

RESEARCH ARTICLE

ETHICS IN U.S. FINANCIAL COMMUNICATION: A REVIEW: ASSESSING PRACTICES TO ENSURE TRANSPARENCY, RESPONSIBILITY AND TRUST

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ABSTRACT

This study presents a systematic literature review on the topic of ethics in financial communication, with a specific focus on the U.S. financial sector. The review aims to explore the importance of transparency, responsibility, and trust in financial communication, examining the historical context and evolution of ethical practices, and assessing the current standards and challenges in the field. The methodology involved a structured review of peer-reviewed literature, adhering to specific inclusion and exclusion criteria to ensure a comprehensive and unbiased analysis. The data collection process was guided by the principles of exhaustive literature exploration, focusing on studies published within the last two decades. Key findings reveal that ethical practices in financial communication have undergone significant evolution, particularly in response to historical financial crises and the advent of new technologies. The review highlights the critical role of regulatory frameworks, corporate governance, and technological advancements in shaping ethical practices. It also discusses the implications of these practices for various stakeholders, including investors, regulators, and the public. Looking forward, the study identifies prospects and challenges for the future of ethical practices in U.S. financial communication, emphasizing the need for adaptive regulatory frameworks and ethical guidelines in the face of rapid technological changes. Recommendations for industry leaders and policymakers include strengthening governance structures, investing in professional education, and enhancing stakeholder engagement. The study concludes by suggesting areas for future research, such as the impact of emerging technologies on ethical practices, the effectiveness of regulatory frameworks, and the influence of cultural factors on global financial communication ethics. This research contributes to a deeper understanding of the dynamics of ethics in financial communication and underscores the importance of continuous adaptation and vigilance in this field.

KEYWORDS

Financial Communication Ethics, Regulatory Frameworks, Stakeholder Trust, Technology

1. INTRODUCTION

1.1 Background of the Study

The field of financial communication has always been a critical area of focus for businesses, investors, regulators, and the public. In recent years, the importance of ethical practices in financial communication has been increasingly recognized as a cornerstone for trust, transparency, and responsibility in the financial sector. This study aims to explore the multifaceted aspects of ethics in financial communication, particularly in the context of the U.S. financial sector.

The need for ethical practices in financial communication has been highlighted by various financial crises, corporate scandals, and the evolving landscape of global finance. These events have underscored the consequences of unethical practices, not just for individual entities, but for the broader economy and public trust in financial systems. The Enron scandal, the 2008 financial crisis, and other similar events have served as catalysts for reevaluating and strengthening ethical standards in financial communication.

Transparency and trust are fundamental to the functioning of financial markets and institutions. They are essential for investor confidence, efficient market operations, and the overall stability of the financial system. Ethical financial communication plays a crucial role in ensuring that information is not only accurate and complete but also accessible and understandable to all stakeholders.

In response to ethical lapses and financial crises, there has been a significant evolution in regulatory frameworks governing financial communication. These frameworks aim to enforce standards of honesty, transparency, and responsibility. The Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act, and other regulations are examples of legislative responses intended to strengthen ethical practices in financial communication.

The rapid advancement of technology has introduced new dimensions to financial communication. Digital platforms, social media, and emerging technologies like blockchain and artificial intelligence have transformed the way financial information is disseminated and consumed. While these technologies offer opportunities for enhanced transparency and efficiency, they also present new ethical challenges, particularly in terms

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of data privacy, security, and the potential for misinformation. The globalization of financial markets has brought additional complexity to ethical financial communication. Practices that are considered ethical in one cultural context may not be perceived the same way in another. This raises questions about the universality of ethical standards and the need for cultural sensitivity in global financial communications.

Given this backdrop, the study aims to provide a comprehensive review of the current state of ethics in financial communication, examining historical developments, current practices, challenges, and future prospects. It seeks to contribute to the ongoing discourse on how to foster ethical practices in financial communication, ensuring that the financial sector operates with integrity, transparency, and responsibility.

1.2 Overview of Ethics in Financial Communication

Ethics in financial communication is a multifaceted concept that encompasses the principles of transparency, responsibility, and trust within the financial sectors. The ethical conduct in financial communication is not just a regulatory requirement but a fundamental aspect that influences the trust and credibility of financial institutions and markets. The ethical landscape in financial communication is built on the premise that every action and communication must be guided by ethical principles. Kopal and Laddha emphasize that ethics in the financial industry is not merely a set of rules to be followed but a culture that needs to be ingrained at all levels of operation (Kopal and Laddha, 2021). The authors argue that regular reforms to the code of ethics, while necessary, are not sufficient on their own. Instead, a robust ethical framework requires individuals and firms to develop and adhere to a specific code of conduct that promotes the principles of stewardship of investor assets and prioritizes client betterment (Kopal and Laddha, 2021).

