What is ethical?” Nonetheless, each one gives us important insights in the process of deciding what is ethical in a particular circumstance.

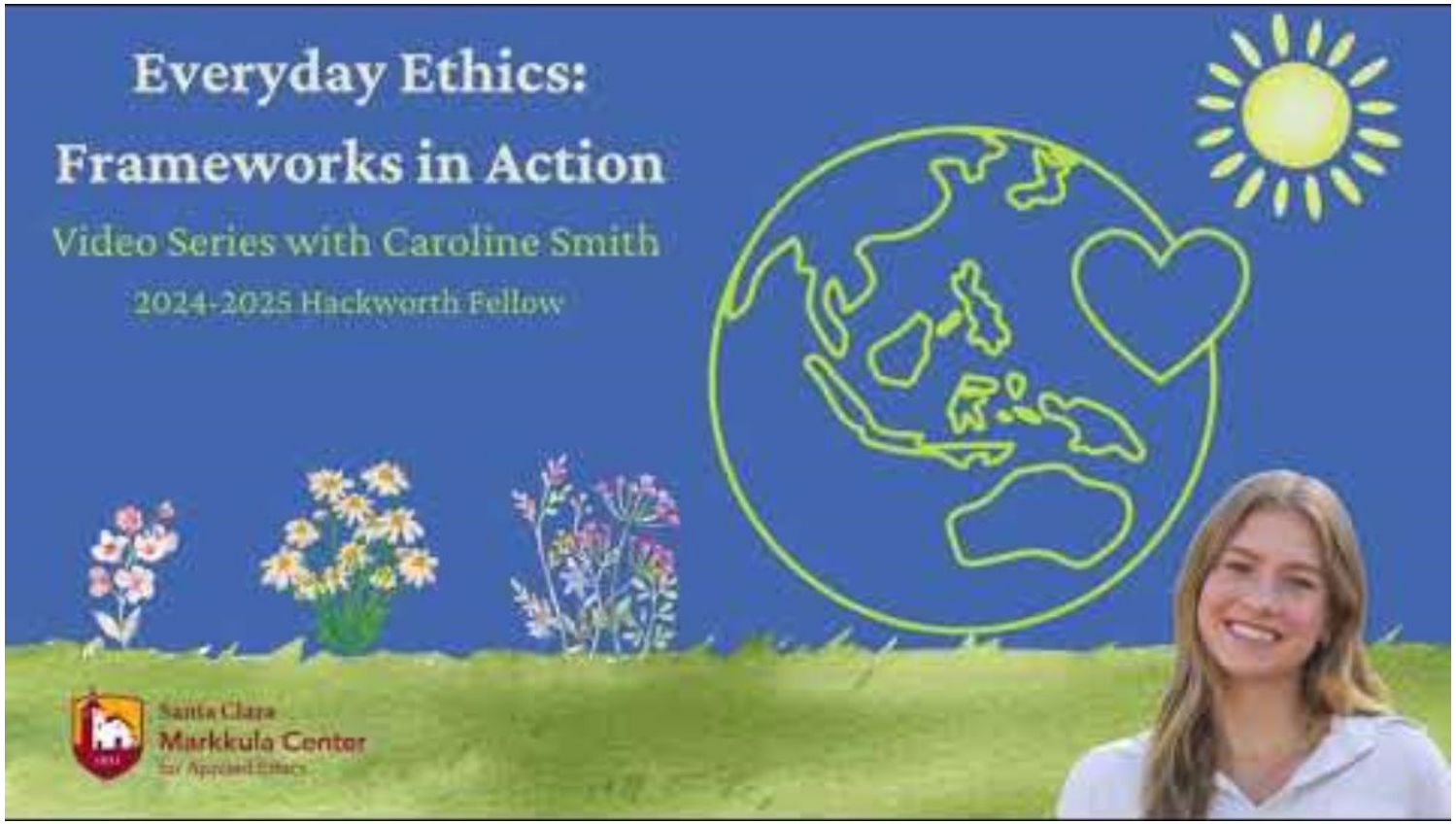


https://www.scu.edu/ethics/ethics-resources/a-framework-for-ethical-decision-making/

© 2026 Forvis Mazars, LLP. All rights reserved.

