When Ethics Take Flight

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&

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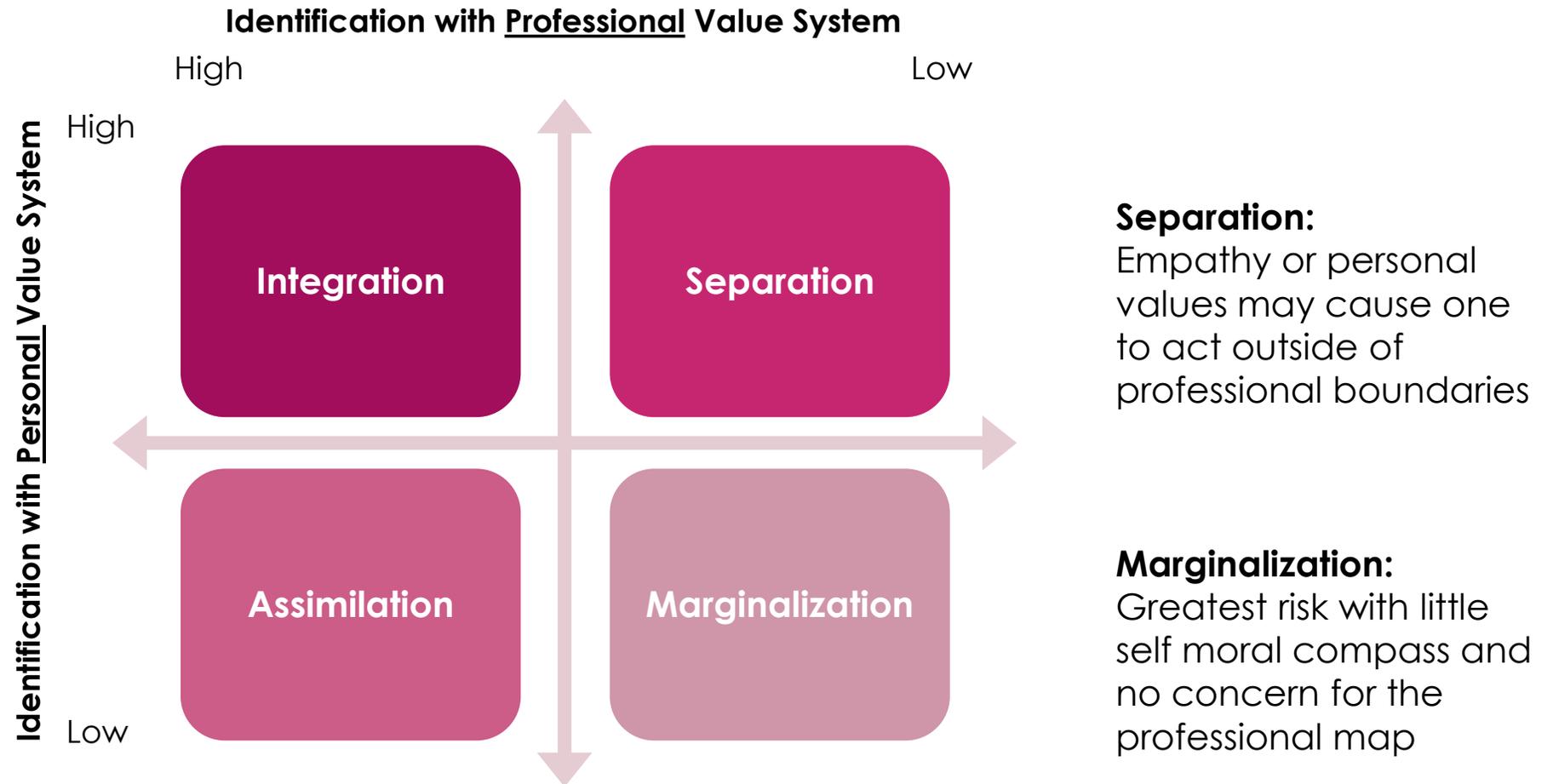# Ethics Defined

