Why Ethics Matters…
…Building a Climate of Ethical Behavior in your Organization

PART 2: “PRACTICAL ETHICS”

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The Myth about Ethics

• It’s simple…everyone should know walking in the door what’s right and what’s wrong
• Strong personal values and professional standards are sufficient
• We just need to follow the laws, after all we have so many of them!
• I’m okay! It’s everyone else we have to worry about

The Realities

• Everyday challenges
  – Competing interests, demands, expectations
  – “Right versus right” issues
  – Appearances can trump the facts
• Good people don’t always make wise decisions
• Public trust is our currency: valuable and limited
Media Culture & Coverage
“Feeding the Beast” 24/7

• No insignificant stories and certainly no insignificant transgressions
• Ethical scandals in corporate, government and civil society keep the issue magnified in the public eye

Living Large on the County

• Former County CEO charged $230,000 to County credit card in six years...
  • $3,000 for a three-day stay in NYC: $650 a night, $220 for a massage and $70 for a pedicure

“Firms Gave Thousands for Building Department Event”

Developers, builders and lobbyists donated as much as $3,750 each in food, cash and door prizes at a Los Angeles Building and Safety Department charity event that was mostly attended by department employees.

“Giving some people a credit card is like giving a monkey a hand grenade!”

(Remarks from Chincoteague, VA resident “Old Buck” Kambarn, after learning that the Town Manager and two other top officials lost their jobs because they used the Town credit card for fun and food in Florida rather than attending the conference on hurricanes that the Town has sent them to.)
Six Steps to Making Ethical Decisions

The Law: Is it legal? Does it meet the spirit of the law?
The Rules: Am I violating or breaking a rule/policy that everyone else must follow?
Integrity: Am I breaking my word, a trust, a promise, or a value?
Appearances: Do I have a conflict of interest in fact or appearance? Am I the only or prime beneficiary of an offer or service?
Clear Thinking: Is emotion or bias clouding my judgment?
Perspective: When I look back on this situation, will I be proud of my conduct? Is it my finest hour or one I might regret?

Wow! This seems really hard, why isn’t there just an APP for ethics?

Were It So Easy!

This is the world of ethics...and public policy
Lesson #1: Think before you hit “send”

- Facebook is not private
- Email is not private
- Instagram is not private
- Snapchat is not private
- Texts are not private

Lesson #2: It is easier to stay out than to get out

- Sign a petition for a candidate running for town council?
- Make a campaign donation to a friend running for school board in Washington?
- My spouse wants to donate money to a city council member running for state legislature?
- Write a letter to the editor in support of a bond referendum?
- Give a donation to an issue oriented PAC?
Impact of personal support for issues or organizations

- Personal advocacy may intersect with official duties
- Will I be viewed as neutral when my personal opinions on hot topics are known?
- What do I do if the issue is very divisive?
- What do I do if my position differs from Council? Community?

Lesson #3: Do it right!

The City Manager obtained a $10,000 unsecured, below market rate loan from the City to use as a down payment on a home.
- The loan was never approved by City Council.
- The DA’s report revealed that the City Attorney had full knowledge of the loan but never advised the parties that it required Council approval.
- Finance issued the check!

Lesson #4: Secrecy is a long-odds strategy with no safety net

While serving as the lead negotiator for the government during contract discussions, a member engaged in an undisclosed personal romantic relationship with the lead negotiator for the union

Lesson #5: If it’s too good to be true....

County Manager purchased four iPhones and one iPad for $900….in cash paid to County IT Director
- “Everyone knew about it”
- “Ok because all County employees could do this”
- “We’ve done it before”
- “I trusted her”

Equipment was charged to County ($2400) and the IT Director pocketed the cash!
Lesson #6:  
Pigs get fat…but hogs go to slaughter

Village Administrator received:
- $450,000 in compensation
- 534 days of leave
- A $56,000 pension stipend for serving multiple positions in the organization

Lesson #7:  
What you do in your personal life matters

- Conduct unbecoming
- DUI
- Murky financial problems
  - Assistant Manager delinquent on real estate taxes on her home

Lesson #8:  
You are not alone in this universe...

“Ex-city manager guilty of seeking sex with teen”

“When arranging to meet a 14-year-old girl for oral sex in suburban Columbus, former Miamisburg City Manager William H. Nelson Jr. wrote "I'll be the good looking guy that comes up to the cute girl in the Grove City jersey." But Nelson fell into an internet sting operation run by the Franklin County Sheriff's Department. The "girl" was actually a detective.”