Rights Lens

Making Ethical Choices: A Student Guide to Ethical Lenses

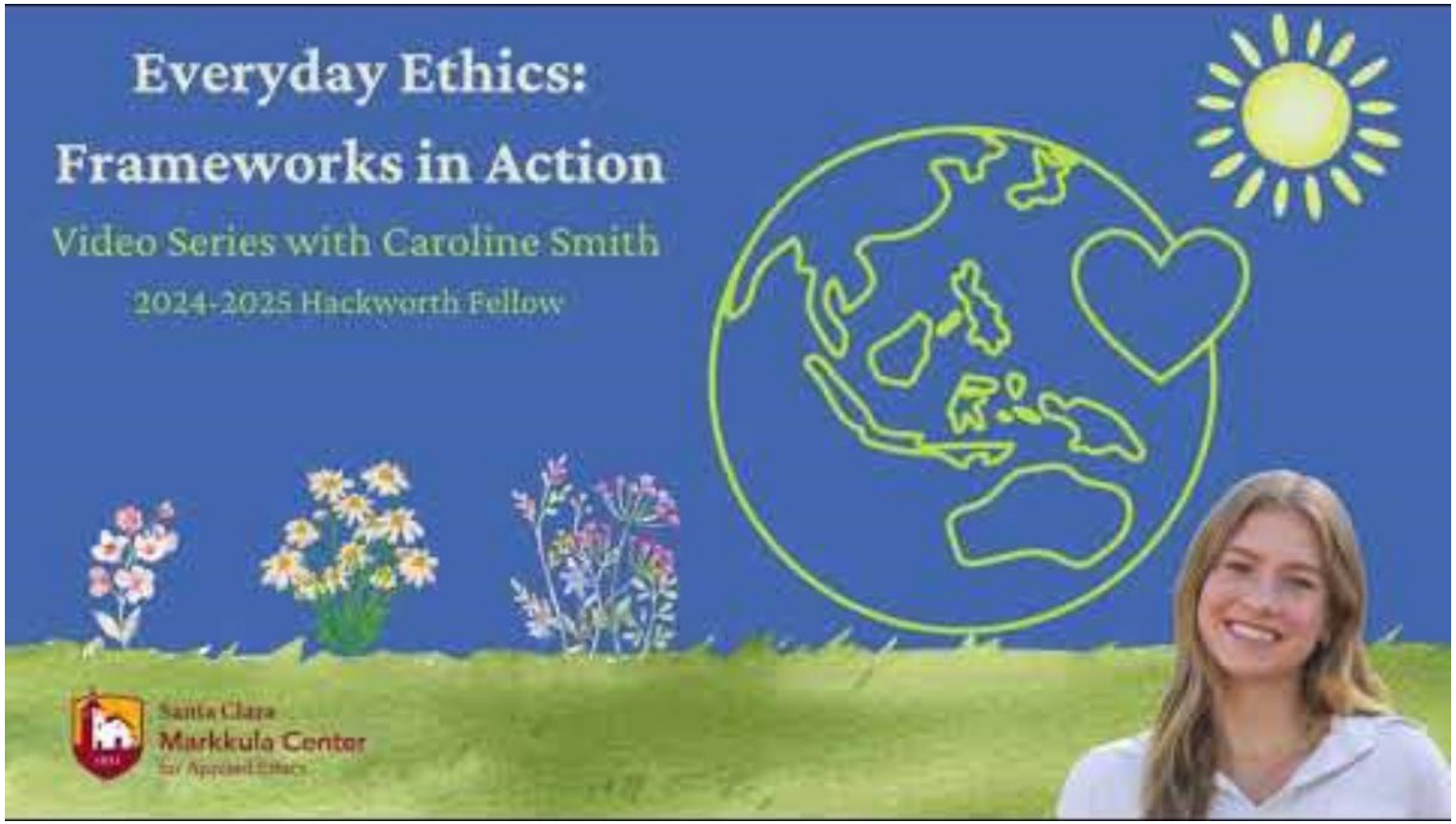


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Justice Lens

Making Ethical Choices: A Student Guide to Ethical Lenses

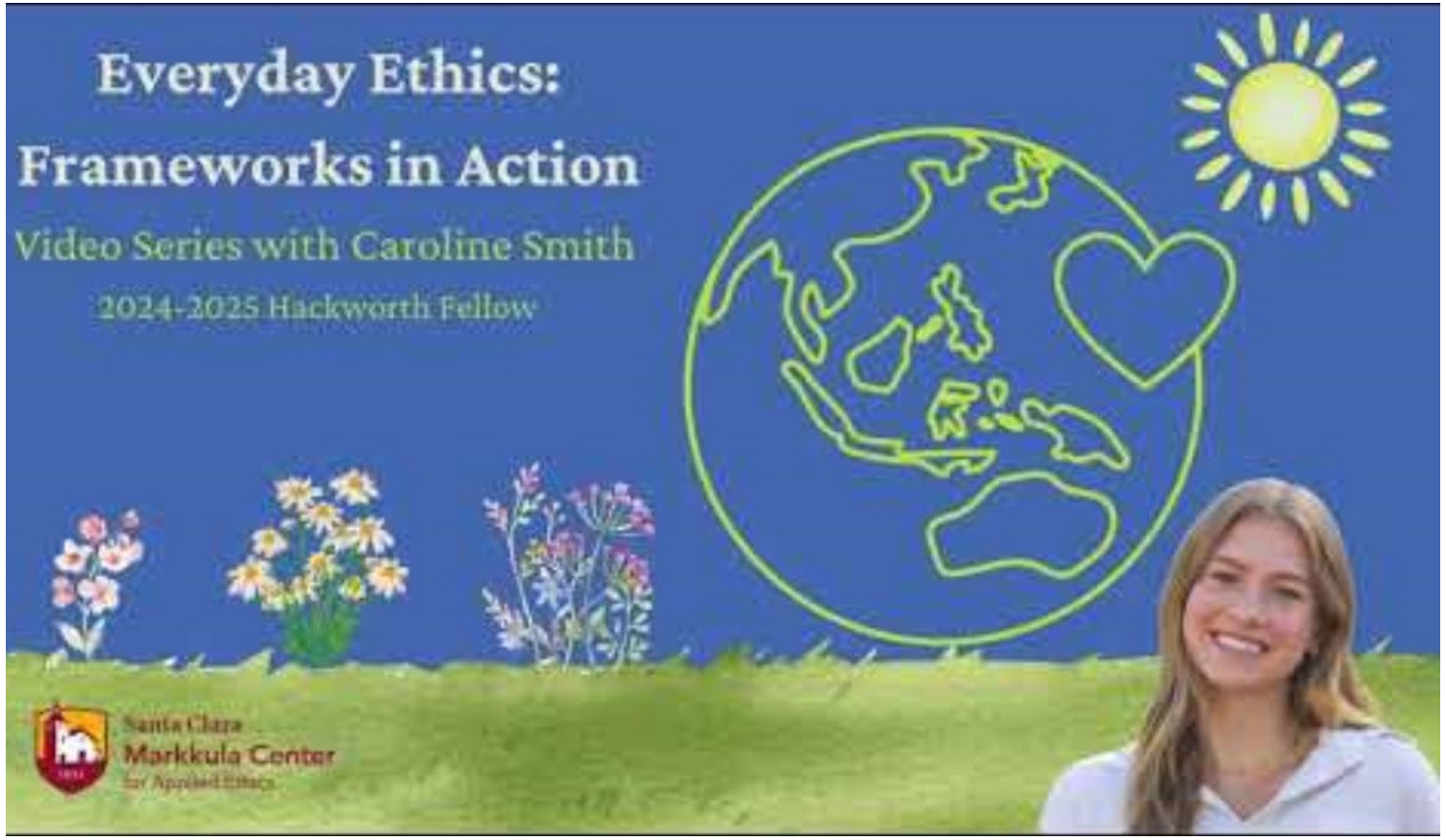


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Utilitarian Lens

Making Ethical Choices: A Student Guide to Ethical Lenses

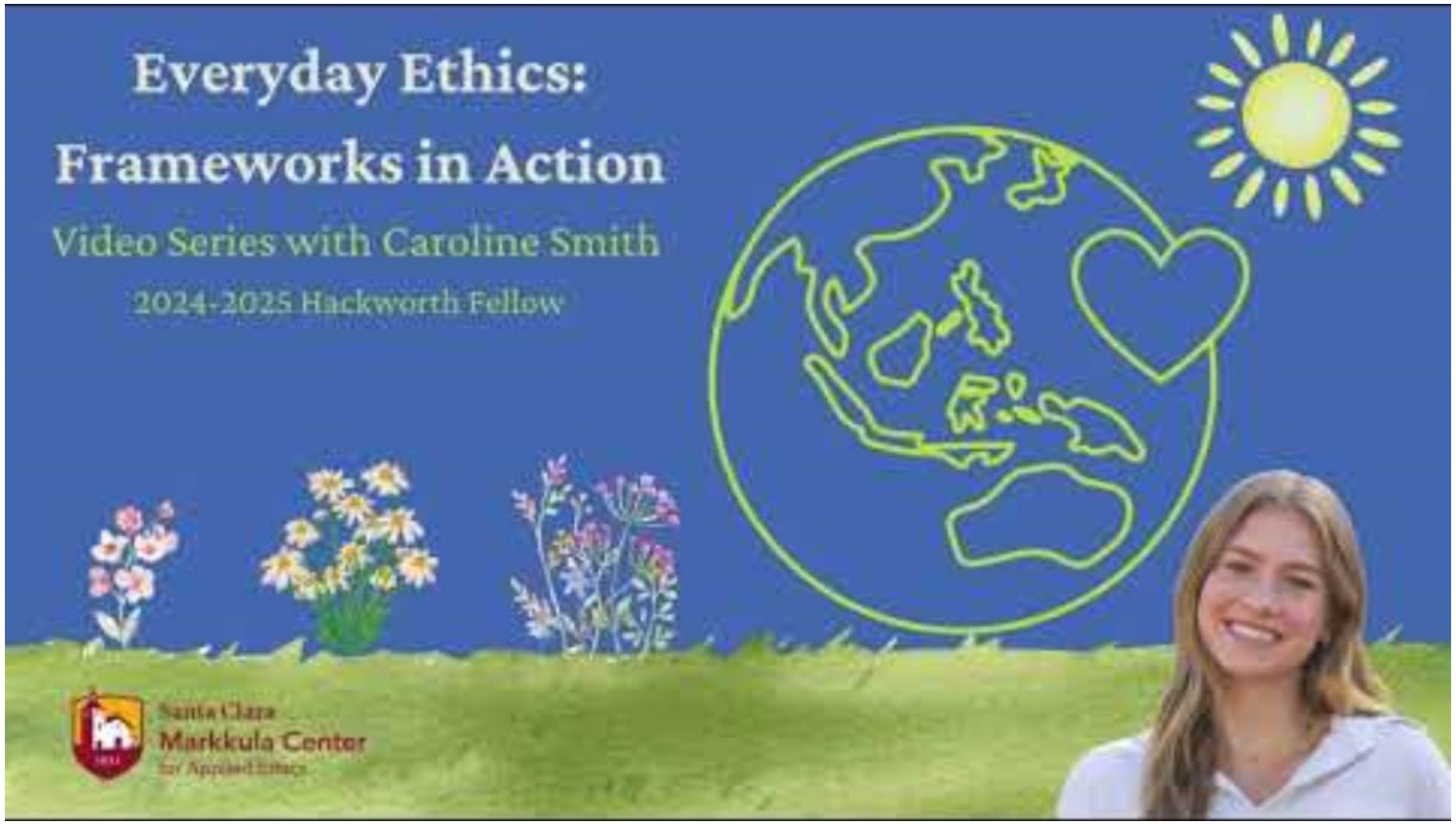


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Common Good Lens

Making Ethical Choices: A Student Guide to Ethical Lenses

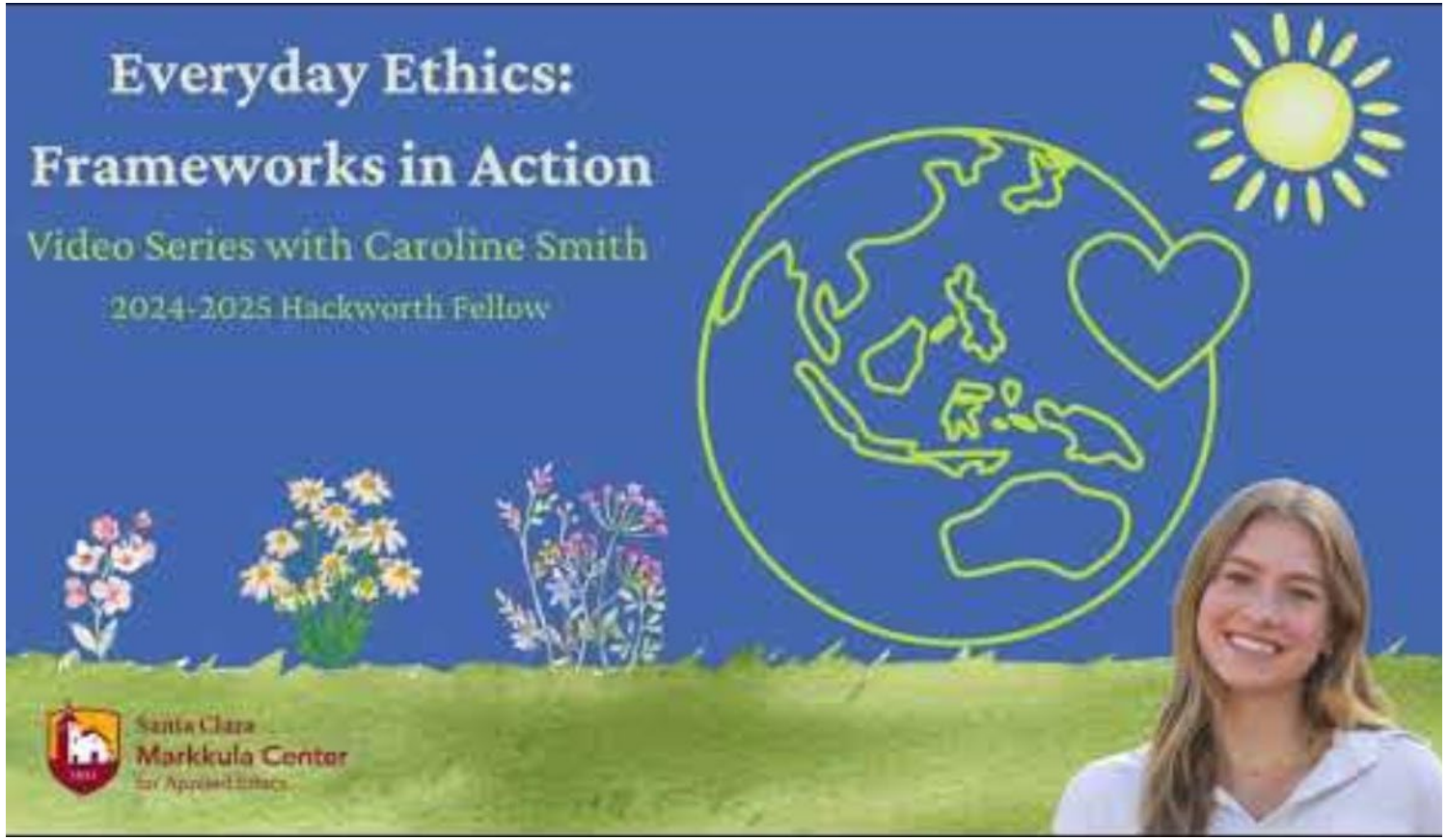


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Virtue Lens

Making Ethical Choices: A Student Guide to Ethical Lenses

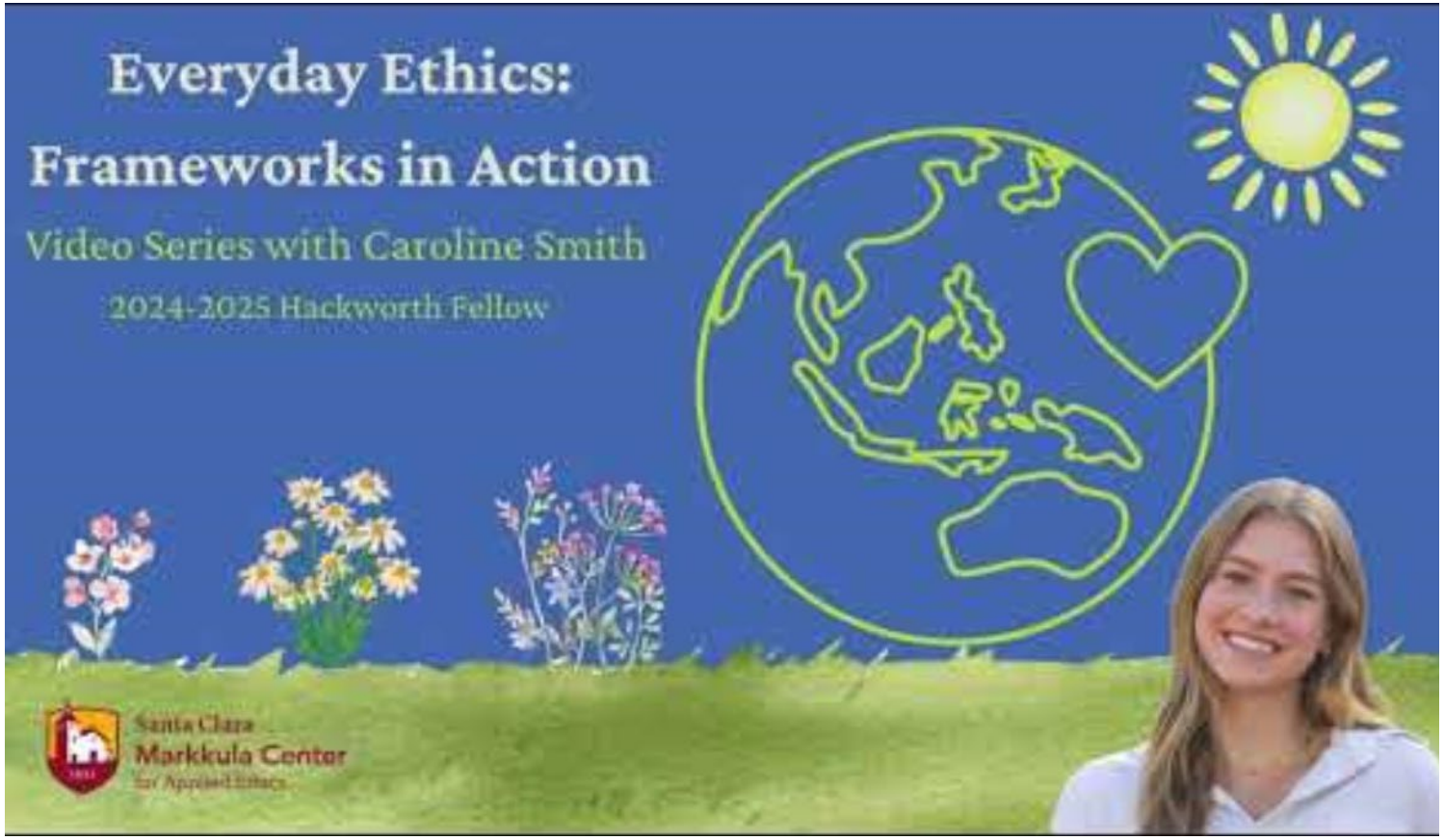


https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

Care Ethics Lens

Making Ethical Choices: A Student Guide to Ethical Lenses



https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

Making Decisions

Making good ethical decisions requires a trained sensitivity to ethical issues and a practiced method for exploring the ethical aspects of a decision and weighing the considerations that should impact our choice of a course of action. Having a method for ethical decision-making is essential. When practiced regularly, the method becomes so familiar that we work through it automatically without consulting the specific steps.

The more novel and difficult the ethical choice we face, the more we need to rely on discussion and dialogue with others about the dilemma. Only by careful exploration of the problem, aided by the insights and different perspectives of others, can we make good ethical choices in such situations.

The following framework for ethical decision-making is intended to serve as a practical tool for exploring ethical dilemmas and identifying ethical courses of action.

https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

How To Make an Ethical Decision

Identify the Ethical Issues

1. Could this decision or situation be damaging to someone or to some group, or unevenly beneficial to people? Does this decision involve a choice between a good and bad alternative, or perhaps between two "goods" or between two "bads"?
2. Is this issue about more than solely what is legal or what is most efficient? If so, how?

