

# **ACCMA Conference 2016**

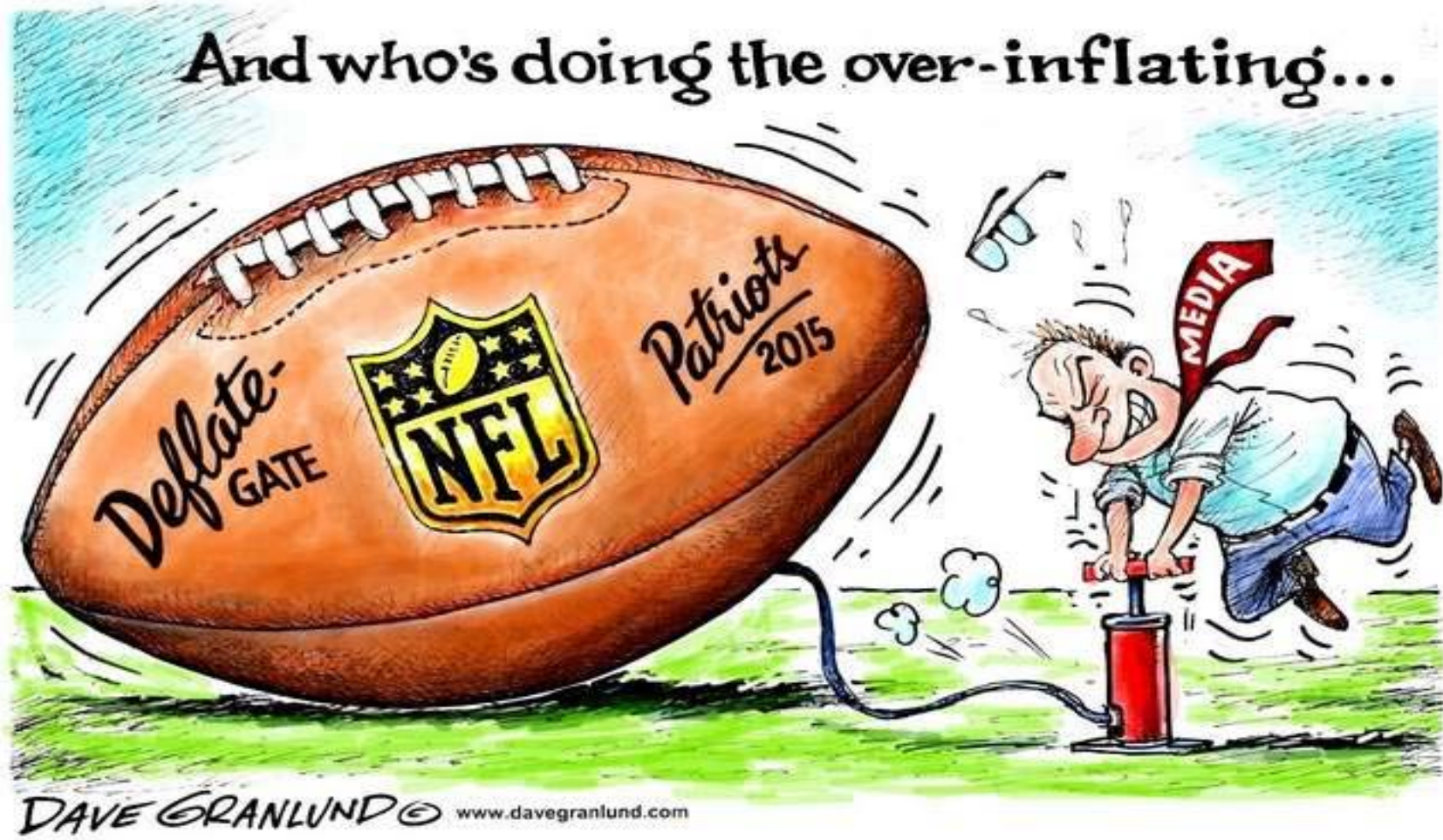
## **When The Moment Comes: “Making Ethical Decisions”**