▶ **Generally**

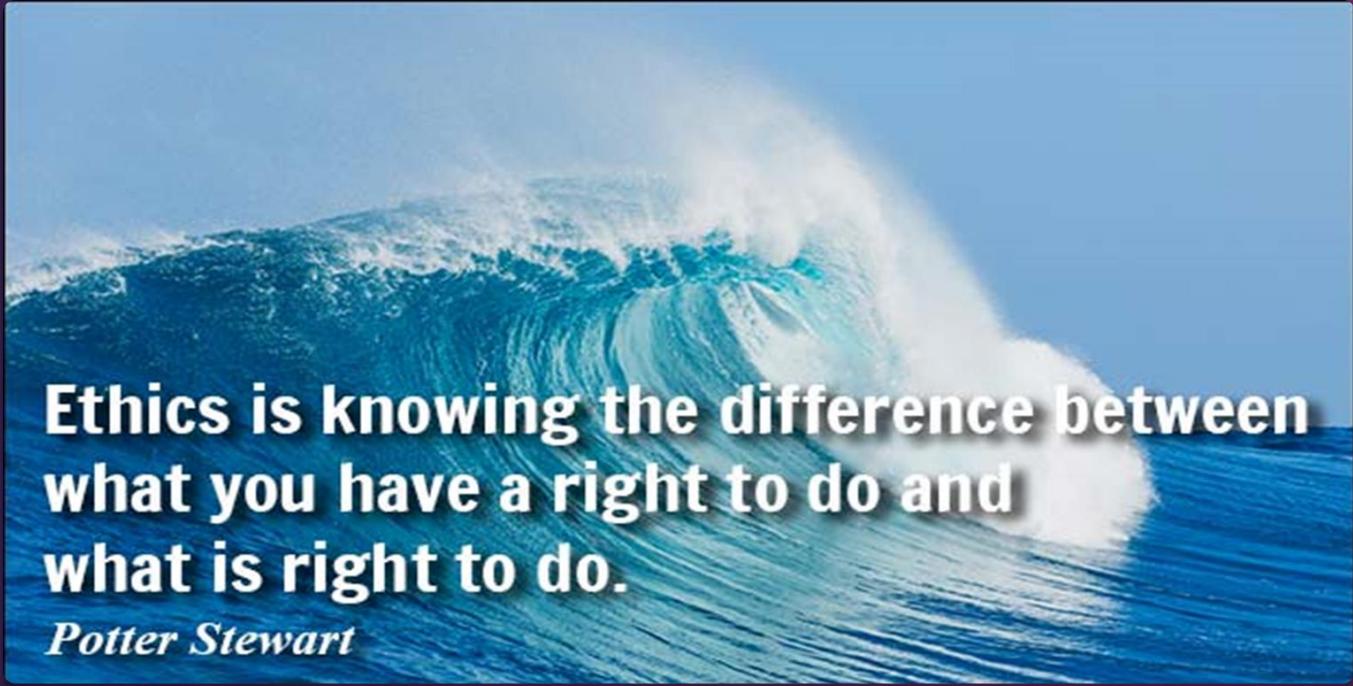The moral principles or values that govern a person or groups behavior or conduct.

▶ **GFOA**

Adherence "to legal, moral, and professional standards of conduct in the fulfillment of their professional responsibilities."

Ethics is knowing the difference between what you have a right to do and what is right to do.
Potter Stewart

Potter Stewart said …..

Ethical Failure Examples

Over-simplified Rules

No Accountability

Lack of Moral Compass

Lack of Moral Leaders

Ethical Failure Consequences

Deliberate Deceptions

Violations of Conscience

Failure to Honor Commitments

Unlawful Conduct

Disregard of Company Policy

Deliberate Deceptions

Examples include taking credit for work done by someone else, calling in sick to go to the beach or shopping or even sabotaging the work of another person

- Can lead to conflicts, retaliations and lawsuits
- Can deliberately circumvent loose policies
- May be defensible if policies are ambiguous

Violation of Conscience
Doing something that goes against what you know is right

A boss explains that revenue is down on the water sewer side. Wants a manager to put the penalty on the water bills a day early. The Manager knows they will risk his/her anger for not doing so. They tell their utility billing staff to do so. This violates what they know is right.

- Can lead to harassment
- Lies (Force staff to lie to customers)
- Coercion
- More unethical conduct as employees continue to pass it down to others

Failure to Honor Commitments

A boss tell his staff he can have the rest of the day off if they complete the budget by noon. Staff completes the budget by 11:00. At noon staff gets ready to leave, Boss says, "I was just kidding" What does this unethical behavior do to the staff?

- Lack of Trust
- Lack of motivation
- Unwillingness to work
- Unwillingness to cooperate

Unlawful Conduct

Examples include padding a reimbursement expense, passing around unregistered software or giving a developer friend an inside scoop on confidential information you obtained in your public role.