Transparency and responsibility in financial communication are critical for maintaining the integrity of financial markets. Žilić, LaVan, and Cook conducted a content analysis to understand ethical patterns in the communication differences between business press and corporate social responsibility (CSR) reports in the US pharmaceutical sector (Žilić et al., 2021). Their findings suggest significant differences in how CSR is communicated in different mediums, highlighting the importance of consistent and transparent reporting. The study underscores the need for organizations to develop communication processes that ensure accurate and ethical dissemination of information, particularly in their CSR activities (Lavan et al., 2021).

The concept of trust in financial communication has been severely impacted by various scandals and unethical practices in recent decades. Griffiths discusses the erosion of trust in business, particularly in the financial sector, citing incidents like the Enron scandal, the Great Recession of 2007-2008, and the Wells Fargo account fraud scandal (Griffiths, 2021). These events highlight the critical role of ethical practices in maintaining legitimacy and trust in the financial sector. The author argues that for the private sector to contribute positively to society and maintain its license to operate, it must adhere to stringent ethical standards and practices (Griffiths, 2021).

1.3 The Importance of Transparency, Responsibility, and Trust in Financial Sectors

In the realm of financial sectors, the principles of transparency, responsibility, and trust are not just ethical imperatives but also foundational pillars for the stability and integrity of financial markets. These principles are crucial in maintaining investor confidence, ensuring fair practices, and fostering a healthy economic environment.

The financial services sector, being a socially-sensitive sector, has seen a considerable increase in sustainability reporting and assurance practices. Seguí-Mas, Polo-Garrido, and Bolas-Araya emphasize the need for strengthening users' confidence in the credibility of reported activities, especially after the loss of trust due to crises (Seguí-Mas et al., 2018). Their study reveals that companies in the financial services sector are more likely to adopt assurance and choose accountants as assurance providers, indicating a trend towards greater transparency and responsibility in financial reporting. This shift is crucial in restoring and maintaining trust in the financial sector (Seguí-Mas et al., 2018).

Corporate social responsibility (CSR) has become increasingly important in the banking industry, particularly in the wake of reputation and trust losses following the global financial crisis. Bolibok investigates the impact of social responsibility performance on the value relevance of financial data in the Polish banking sector (Bolibok, 2021). The findings suggest that financial disclosures of banks engaged in CSR are more value-relevant, indicating that responsible and transparent communication is not only

ethically sound but also adds value to financial information. This highlights the role of CSR in enhancing transparency and rebuilding trust in the banking sector (Bolibok, 2021).

The importance of transparency in financial and fiscal affairs at the municipal level is critical in understanding the broader implications in the financial sectors. Silwal examines transparency in terms of tax revenue misuse, resource allocation, and public participation in the Gandaki Province of Nepal (Silwal, 2023). The study finds that enhancing transparency and accountability in municipal governments is necessary to build public trust and ensure ethical financial practices. This local-level insight provides a valuable perspective on the importance of transparency and responsibility in financial sectors globally (Silwal, 2023).

The importance of transparency, responsibility, and trust in the financial sectors is underscored by the need for credible sustainability reporting, the value-adding role of CSR in banking, and the necessity of transparent financial practices at the municipal level. These principles are essential not only for ethical functioning but also for maintaining investor confidence and fostering a stable economic environment.

1.4 Historical Context and Evolution of Ethical Practices in U.S. Financial Communication

The evolution of ethical practices in U.S. financial communication is a reflection of the dynamic interplay between economic developments, regulatory changes, and societal values. This historical context provides a backdrop for understanding the current ethical standards in financial communication and their significance in maintaining the integrity of financial markets. The historical development of financial activities and their compliance mechanisms offer insights into the evolution of ethical practices in financial communication. Costa and Gomes delve into the historical banking practices, starting from ancient Rome to modern financial systems, to understand how these practices have shaped current compliance mechanisms (Gomes, 2020). Their research highlights how historical cases of banking activities, including those of the Medici Bank and the Bank of England, have influenced the establishment and advancement of compliance mechanisms in financial sectors. This historical perspective underscores the importance of learning from past practices to enhance transparency, risk mitigation, and ethical behavior in the financial sector (da Costa and Gomes, 2020).