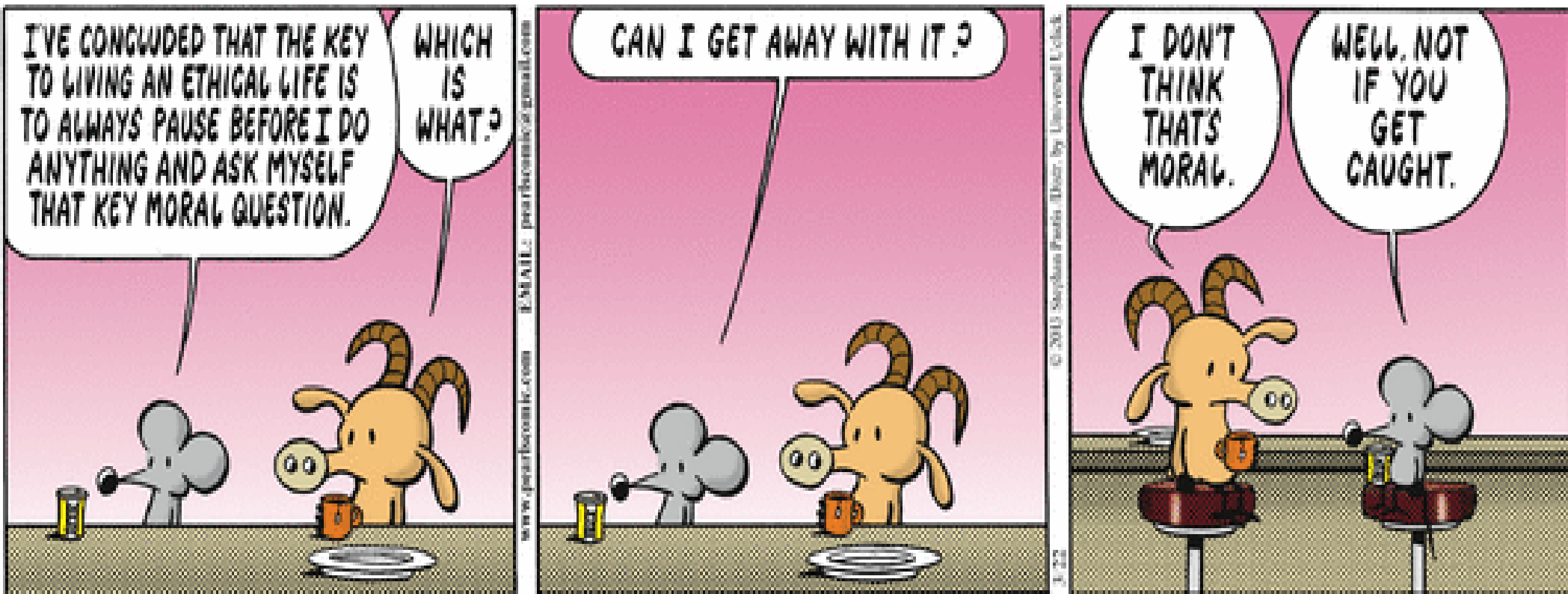
**Randall H. Reid**  
Southeast Regional Director,  
ICMA