Get Facts

3. What are the relevant facts of the case? What facts are not known? Can I learn more about the situation? Do I know enough to make a decision?
4. What individuals and groups have an important stake in the outcome? Are the concerns of some of those individuals or groups more important? Why?
5. What are the options for acting? Have all the relevant persons and groups been consulted? Have I identified creative options?

https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

forvis mazars

A Framework for Ethical Decision Making

How To Make an Ethical Decision

Evaluate Alternative Actions

6. Evaluate the options by asking the following questions:
   - Which option best respects the rights of all who have a stake? (The Right Lens)
   - Which option treats people fairly, giving them each what they are due? (The Justice Lens)
   - Which option will produce the most good and do the least harm for as many stakeholders as possible? (The Utilitarian Lens)
   - Which option best serves the community as a whole, not just some members? (The Common Good Lens)
   - Which option leads me to act as the sort of person I want to be? (The Virtue Lens)
   - Which option appropriately takes into account the relationships, concerns, and feelings of all stakeholders? (The Care Ethics)

https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

How To Make an Ethical Decision

Choose an Option for Action and Test It

7. After an evaluation using all of these lenses, which option best addresses the situation?
8. If I told someone I respect (or a public audience) which option I had chosen, what would they say?
9. How can my decision be implemented with the greatest care and attention to the concerns of all stakeholders?

Implement Your Decision and Reflect on the Outcome

10. How did my decision turn out, and what have I learned from this specific situation? (What if any) follow-up actions should I take?

https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

A Framework for Ethical Decision Making

References & Resources

This framework for thinking ethically is the product of dialogue and debate at the Markkula Center for Applied Ethics at Santa Clara University. Primary contributors include Manuel Velasquez, Dennis Moberg, Michael J. Meyer, Thomas Shanks, Margaret R. McLean, David DeCosse, Claire André, Kirk O. Hanson, Irina Raicu, and Jonathan Kwan. It was last revised on November 5, 2021.