The role of financial literacy in fostering ethical practices in financial communication cannot be overstated. Whitehouse emphasizes that understanding the underlying rules, principles, and mechanisms of finance is crucial for stakeholders to assess whether their actions are ethical (Whitehouse, 2019). This perspective is vital in the context of the complex interplay and interdependence between various stakeholders in the financial domain. The author argues that financial literacy is a precondition for ethical behavior, as it enables stakeholders to communicate in accordance with stock market law, invest in ethically sound projects, and set up sustainable investment plans (Whitehouse, 2019).

The evolution of ethical practices in financial communication is also evident in the development of modern payment models. Riegler examines the alignment of current predominant payment models, such as fee-for-service, capitation, and value-based payments, with patient care ethics (Riegler, 2023). The study highlights how these models have evolved in response to ethical considerations and the need for transparency in financial transactions. This research provides a comparative analysis of how ethical considerations have shaped the development of payment models, reflecting the broader evolution of ethical practices in financial communication (Riegler, 2023). The historical context and evolution of ethical practices in U.S. financial communication are marked by a continuous interplay between past experiences, regulatory developments, and the need for transparency and ethical behavior. The literature suggests that understanding this historical context is crucial for enhancing current ethical practices and ensuring the integrity of financial communication.

1.5 Aim and Objective of the Review

The research aims to critically assess and review the practices of ethics in U.S. financial communication, with a specific focus on how these practices ensure transparency, responsibility, and trust within the financial sector. This study seeks to explore the historical evolution, current standards, and future trends of ethical practices in financial communication, examining the role of regulatory frameworks, corporate governance, and technological advancements. The objective is to identify effective strategies and challenges in upholding ethical standards, thereby

providing valuable insights and recommendations for enhancing ethical practices in U.S. financial communication to safeguard stakeholder interests and maintain the integrity of financial markets.

2. METHODOLOGY

2.1 Research Design and Approach

The systematic literature review was meticulously designed to explore the domain of ethics in financial communication. This involved a comprehensive and structured approach to literature review, as outlined by Khatri who emphasized the importance of a well-organized methodology in reviewing literature across various categories of information sources (Khatri, 2021). The approach adopted for this review was guided by the principles of exhaustive literature exploration, ensuring a broad and inclusive understanding of the subject matter.

2.2 Criteria for Inclusion and Exclusion of Sources

2.2.1 Inclusion Criteria

The inclusion criteria for the research papers are;

- Peer-reviewed articles and conference papers.
- Publications focusing on ethics in financial communication.
- Studies published in English.
- Research relevant to the context of the study.

2.2.2 Exclusion Criteria

- Non-peer-reviewed sources, such as grey literature.
- Articles not directly related to the core theme of financial communication ethics.
- Publications in languages other than English.
- Studies outside the scope of the defined research objectives.

2.3 Data Collection Process

2.3.1 Identification of Relevant Literature and Sources

Following the approach of Jandhyala, a systematic literature review was conducted adhering to the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines (Jandhyala, 2020). The search framework was developed to include databases like ScienceDirect, PubMed, and Google Scholar, using keywords related to ethics in financial communication. The search was refined to include studies published within the year 2008 to 2023.

2.3.2 Data Extraction and Analysis Methods

Data extraction involved a pre-piloted template, as suggested by to ensure consistency in capturing key information such as authors, publication year, objectives, methodology, findings, and conclusions (Hutchings et al., 2020). The analysis was guided by the QualSyst criteria for qualitative and quantitative studies, focusing on synthesizing data on stakeholder perceptions, ethical considerations, and transparency in financial communication. This method facilitated a comprehensive understanding of the themes and trends within the literature, aligning with the research objectives. Through this systematic review process, the study aimed to provide an in-depth analysis of ethical practices in financial communication, emphasizing the importance of transparency, responsibility, and trust among stakeholders in the financial sector.