▶ Headline risk

▶ Sanctions or fines

▶ Lack of Trust from the Business Community

Disregard of Company Policy

Organizations have policies against illegal activities, such as coercion and are concerned about avoiding lawsuits and things that negatively affect their image. Some high profile or "protected" individuals may violate policies with little to no consequences.

- Could cause potential harm to employees
- Could cause loss to image of trustworthiness
- Could create problems with future discipline of any others committing the same offense

"ALL that is NECESSARY for the TRIUMPH of EVIL is that good people DO NOTHING."
-Edmund Burke

What will you Do?

Pre-Flight Checklist - Practical Steps
Know What You Are Going to Do!

Extract of Berkshire Hathaway, Inc's
Code of Business Conduct and Ethics

We must all work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. **Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem.** These are the steps to keep in mind:

1. **Make sure you have all the facts.** In order to reach the right solutions, we must be as informed as possible.

Pre-Flight Checklist - Practical Steps Continued
Know What You Are Going to Do!

Extract of Berkshire Hathaway, Inc's
Code of Business Conduct and Ethics

2. **Ask yourself:** What specifically am I being asked to do? Does it seem unethical or improper? Use your judgment and common sense. If something seems unethical or improper, it probably is.

3. **Clarify your responsibility and role.** In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

Pre-Flight Checklist - Practical Steps Continued
Know What You Are Going to Do!

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Code of Business Conduct and Ethics

4. **Discuss the problem with your supervisor.** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision-making process.

5. **Seek help from Company resources.** In rare cases where it would be inappropriate or uncomfortable to discuss an issue with your supervisor, or where you believe your supervisor has given you an inappropriate answer, discuss it locally with your office manager or your human resources manager.

Pre-Flight Checklist - Practical Steps Continued
Know What You Are Going to Do!

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6. **You may report ethical violations in confidence without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Company's legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.

7. **Ask first, act later.** If you are unsure of what to do in any situation, seek guidance before you act.

Common Excuses for Unethical Behavior

❑ **Everybody does it**

❑ **Who am I to judge**

❑ **I'm not so bad so long as others are worse**

❑ **It's not my job**

❑ **Nobody was hurt**

❑ **I'm basically honest, I hardly ever lie…Just this once.**

❑ **It's a stupid rule anyways**

Stand for what is right.
Even if it means standing alone.

It's easy to stand with the crowd. It takes **Courage** to stand alone.

How Do you Stand for What is Right

- **Be Courageous** – Courage is not the absence of fear, but rather that you don't let fear stop you!

- **Be Confident** – Keep your head up and a smile on your face and do your job!

- **Have Conviction** – Firmly hold belief that what you are doing is right. Research the Law, have your back up beside you.

- **Be Willing** – You may have to suffer rejection or persecution – Be willing to stand alone.

- **Count the Cost** – Plan for the cost. Sometimes it does mean our jobs. Plan for it.

- **Walk in Humility and Faith!**

- **Remember You are Never Alone** – You have friends.

NO one is REALLY Alone!

▶ Review your own organization's policies

▶ Seek out a mentor and ask for help

▶ Use your professional resources
  Peers, GFOAT, GFOA, TML

▶ Texas Ethics Commission
  https://www.ethics.state.tx.us/
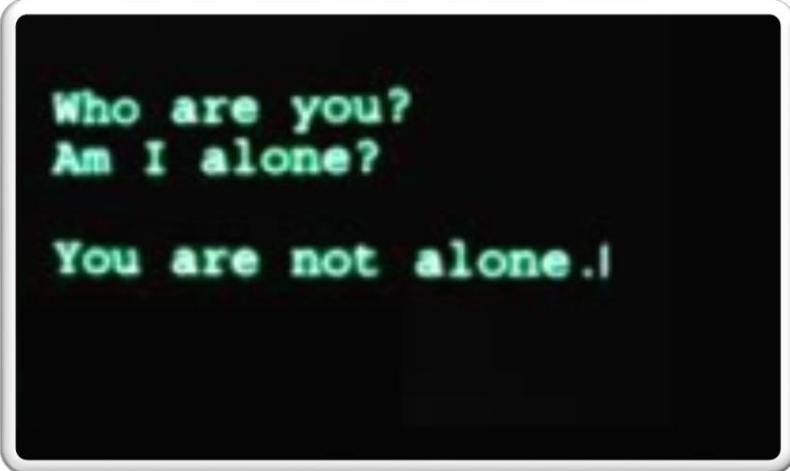
Who are you?
Am I alone?

You are not alone.|

When Ethics Take Flight…Stand Up!