For more information, visit:


scu.edu/ethics


facebook.com/MarkkulaCenterForAppliedEthics


instagram.com/markkulaethicscenter


linkedin.com/company/markkula


x.com/scuethics


youtube.com/appliedethicscenter

https://www.scu.edu/ethics/focus-areas/campus-ethics/everyday-ethics-frameworks-in-action/

© 2026 Forvis Mazars, LLP. All rights reserved.

forvis mazars

03

What is an Ethical Dilemma?



What is an Ethical Dilemma?

Definition

- An Ethical Dilemma occurs when a person regards themselves as having moral reasons to do each of two actions, but doing both actions is not possible.
- Crucial Features:
  1. The person is required to do each of two (or more) actions
  2. The person can do each of the actions, but cannot do both (or all)
  3. The person thus seems condemned to moral failure. No matter what they do, they will do something wrong.

https://plato.stanford.edu/entries/moral-dilemmas/

© 2026 Forvis Mazars, LLP. All rights reserved.

What is an Ethical Dilemma?

Ethical Theories

- Ethical Theories arise from the presence of an ethical dilemma
  - If there is a clear-cut solution, no ethical theories are necessary

  Each Ethical Theory maintains that when there is a conflict of reasons, there is an overarching reason that takes precedence
    - EX: Precedence to rights/fairness over harm, benefits over rights/fairness

Accounting Ethics, Second Edition; By Ronald Duska, Brenda Shay Duska, and Julie Anna Ragatz

© 2026 Forvis Mazars, LLP. All rights reserved.

What is an Ethical Dilemma?

Types of Ethical Theories

Utilitarians

- The ultimate justifying reason for an action is that the action brings about more good for more people than it does harm
- The many > the few

Egoists

- Consider only what is good for ourselves and prioritize self-interested concerns over what is good for others and what is fair.
- Me > we

Deontologists

- They believe that actions themselves are ethical in spite of the consequences.
- The end does not justify the means
- Duty > outcome

Virtue Ethics

- Consider what a virtuous person exercising good judgment would do in the circumstance
- Character > outcome

Accounting Ethics, Second Edition; By Ronald Duska, Brenda Shay Duska, and Julie Anna Ragatz

© 2026 Forvis Mazars, LLP. All rights reserved.