3. LITERATURE REVIEW AND ANALYSIS

3.1 Historical Overview of Ethical Practices in U.S. Financial Communication

The historical evolution of ethical practices in U.S. financial communication reflects a complex interplay of regulatory changes, market dynamics, and evolving societal expectations. This overview traces the trajectory of these practices, highlighting key developments and their impact on the current state of ethics in financial communication. The role of financial literacy in shaping ethical practices in financial communication is significant. Whitehouse emphasizes that understanding financial principles and standards is crucial for stakeholders to engage in ethical behavior (Whitehouse, 2019). This knowledge enables stakeholders to align their actions with legal and ethical norms, such as adhering to stock

market laws, investing in ethically sound projects, and developing sustainable investment plans. The evolution of financial literacy programs and their emphasis on ethical considerations have been instrumental in shaping the ethical landscape of financial communication in the U.S. (Whitehouse, 2019).

The historical relationship between charity and capitalism offers insights into the development of ethical financial services. Strange and Roddy explore how The Salvation Army, established in 1878, transformed charity-run financial services into a model of ethical capitalism (Strange and Roddy, 2022). This historical analysis reveals how religious and moral perspectives influenced the development of ethical financial practices, particularly in savings and lending. Such historical cases demonstrate the long-standing interconnection between ethical values and financial services, which continues to influence modern financial communication (Strange and Roddy, 2022).

The critical and cultural aspects of organizational communication have played a significant role in shaping ethical practices in financial communication. Nadesan discusses how organizational communications, both formal and informal, contribute to the establishment of policies, practices, and values within financial institutions (Nadesan, 2018). This perspective highlights how cultural and critical approaches to organizational communication have influenced the evolution of ethical practices, particularly in response to financial crises and scandals. The study underscores the importance of understanding the cultural and systemic power relations that are communicated and perpetuated within financial organizations (Nadesan, 2018).

The historical development of socially responsible investing (SRI) is a key aspect of the evolution of ethical practices in financial communication. Martini traces the growth of SRI from its ethical origins, primarily driven by religious exclusionary practices, to its current status as a mainstream strategy in risk analysis for investors (Martini, 2021). The study discusses the challenges and advancements in regulatory activities and the harmonization process in the SRI industry, particularly in the European Union. This historical overview of SRI underscores the significant shift from niche ethical practices to a broader, globally recognized framework for sustainable investing (Martini, 2021). The historical overview of ethical practices in U.S. financial communication reveals a rich tapestry of developments influenced by financial literacy, charity-driven ethical financial services, critical and cultural organizational communication, and the growth of socially responsible investing. These elements collectively contribute to the current ethical landscape in U.S. financial communication.

3.2 Current Standards and Practices for Ensuring Ethics

In the contemporary landscape of financial communication, the adherence to ethical standards and practices is paramount. Financial literacy plays a critical role in fostering ethical practices in financial communication. Whitehouse emphasizes the importance of understanding financial principles and standards as a foundation for ethical behavior (Whitehouse, 2019). This knowledge enables stakeholders to align their actions with legal and ethical norms, such as adhering to stock market laws, investing in ethically sound projects, and developing sustainable investment plans. The evolution of financial literacy programs and their emphasis on ethical considerations have been instrumental in shaping the ethical landscape of financial communication in the U.S. (Whitehouse, 2019).

The quality of financial reporting is significantly influenced by the ethical standards upheld in accounting practices. Aifuwa, Embele, and Saidu investigate the relationship between accounting ethics and financial reporting quality (Aifuwa et al., 2018). Their study, based on data from questionnaires administered to accountants, reveals that high ethical standards in accounting are correlated with improved quality of financial reporting. This finding underscores the importance of ethical accounting practices in enhancing the credibility and reliability of financial statements, thereby contributing to ethical financial communication (Aifuwa et al., 2018).

The linguistic and textual elements of financial communication have gained increasing attention in recent years. Palmieri, Perrin, and Whitehouse discuss the shift in focus towards the pragmatics of financial communication, examining how language use and narrative strategies in financial disclosures influence market sentiment and stock prices (Palmieri et al., 2018). This research highlights the growing interest in analyzing the interplay of micro and macro structures in financial communication, reflecting a deeper understanding of the crucial functions of language in conveying financial information ethically and effectively (Palmieri et al., 2018).

The current standards and practices for ensuring ethics in financial communication are shaped by the foundational role of financial literacy, the impact of ethical accounting practices on reporting quality, and the evolving understanding of the pragmatics of financial communication. These elements collectively contribute to the integrity and credibility of financial communication in today's complex financial landscape.