Dayton Daily News
Lesson #9: Ignore conflicts of interest at your own peril

- Buying City property
- Family member seeking a job in your organization
- Seeking employment with a firm that may bid on a project or with a developer whose project is in the approval pipeline
- Family member works for a vendor who bids on a City project
- Doing business with an elected official

Lesson #10: Tenet 13 (Don’t Be Stupid)

“Genius may have its limitations, but stupidity is not thus handicapped.”

Elbert Hubbard
Philosopher and writer

Don’t be Stupid

- Surfing porn sites using a City laptop
- Lying about credentials
- Misuse of City credit cards
- Solicited campaign contributions for incumbents

Your Résumé?

• I did a background check and discovered that you embellished your résumé.
• For example, there’s no college named “The Einstein One.”
• And I’m reasonably certain that “Smartology” isn’t a real major.
Ethics and Success

- There is no organizational success without ethics
  - Public office is a public trust
  - Trust is the product of a relationship
  - Innovation and risk thrive best in a tolerant environment, i.e. trust is high

The Ethical Challenge

- Culture matters!
- What is and isn’t talked about is important
- What conduct/behavior do we reward?
- Most people think they are more ethical than most other people.....
- Decision makers commonly engage in unethical behavior without realizing it

What Ethics Means in Other Venues

Ethics Statement Example

- Respect
- Integrity
- Communication
- Excellence
- Compliance

Respect

We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness and arrogance don’t belong here.
**Integrity**

We work with customers and prospects openly, honestly and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.

**Communication**

We have an obligation to communicate. Here, we take the time to talk with one another...and to listen. We believe that information is meant to move and that information moves people.

**Excellence**

We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

**Compliance**

Compliance with the law and ethical standards are conditions of employment, and violations will result in disciplinary action, which may include termination.
Vision and Values

We stand on the foundation of our Vision and Values. Every employee is expected to conduct business...keeping in mind respect, integrity, communication and excellence. Everything we do evolves from......

Personal Commitment to Core Values

“Know your core values. These are my Declaration of Independence. I will give up my job before I give up my values. I will give up my career before I give up my values.”

Jim Collins
Good to Great

Ethical Warning Signs

- “No one will ever know...”
- “I can still be objective...”
- “I deserve it...” (or “They owe it to me...”)
- “Let’s keep this under our hats...”
- “Oh, don’t be such a prude...”
- “They’ll never miss it...”
- “I’m just fighting fire with fire...”
**Ethical Warning Signs**

- “Don’t tell me, I don’t want to know...”
- “It’s okay if I don’t gain personally...”
- “Technically, it’s legal...”
- “Everybody does it...”
- “Yes, but...”
- “This won’t affect my work...”

**Strategies for Building an Ethical Organization**

1. Walk the talk
2. Hire people with strong ethical values

**The Right “Who”**

In looking for people to hire, look for three qualities: integrity, intelligence and energy. If they don't have the first, the other two will kill you.

*Warren Buffet*

**Strategies for Building an Ethical Organization**

3. Be clear that “how” we achieve results matters
4. Have good policies
5. Discuss ethical dilemmas
6. Provide advice
7. Conduct an ethics audit
8. Don’t punish the messenger !!
Preserve the Intangible

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that you’ll do things differently.”

Warren Buffett

Leaders....

• Set the tone and model the conduct you want to see in others
  • You are always on active duty
  • Don’t embarrass your organization
  • Don’t walk by something wrong
  • Don’t create ethical dilemmas for others
• Be clear that “how” we achieve results matters
• Test how we are doing...relentless focus
• Moral Compass points North

Ask yourself...

• Can you live with your Google legacy when it hits the media?
• Are you being candid or just answering the question asked?
• Will you think well of yourself when you look back on this decision in ten years?
• Is it keeping you up at night? If you have to think twice about it, don’t do it!

When an ethical problem comes to light, be ready to answer......

• What did you know?
• When did you know it?
• What did you do about it?
Gifts: There is Always Free Cheese in a Mousetrap

Moral Courage
I do the very best I know how - the very best I can; and I mean to keep doing so until the end. If the end brings me out all right, what's said against me won't amount to anything. If the end brings me out wrong, ten angels swearing I was right would make no difference.

Abraham Lincoln

The Last Word
There is only one way to achieve happiness on this terrestrial ball,

And that is to have either a clear conscience or none at all.

Ogden Nash