What is an Ethical Dilemma?

Ethical Dilemmas in Everyday Life

1 Truth vs. Loyalty

- Would you tell the truth if it meant losing a friendship?
- Would you value a relationship over doing the right thing?

2 Individual vs. Community

- Would you put the needs of yourself over the needs of the community?
- Would you sacrifice a personal opportunity if it created a better outcome for your team?

3 Short-Term vs. Long-Term

- Would you spend $50 now, or invest for the future?
- Would you take a shortcut to meet a deadline if it could compromise the quality of work?

https://helpfulprofessor.com/ethical-dilemma-examples/

© 2026 Forvis Mazars, LLP. All rights reserved.

forvis mazars

What is an Ethical Dilemma?

How would you respond knowing no one is watching?

- Dilemma Example #1:
  - You can make a decision that benefits you personally. It is ethically questionable, but you are guaranteed that no one will ever discover what you did. Would you do it? Why or why not?
- Now change one fact:
  - Tomorrow, your decision and your reasoning will be published for your coworkers, family, client and the public to read. Does your answer change?

- Dilemma Example #2:
  - You discover that a trusted coworker made a significant mistake. This coworker is considered a close friend, no one else knows about it, and reporting it could negatively affect their career. Do you report the mistake? Why or why not?
- No change on fact:
  - You discover that leaving the mistake uncorrected could negatively affect a customer who had nothing to do with it. Does your answer change?

"It is easy to perform a good action, but not easy to acquire a settled habit of performing such actions." - Aristotle

© 2026 Forvis Mazars, LLP. All rights reserved.

04

Dilemmas in the Workplace



Dilemmas in the Workplace

10 Ethical Dilemmas in the Workplace per the University of Tennessee Chattanooga

1. Conflicts of Interest
2. Use of Company Resources
3. Information Privacy and Confidentiality
4. Hiring and Firing Practices
5. Gifts and Bribes
6. Fairness and Equality
7. Whistleblowing
8. Intellectual Property and Confidentiality
9. Employee Monitoring
10. Sustainability and Environmental Responsibility

https://blog.utc.edu/business/2024/05/01/top-10-ethical-dilemmas-in-the-workplace/

© 2026 Forvis Mazars, LLP. All rights reserved.

Dilemmas in the Workplace

10 Ethical Dilemmas in the Workplace per the University of Tennessee Chattanooga

1. Conflicts of Interest
2. Use of Company Resources
3. Information Privacy and Confidentiality
4. Hiring and Firing Practices
5. Gifts and Bribes
6. Fairness and Equality
7. Whistleblowing
8. Intellectual Property and Confidentiality
9. Employee Monitoring
10. Sustainability and Environmental Responsibility

Table Discussion:
From this listing, which one do you think creates the most gray area? Why?

https://blog.utc.edu/business/2024/05/01/top-10-ethical-dilemmas-in-the-workplace/

© 2026 Forvis Mazars, LLP. All rights reserved.

Dilemmas in the Workplace

Common Dilemmas found in the Workplace

Whistleblowing

- This is an example of Truth vs. Loyalty
- Would you do the right thing (tell the truth), and risk possible consequences?

Sustainability and Environmental Responsibility

- This is an example of Short-term vs. Long-term
- The short-term here would be immediate profitability, but with the long-term consequences of environmental issues

https://blog.utc.edu/business/2024/05/01/top-10-ethical-dilemmas-in-the-workplace/

© 2026 Forvis Mazars, LLP. All rights reserved.

Dilemmas in the Workplace

Common Dilemmas found in the Workplace

Use of Company Resources

- This is an example of Individual vs. Community
- Using time theft and fraudulent expenses to increase your paycheck
- Putting your individual gain over everything

Conflicts of Interest

- This is an example of Truth vs. Loyalty
- When your loyalty to one party impedes your ability to be impartial to a different party
- Independence issues

https://blog.utc.edu/business/2024/05/01/top-10-ethical-dilemmas-in-the-workplace/

© 2026 Forvis Mazars, LLP. All rights reserved.

Audit Beacon

Beware of Your Own Ethical Lapses

IF YOU CANNOT TRUST THE INTERNAL AUDITOR, WHO CAN YOU TRUST?

VULNERABILITY TO MISTAKES ≠ ETHICAL LAPSES

WITHHOLDING INFORMATION TO PROTECT OTHERS FROM BAD PUBLICITY ENDS BADLY FOR ALL PARTIES INVOLVED

COVER-UP IS WORSE THAN THE CRIME!!!

"I would rather no one know what internal auditors do than to draw conclusions from those who do it poorly."

– Richard Chambers,

CIA, CFE, QIAL, CRMA, CGAP

https://www.richardchambers.com/internal-auditors-beware-of-your-own-ethical-lapses/

© 2026 Forvis Mazars, LLP. All rights reserved.