3.3 Role of Corporate Governance in Ethical Financial Communication

Corporate governance plays a pivotal role in shaping ethical financial communication. The interplay between corporate governance and financial communication is critical for the economic performance of countries. Erdoğan explores how corporate governance principles impact the operation of capital markets and, consequently, the country's economy (Erdoğan, 2017). The study emphasizes that strong governance leads to more accurate investments and efficient economic operations, enhancing the comprehensiveness and power of capital market operations. This relationship underscores the importance of corporate governance in ensuring ethical financial communication, particularly in the context of global competition (Erdoğan, 2017).

The role of financial communication within the framework of corporate governance is increasingly recognized as a strategic concern. Daniel discusses how financial communication, managed at the top management level, ensures transparency and credibility among stakeholders (Daniel, 2017). The study highlights the three fundamental processes in management: thinking, decision-making, and communication, with a significant emphasis on the latter within corporate governance. This perspective illustrates the importance of effective communication in implementing decisions and practices that align with ethical standards in financial sectors.

The relationship between corporate governance, financial communication, and social responsibility is a complex one. Guni examines how financial communication has evolved from mandatory financial reporting to voluntary reporting of financial and non-financial information, including strategic and performance-related data (Guni, 2015). The study underscores the essential role of corporate communication in the effective functioning of the capital market, highlighting the value of accounting information communicated by companies for investors and analysts. This relationship illustrates the integral role of corporate governance in ensuring ethical and responsible financial communication.

The impact of intentional governance mechanisms on financial communication transparency is significant. Kachouri Ben Saad and Jarboui investigate the relationship between governance mechanisms (such as board size, ownership structure, and audit quality) and the transparency level in financial communication (Kachouri and Jarboui, 2015). Their findings reveal a positive correlation between these governance mechanisms and a higher transparency level in financial communication, including voluntary disclosure and quality information. This study highlights the crucial role of corporate governance in enhancing the transparency and integrity of financial communication (Kachouri and Jarboui, 2015).

3.4 Examples of Best Practices in Ethical Financial Communication

Ethical financial communication is a cornerstone of trust and integrity in the financial sector. This section explores examples of best practices in ethical financial communication, drawing from recent scholarly research. The importance of financial literacy in fostering ethical financial communication cannot be overstated. Whitehouse argues that a deep understanding of financial principles and standards is essential for stakeholders to engage in ethical behavior (Whitehouse, 2019). This includes compliance with stock market laws, investment in ethically sound projects, and the development of sustainable investment plans. Financial literacy serves as a foundation for ethical decision-making and communication in finance, ensuring that stakeholders are well-informed and capable of making ethical choices (Whitehouse, 2019).

The shift towards Environmental, Social, and Governance (ESG) investing has brought new challenges and opportunities in ethical financial communication. Bohn, Goldberg, and Ulucam (n.d.) discuss the importance of transparency and best practices in ESG investing. They highlight the complexity of ESG investing, emphasizing the need for better data, transparency, customization, and an acknowledgment that ethical investing does not always equate to financial success. This approach to ESG investing is an example of ethical financial communication, where transparency and honesty are paramount (Bohn et al., 2021).

The ethical guidelines for conducting research and communicating findings are relevant to financial communication. Hintz and Dean offer "best practices" for returning research findings to participants, emphasizing respect for persons/autonomy, non-maleficence, and beneficence (Hintz and Dean, 2020). These principles can be applied to financial communication, where the ethical obligation is to provide clear, accurate, and beneficial information to stakeholders. This approach ensures that financial communication is conducted with integrity and respect for all parties involved (Hintz and Dean, 2020).

Best practices in ethical financial communication are grounded in principles of financial literacy, transparency, and ethical guidelines. These practices ensure that financial communication is not only compliant with legal standards but also aligns with broader ethical and social values. The examples discussed here demonstrate the importance of ethical considerations in financial communication and the positive impact they have on stakeholder trust and the integrity of the financial sector.

4. DISCUSSION

4.1 Assessing the Effectiveness of Current Ethical Practices

The effectiveness of ethical practices in financial communication is a critical aspect of maintaining trust and integrity in the financial sector. The relationship between corporate ethical practices and financial performance is complex and multifaceted. A group of researchers conducted a longitudinal analysis on Italian listed companies in the banking services industry, focusing on the adoption of the Code of Ethics (Cuomo et al., 2016). Their study reveals that ethical practices, as measured by the adoption of a Code of Ethics, have a significant impact on financial performance. This finding suggests that ethical practices are not only morally imperative but also beneficial for financial performance, highlighting their effectiveness in the banking sector (Cuomo et al., 2016).