forvis mazars

Audit Beacon

Beware of Your Own Ethical Lapses

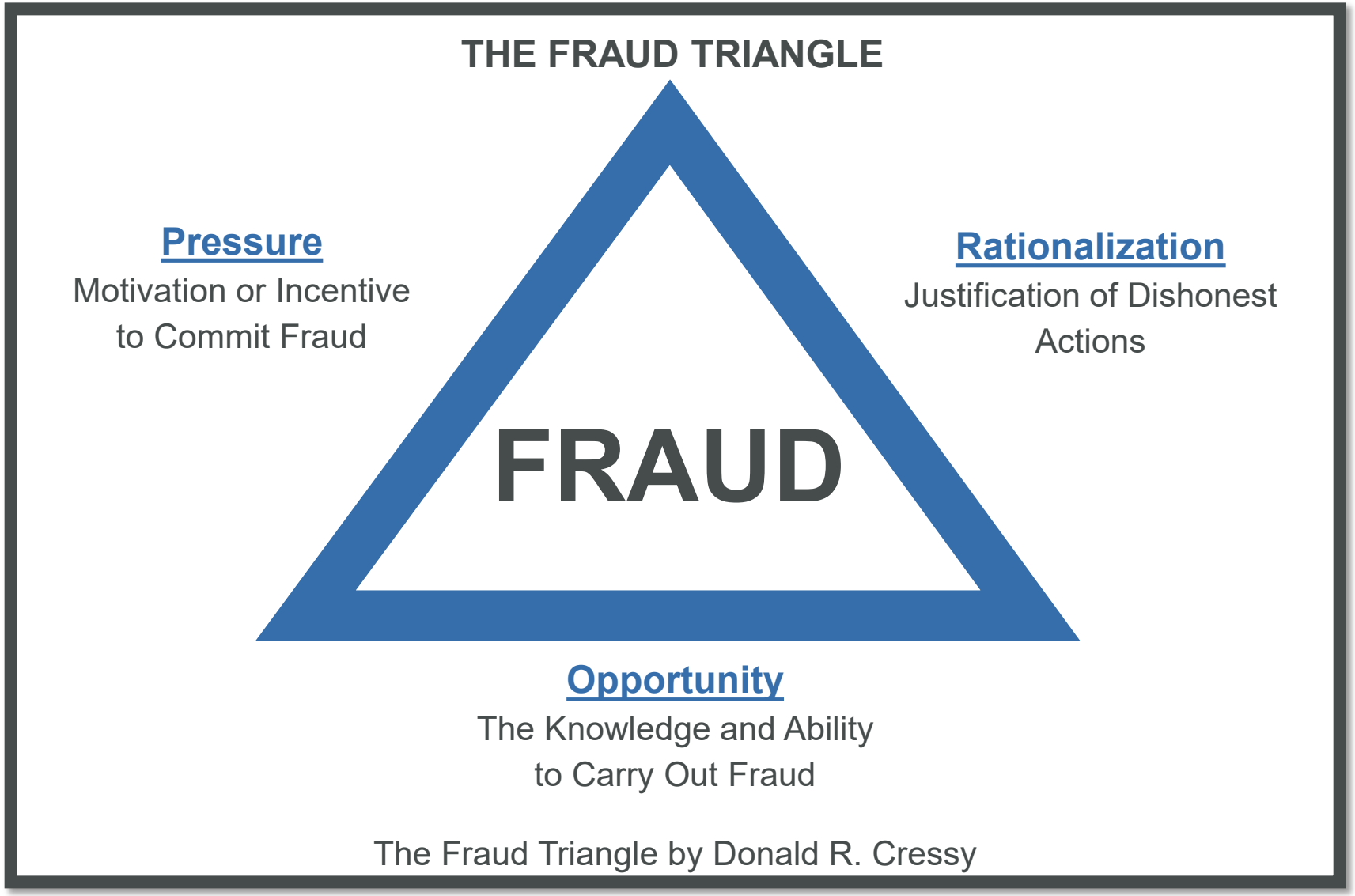
The World isn't always black and white

- Your annual risk assessment identifies a key business process related to how the company performs during the winter holiday season. Scheduling the audit for the coming year means that you and your team will have to sacrifice the holidays with your family. Would you schedule it anyway?
- You audit an area in which a family member or close friend has key management responsibilities. You identify major problems. What do you do?
- You have been accruing company stock in your 401(k) and stock options in your company since you accepted the role of CAE. Your audit team just delivered a draft audit report to you that cites a potentially serious fraud involving the company's financial reporting. Disclosure would likely devastate the share value – along with your personal worth. What do you do?

https://www.richardchambers.com/internal-auditors-beware-of-your-own-ethical-lapses/

© 2026 Forvis Mazars, LLP. All rights reserved.

Ethical Dilemma



© 2026 Forvis Mazars, LLP. All rights reserved.

Ethics CPE, the Fraud Triangle, & Rationalization

Our ethics directly impact our ability to rationalize

© 2026 Forvis Mazars, LLP. All rights reserved.

Ethical Dilemmas

Let’s ask AI

Microsoft Copilot



- I need to find a quiz covering ethical dilemmas in business ethics where the participants can vote on what's clearly ethical and what's not
- What are some common ethical dilemmas?
- Turn this into a PowerPoint

© 2026 Forvis Mazars, LLP. All rights reserved.



Common Ethical Dilemmas in Business

An Overview of Key Issues and Conflicts

forvis mazars

Conflict of Interest



Example: A manager hires a family member over a more qualified candidate.



Dilemma: Loyalty to family vs. fairness and meritocracy.

© 2026 Forvis Mazars, LLP. All rights reserved.

Whistleblowing



Example: An employee discovers illegal or unethical practices within the company.



Dilemma: Report the wrongdoing and risk retaliation, or stay silent to protect oneself.

© 2026 Forvis Mazars, LLP. All rights reserved.

Discrimination and Harassment



Example: Favoring certain employees based on gender, race, or age.



Dilemma: Upholding equality vs. maintaining the status quo or personal biases.

© 2026 Forvis Mazars, LLP. All rights reserved.

Privacy and Surveillance



Example: Monitoring employees’ emails or internet usage.



Dilemma: Protecting company interests vs. respecting employee privacy.

© 2026 Forvis Mazars, LLP. All rights reserved.

Bribery and Corruption



Example: Offering gifts or payments to secure a business deal.



Dilemma: Gaining competitive advantage vs. maintaining integrity and legality.

© 2026 Forvis Mazars, LLP. All rights reserved.

Product Safety and Transparency



Example: Selling a product with known defects or side effects.



Dilemma: Maximizing profit vs. ensuring customer safety and trust.

© 2026 Forvis Mazars, LLP. All rights reserved.

Environmental Responsibility



Example: A company pollutes to cut costs.



Dilemma: Reducing expenses vs. protecting the environment and public health.

© 2026 Forvis Mazars, LLP. All rights reserved.

Fair Labor Practices



Example: Outsourcing to countries with poor labor laws.



Dilemma: Lowering production costs vs. supporting ethical labor standards.

© 2026 Forvis Mazars, LLP. All rights reserved.

Data Ethics



Example: Using customer data for targeted advertising without explicit consent.



Dilemma: Business growth vs. respecting user autonomy and privacy.

© 2026 Forvis Mazars, LLP. All rights reserved.

Truth in Advertising



Example: Exaggerating product benefits in marketing.



Dilemma: Attracting customers vs. being honest and transparent.

© 2026 Forvis Mazars, LLP. All rights reserved.

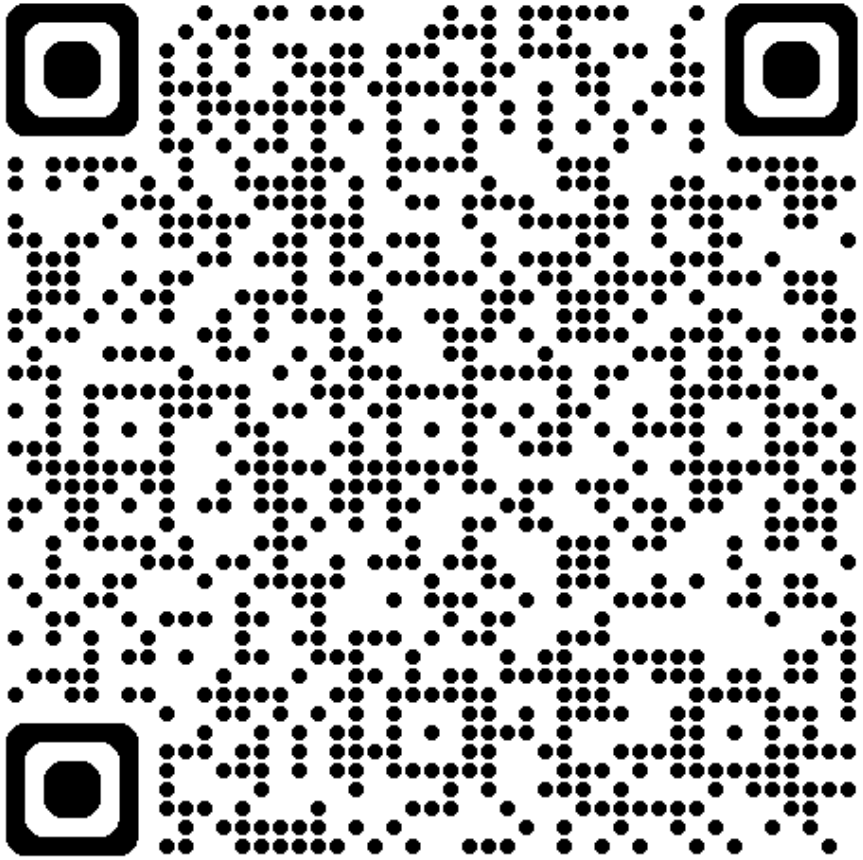
05

Ethical Dilemma Case Study



Case Study

Scan QR Code to access the Case Study



https://ethicsunwrapped.utexas.edu/wp-content/uploads/2023/10/SignStealing-in-MLB_Conformity-Bias_Case-Study_English.pdf

© 2026 Forvis Mazars, LLP. All rights reserved.

Case Study

CHEATING: SIGN-STEALING IN MLB

How might the fact that two of MLB's best teams had been caught illegally sign stealing (Red Sox) or suspected of it (Yankees) have affected the Astros? Is "if everyone is doing it, it must be okay" a rationalization that is consistent with the conformity bias? Explain.

https://ethicsunwrapped.utexas.edu/case-study/cheating-sign-stealing-in-mlb

© 2026 Forvis Mazars, LLP. All rights reserved.

Case Study

CHEATING: SIGN-STEALING IN MLB

Former Astro J.D. Davis later explained: “I was a rookie, and I was going up and down the system, and I was fighting for my life. … As a 24-year-old at the time, I was pretty star-struck at the time being around some of the veteran guys and being around the big-league clubhouse and everything. I had never been part of a major-league clubhouse. Maybe what they did was the norm, I have no idea. I had never been in another big-league clubhouse.” Does this sound like the conformity bias in action, or just another rationalization? What do you think and why?

https://ethicsunwrapped.utexas.edu/case-study/cheating-sign-stealing-in-mlb

© 2026 Forvis Mazars, LLP. All rights reserved.

Case Study

AI & Fairness – Bias in the Hiring Process

Study shows companies utilizing generative AI, as embedded in AI tools, can be plagued in various biases.

1. We think that removing the human bias is going to improve these biases but need to be careful with what tools are being utilized as there still could be those biases.
2. What considerations do you have when you are interacting with AI?
3. Using the AI tools doesn't reduce our responsibility. Need to make sure we are not over relying on these tools.

https://ethicsunwrapped.utexas.edu/case-study/a-i-fairness-beyond-blind-spot-bias

© 2026 Forvis Mazars, LLP. All rights reserved.

Case Study

AI & Fairness

Outsourcing our processes or tasks can provide a lot of benefits including efficiency, improving or providing additional resources for decision making, among others. The downside of potential overreliance could reduce our own thought processes and critical thinking.

Do you worry about AI replacing thinking in general so that if an AI tool reports something as true, the user relying on AI won't be able to identify or correct that AI error?

https://ethicsunwrapped.utexas.edu/case-study/a-i-fairness-beyond-blind-spot-bias
https://ethicsunwrapped.utexas.edu/video/outsourcing-thought-overreliance-ai

© 2026 Forvis Mazars, LLP. All rights reserved.

06

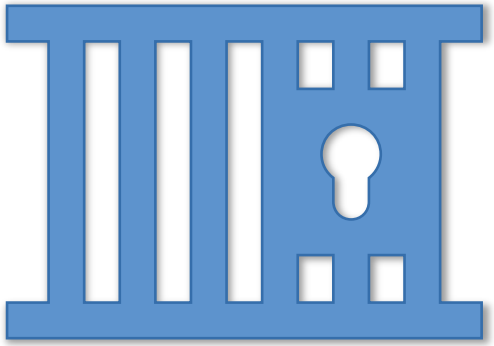
Impact of Bad Ethics



Legal Implications of Unethical Business Practices

Criminal Liability for Executives

Criminal liability for executives can take many forms, including fines, imprisonment, or both. This approach sends a strong message that fraudulent activities will not be tolerated and that executives will be held personally responsible for their actions. Corporate sentencing guidelines can also be applied, which can yield significant fines and penalties for companies found guilty of unethical practices.



By holding executives criminally liable, companies are more likely to implement robust compliance programs and foster a culture of ethics and integrity. Ultimately, criminal liability for executives is a vital component of a thorough approach to addressing unethical business practices.

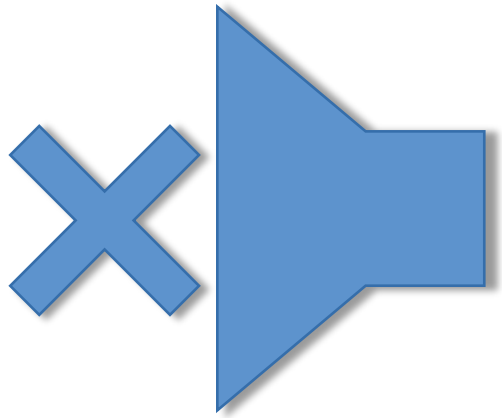
https://aaronhall.com/legal-implications-of-unethical-business-practices/

© 2026 Forvis Mazars, LLP. All rights reserved.

Legal Implications of Unethical Business Practices

What Happens if an Employee Is Aware of Unethical Practices but Doesn't Report Them?

When an employee remains a silent observer to unethical practices, they face a moral dilemma, torn between loyalty to the organization and personal integrity, potentially leading to feelings of guilt, compromised values, and a tarnished professional reputation.



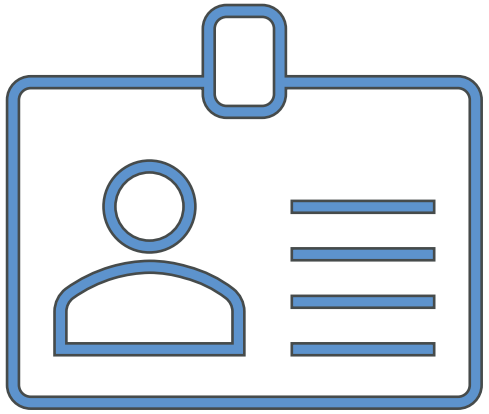
https://aaronhall.com/legal-implications-of-unethical-business-practices/

© 2026 Forvis Mazars, LLP. All rights reserved.

Legal Implications of Unethical Business Practices

Can a Company Be Liable for Unethical Actions of Independent Contractors?

A company may be liable for the unethical actions of independent contractors under the agency theory, which holds that a principal is responsible for the actions of its agent, including contractors, if they act within the scope of their authority, thereby giving rise to contractor liability.



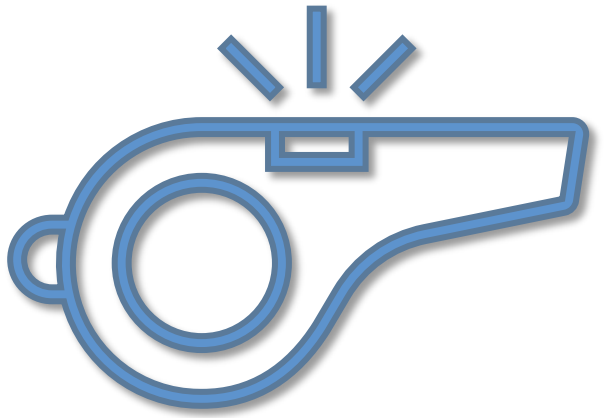
https://aaronhall.com/legal-implications-of-unethical-business-practices/

© 2026 Forvis Mazars, LLP. All rights reserved.