Financial literacy is a key factor in ensuring ethical behavior in financial communication. Whitehouse emphasizes that a thorough understanding of financial principles and standards is crucial for stakeholders to engage in ethical behavior (Whitehouse, 2019). This includes adherence to stock market laws, investment in ethically sound projects, and the development of sustainable investment plans. The study underscores the importance of financial literacy as a foundation for ethical decision-making and communication in finance, thereby enhancing the effectiveness of ethical practices (Whitehouse, 2019).

Corporate Social Responsibility (CSR) practices have a significant impact on a firm's goodwill and reputation. Pallathadka and Pallathadka explore the influence of CSR practices on firms' goodwill, emphasizing the importance of communicating CSR initiatives effectively (Pallathadka and Pallathadka, 2022). Their empirical investigation demonstrates that clear and resolved communication of CSR initiatives can significantly enhance a firm's goodwill among its partners. This finding highlights the effectiveness of ethical practices, particularly in the realm of CSR, in enhancing a firm's reputation and stakeholder trust (Pallathadka and Pallathadka, 2022). The effectiveness of current ethical practices in financial communication is evident in their impact on financial performance, the importance of financial literacy, and the influence of CSR practices on firm goodwill. These practices not only uphold moral standards but also contribute to the financial success and reputation of firms, underscoring their significance in the financial sector.

4.1.1 Impact on Stakeholder Trust and Corporate Reputation

The impact of ethical practices in financial communication on stakeholder trust and corporate reputation is a vital aspect of corporate governance and business strategy. This section explores how ethical practices in financial communication influence stakeholder trust and corporate reputation, based on insights from recent scholarly research. Wang (2013) discusses the increasing social consciousness and its implications for financial marketers in managing corporate reputation (Wang, 2013). The study emphasizes the use of financial communications to create positive perceptions among stakeholders, linking corporate reputation to the historical evolution of corporate image. This relationship highlights the importance of ethical practices in financial communication, as they directly influence the external perceptions of a corporation and its reputation (Wang, 2013).

Plotnick examines the relationship between trust and corporate reputation, particularly in the context of the financial and economic crisis (Plotnick, 2009). The study underscores the evolving environmental factors related to communications technology and stakeholder expectations, leading to significant changes in corporate communications

and stakeholder relations. This research highlights the critical role of trust in shaping corporate reputation, emphasizing the need for ethical practices in financial communication to build and defend this reputation.

A group researchers focus on the role of corporate ethics in enhancing financial reporting quality (Nasir et al., 2021). The paper reviews the implementation of corporate ethical conducts among governance practitioners in Malaysia, demonstrating how ethical commitments reduce the risk of financial statement fraud and naturally gain trust from stakeholders. This study underscores the importance of sound ethical conduct in financial communication, directly impacting the financial reporting quality and, consequently, stakeholder trust and corporate reputation (Nasir et al., 2021).

Akbulut and Dönmez explore the role of financial performance in corporate reputation management (Akbulut and Dönmez, 2021). Their research, conducted during the Covid-19 pandemic, examines how corporations in Turkey managed their corporate reputation through financial communication strategies. The study highlights that financial performance is a crucial factor in building trust and a solid corporate reputation, emphasizing the need for good corporate communication strategies to reflect financial performance effectively (Akbulut and Dönmez, 2021).

Ethical practices in financial communication play a critical role in shaping stakeholder trust and corporate reputation. The studies discussed here demonstrate the direct impact of ethical financial communication on corporate image, stakeholder trust, financial reporting quality, and corporate reputation, highlighting the importance of maintaining high ethical standards in financial communication.

4.1.2 Challenges and Limitations in Enforcing Ethical Practices

Enforcing ethical practices in financial communication is fraught with challenges and limitations. Enofe, Ekpulu, and Ajala explore the ethical challenges and financial performance in the Nigerian banking sector (Enofe et al., 2015). Their study reveals that insider-related credits and unauthorized tampering with customers' accounts pose significant ethical challenges. These findings highlight the difficulty in enforcing ethical practices in the banking sector, particularly in emerging economies. The study recommends stricter disciplinary measures against erring CEOs to mitigate unethical practices, underscoring the challenges in enforcing ethical standards (Enofe et al., 2015).