Legal Implications of Unethical Business Practices

How Do Whistleblower Protections Apply in Cases of Unethical Business Practices?

In instances of unethical business practices, whistleblower protections safeguard individuals who report ethical dilemmas, promoting corporate accountability. These protections, embedded in laws and regulations, shield whistleblowers from retaliation, guaranteeing they can freely disclose unethical conduct without fear of reprisal.



https://aaronhall.com/legal-implications-of-unethical-business-practices/

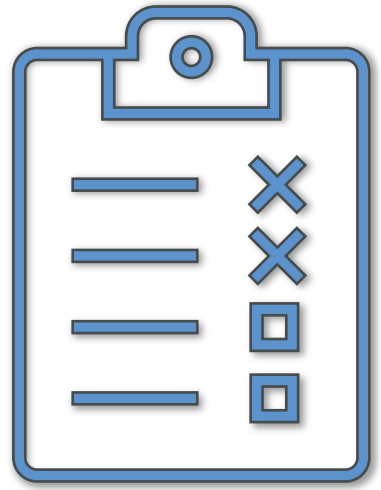
© 2026 Forvis Mazars, LLP. All rights reserved.

Effects of a Lack of Ethics on a Business Environment

Impact on Employee Performance

- A lack of ethical conduct can negatively affect employee performance. In some cases, employees are so concerned with getting ahead and making money that they ignore procedures and protocol. This can lead to additional paperwork and careless errors that result in the task having to be completed again.

- Additionally, employees who feel acting ethically and following the rules will not get them ahead in the business sometimes feel a lack of motivation, which often leads to a decrease in performance.



https://smallbusiness.chron.com/effects-lack-ethics-business-environment-23332.html

© 2026 Forvis Mazars, LLP. All rights reserved.

Effects of a Lack of Ethics on a Business Environment

Employee Relations Are Affected

When a manager or head of a business exhibits a lack of ethical behavior, he faces losing the respect of his employees. Organizations may find it difficult to succeed without respected leadership. A lack of ethical behavior can also cause tension among employees, with some employees resenting those who do not play by the rules and still manage to get ahead. Unethical behavior in the workplace also has the potential to lead to a lack of trust among employees, which is detrimental to a business that relies on collaboration and a sense of community.



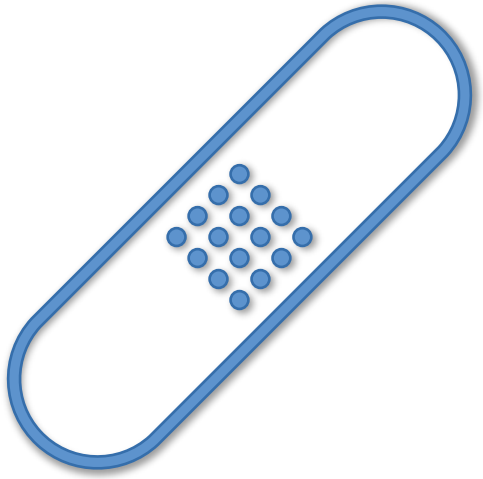
https://smallbusiness.chron.com/effects-lack-ethics-business-environment-23332.html

© 2026 Forvis Mazars, LLP. All rights reserved.

Effects of a Lack of Ethics on a Business Environment

Damage to Company Credibility

Publicized ethical failures can damage an organization's credibility. While some businesses survive public knowledge of a lack of ethics through reimaging and advertising campaigns, many lose a key customer base. Even if a business recovers from news about its lack of ethics, it takes a lot of time and money to restore its image and consumer confidence. Customers that abandon a company because they are dismayed by poor ethical practices will find other products and services to meet their needs. Those customers are difficult to win back, even after ethical lapses are a thing of the past.



https://smallbusiness.chron.com/effects-lack-ethics-business-environment-23332.html

© 2026 Forvis Mazars, LLP. All rights reserved.

What Are Ethical Business Practices and Why Are They Important?

Key Benefits of Ethical Business Practices

- Stronger corporate reputation – Ethical business practices may help strengthen stakeholder trust.
- Improved employee engagement – A strong ethical culture fosters job satisfaction, loyalty, and motivation.
- Lower legal and financial risks – Avoiding unethical behaviors reduces the likelihood of lawsuits and costly fines.

https://www.sustainablebusinesstoolkit.com/what-are-ethical-business-practices-and-why-are-they-important/

© 2026 Forvis Mazars, LLP. All rights reserved.

What Are Ethical Business Practices and Why Are They Important?

Key Benefits of Ethical Business Practices:

- Increased consumer trust and brand loyalty – Some consumers consider an organization's ethical practices when making purchasing decisions that align with their values.
- More effective decision-making – Ethical companies integrate ethical decision making into their corporate strategies, which can support more consistent choices and improve the odds of long-term success.
- By implementing ethical practices, companies not only protect themselves from potential risks but also create a solid foundation for sustainable growth and a positive reputation in the business world.

https://www.sustainablebusinesstoolkit.com/what-are-ethical-business-practices-and-why-are-they-important/

© 2026 Forvis Mazars, LLP. All rights reserved.

What Are Ethical Business Practices and Why Are They Important?

Key Financial Benefits of Business Ethics:

- Stronger brand loyalty and increased consumer trust.
- Higher employee retention and productivity due to a positive work culture.
- Reduced legal risks and avoidance of costly regulatory fines.
- Ethical practices may support investor confidence and long-term organizational resilience.
- Competitive differentiation, attracting customers who value ethical businesses.

https://www.sustainablebusinesstoolkit.com/what-are-ethical-business-practices-and-why-are-they-important/

© 2026 Forvis Mazars, LLP. All rights reserved.

07

Strategies for Ethical Dilemmas



Strategies for Ethical Dilemmas

Identification	Analysis	Resolution	Documentation and Reflection
Leaders must be able to find and address ethical concerns	Leaders need to be able to determine the scope and analyze possible resolutions	Leaders must be mindful of current policies and legislative guidelines in regard to resolutions. Decisions should align with professional standards and organizational objectives	The process should be well documented, and reflection can greatly benefit future efforts.

https://blog.utc.edu/business/2024/05/01/top-10-ethical-dilemmas-in-the-workplace/

© 2026 Forvis Mazars, LLP. All rights reserved.

What Are Ethical Business Practices and Why Are They Important?

Key Steps to Implement Business Ethics:

- Develop and enforce a code of ethics that guides decision-making.
- Invest in training programs to educate employees on ethical responsibilities.
- Foster ethical leadership by ensuring leaders set a strong ethical example.
- Encourage diverse perspectives and promote diversity in workplace policies.
- Align with professional organizations to stay updated on ethical best practices.
- Create channels for anonymous reporting and accountability measures.

https://www.sustainablebusinesstoolkit.com/what-are-ethical-business-practices-and-why-are-they-important/

© 2026 Forvis Mazars, LLP. All rights reserved.

Questions?



Contact

Forvis Mazars

Thank you!

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

© 2026 Forvis Mazars, LLP. All rights reserved.