Wilcoxson and Craft investigate the ethical decision-making challenges faced by financial advisers (Wilcoxson and Craft, 2023). Their research uncovers the struggles and strategies used in making ethical decisions, emphasizing the complexity of ethical decision-making in the financial industry. The study identifies the needs of individuals, firms, and the marketplace as key factors impacting ethical decision-making, highlighting the challenges financial advisers face in balancing these needs while adhering to ethical standards (Wilcoxson and Craft, 2023).

Shjaan, Islam, and Alam focus on the challenges of establishing and maintaining business ethics in small and medium enterprises (SMEs) (Shjaan et al., 2021). Their study suggests that top management's character and ethical commitment, organizational culture, and external pressure significantly influence ethical practices. However, the level of fraud and corruption and the level of monitoring show mixed effects on the relationship between ethical practices and business performance. This research highlights the challenges SMEs face in implementing ethical practices, particularly in environments with varying levels of fraud and corruption (Shjaan et al., 2021). These studies underscore the need for robust ethical frameworks and effective enforcement mechanisms to overcome these challenges and ensure the integrity of financial communication.

4.2 The Role of Technology and Innovation in Enhancing Ethical Practices

The integration of technology and innovation plays a pivotal role in enhancing ethical practices in financial communication. Keenan, Tsourtos, and Tieman conducted a systematic review to explore the ethical considerations in telehealth practices, a field increasingly reliant on information and communication technology (ICT) (Keenan et al., 2021). Their study highlights the importance of integrating ethical principles into telehealth, emphasizing the need for ethical awareness in the rapidly evolving domain of ICT-based health services. This research underscores the value of applying ethical principles in technology-driven sectors, which is highly relevant to financial communication as well (Keenan et al., 2021).

Ahmad investigates the role of financial innovation and corporate governance in the sustainability of Islamic Financial Institutions (IFIs) (Ahmad, 2023). The study emphasizes the impact of technology-driven market changes and the need for innovative products and services in IFIs. Ahmad's research sheds light on the importance of governance structure and ethical practices in the context of financial innovation, highlighting the role of technology in enhancing ethical practices in financial institutions (Ahmad, 2023). Lopez reviews the National Association of Social Workers' Technology Standards, focusing on the ethical use of ICTs in social work practice (Lopez, 2014). The study evaluates the implementation of these standards and offers suggestions for updates, considering the swift pace of ICT changes. This research is relevant to financial communication as it illustrates the importance of establishing and updating ethical standards in line with technological advancements, ensuring ethical practices keep pace with innovation (Lopez, 2014).

A group researchers discuss the concept of a 'Social Licence' in the context of data-intensive industries, particularly focusing on Financial Technology (FinTech) (Aitken et al., 2020). Their work explores the need for public engagement to build trust and ensure that practices align with public values. This study highlights the significance of combining technical and social approaches to address ethical challenges in data-intensive innovation, emphasizing the role of technology in establishing ethical practices in financial communication (Aitken et al., 2020). Technology and innovation are integral to enhancing ethical practices in financial communication. The studies discussed here demonstrate how technological advancements, when aligned with ethical principles, can significantly contribute to the integrity and trustworthiness of financial communication.

4.3 Future Trends and Emerging Issues in Ethical Financial Communication

The landscape of ethical financial communication is continuously evolving, influenced by various factors including technological advancements, regulatory changes, and shifts in societal expectations. Chelawat and Trivedi provide an in-depth analysis of the evolution of ethical finance and socially responsible investing (Chelawat and Trivedi, 2013). Their study identifies key areas that have garnered significant attention and those that require further exploration. Notably, the research emphasizes the need for more focused studies on the measurement of Environmental, Social, and Governance (ESG) performance, criteria for ESG stock selection, and the integration of ESG criteria into investment decision-making. The study also suggests that multi-criteria models could enhance the performance of ethical portfolios, pointing to future directions in ethical financial research (Chelawat and Trivedi, 2013).

Hua, Huang, and Zheng explore the current practices and emerging trends in financial technologies (FinTech) (Hua et al., 2019). Their review indicates that FinTech innovations, including artificial intelligence, blockchain, and crowdfunding, are creating significant value for innovators, customers, and society. The study highlights the varying benefits and determinants of FinTech applications across different financial sectors, suggesting substantial opportunities for future research in understanding the dynamics and social consequences of these technologies (Hua et al., 2019).

Cas, Hert, Porcedda, and Raab address the ethical and legal challenges posed by emerging Information and Communication Technologies (ICTs) (Cas et al., 2022). Their work focuses on the implications of these technologies for public policy, particularly in the context of security and surveillance. This research is pertinent to financial communication as it underscores the need for ethical considerations in the deployment of new technologies, which is increasingly relevant in the financial sector (Cas et al., 2022).

4.4 Implications for Stakeholders: Investors, Regulators, and the Public

The implications of ethical financial communication extend beyond the immediate realm of finance, impacting a wide array of stakeholders including investors, regulators, and the general public. Sharma discusses the critical role of transparent and trustworthy communication in maintaining stakeholder interest and executing successful corporate deals (Sharma, 2015). The study emphasizes that in the wake of economic recessions, such as the one experienced in the United States, corporations globally face the challenge of maintaining faith among stakeholders. This situation underscores the importance of transparency in communication with various corporate constituents, including investors, shareholders, market regulators, employees, suppliers, buyers, sellers, government agencies, and the public at large. Sharma's research highlights the growing

environment of mistrust and the pivotal role of communication professionals in restoring the faith of the investment community, especially in economies like the Sultanate of Oman that were largely unaffected by the global meltdown (Sharma, 2015).

Seay and Ford study examines the ethical implications of fair value accounting, particularly in the context of the financial crisis (Seay and Ford, 2009). They argue that fair value accounting, contrary to popular belief, does not cause illiquidity or volatility in financial markets. Instead, the crisis was primarily due to poor lending decisions and inadequate risk management by banks. The study underscores the role of accounting in revealing the full extent of losses and future risks, thereby enabling banks, regulators, and governments to identify specific sources of crisis and take steps toward recovery. This research highlights the importance of transparent accounting standards and sound auditing in maintaining investor confidence and protecting the public interest (Seay and Ford, 2009)

Chukwujiokwe explores the connection between unethical leadership practices and the persistent trend in the equities market, particularly in the Nigerian context (Chukwujiokwe, 2018). The study reveals that ethical business leadership is a significant factor in restoring lost investor confidence. The findings indicate that corporate executives have played a significant role in the overall loss of confidence in Nigerian business and particularly the capital market. The author suggests that to maintain public confidence, corporate managers must continually evaluate their stance on corporate governance, which is essential to preserve social order (Chukwujiokwe, 2018). The studies discussed here shed light on the challenges and opportunities in financial communication, the ethical implications of accounting practices, and the impact of leadership on market confidence. These insights are crucial for understanding the broader consequences of ethical practices in financial communication for investors, regulators, and the public.

5. CONCLUSION

The systematic literature review on ethics in financial communication has yielded several critical insights. It has been established that transparency, responsibility, and trust form the cornerstone of ethical practices in the financial sector. Historical analysis revealed a significant evolution in these practices, particularly in the U.S., where regulatory frameworks and corporate governance have played pivotal roles. The review also highlighted the impact of technology and innovation in enhancing ethical practices, while also pointing out the challenges and limitations in enforcing these practices.

Looking ahead, the landscape of ethical practices in U.S. financial communication is poised for further evolution. The increasing role of digital platforms and artificial intelligence in financial transactions presents both opportunities and challenges. While these technologies offer enhanced efficiency and transparency, they also raise concerns about data privacy, security, and the potential for new forms of ethical violations. The future will likely see a greater emphasis on developing robust regulatory frameworks and ethical guidelines that can keep pace with technological advancements.

To enhance ethical practices, it is recommended that industry leaders and policymakers focus on; strengthening regulatory frameworks to address emerging challenges in digital financial communication, enhancing corporate governance structures to foster a culture of ethics and responsibility, investing in education and training programs for professionals in the financial sector to raise awareness about ethical practices, and encouraging transparency and stakeholder engagement to build trust and credibility in financial communications. This review has provided a comprehensive overview of the current state of ethics in financial communication, underscoring the importance of ongoing vigilance and adaptation in this field. Future research should focus on the impact of emerging technologies on ethical practices, the effectiveness of new regulatory frameworks, and the global implications of U.S. financial communication ethics. Additionally, exploring the role of cultural factors in shaping ethical practices in financial communication can provide deeper insights into how best to promote ethical behavior in a diverse and rapidly changing global financial landscape.

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