# Ethical Issues Confront Us Daily

## “Deflate-gate”

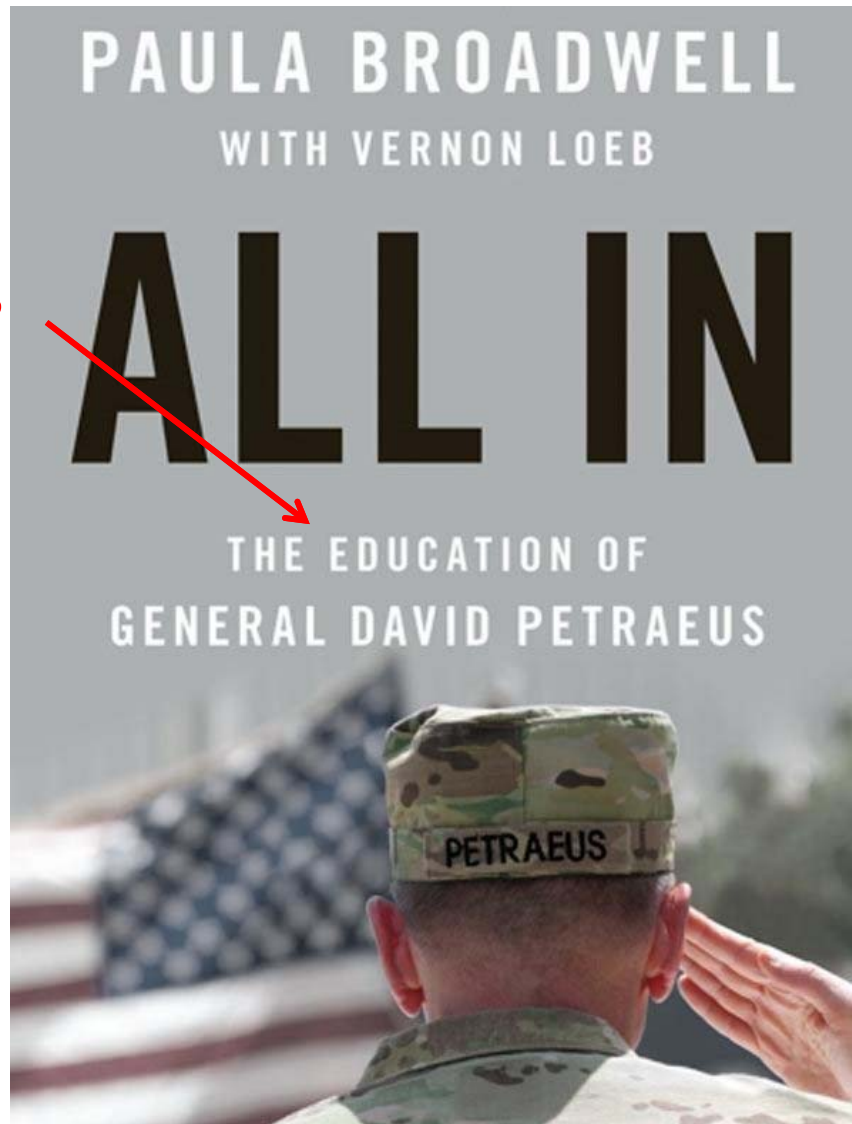


# Even the comics focus on ethics



# Anyone can be ethically challenged

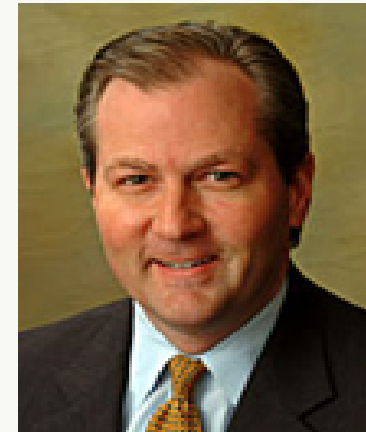
Ethics



Ethics issues impact every level of government.....



## CHAIR OF THE SOUTHERN LEGISLATIVE CONFERENCE



Speaker Mike Hubbard, Alabama  
SLC Chair, 2012-2013



Anti-gay moralist Alabama  
Governor caught in sex scandal



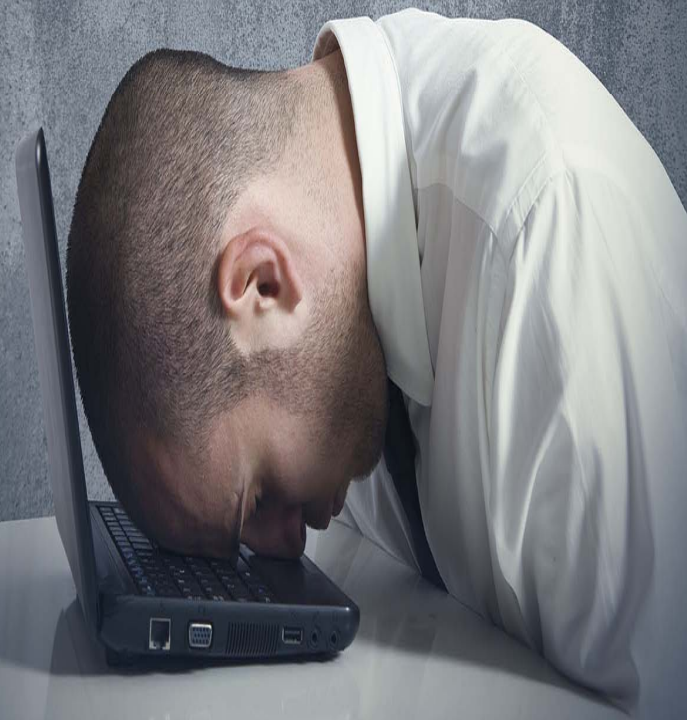
*"From now on you and I are going to be suspect in everything we do," Riley wrote to Hubbard. "The question now is DO YOU 'WANT' to be Gov. - or - make a lot of money: good thing is you could do either but I am not sure it's possible to do both."*

- Birmingham attorney **Steven Douglas Eversole** received a public reprimand with general publication on January 8, 2016 for violating Rules 1.6 and 8.4(g), *Ala. R. Prof. C.* On or about January 29, 2015, the Office of General Counsel received copies of screen shots from a lawyer-rating website.

The website allows clients to post comments regarding their lawyers. On the website, a former client of Eversole's posted an anonymous negative review. Eversole responded to the negative review by posting an online response attacking his former client and revealing confidential information. In Eversole's posted response, he stated that the client was ignorant and then revealed that the client had been charged with DUI, a drug charge and also had a divorce case. Eversole also revealed that the client had been "locked up in the looney bin" for months due to "numerous and severe" psychological conditions. Eversole also told the client to "show some fortitude and man up boy." [ASB No. 2015-244]

## New Kinds of Trouble

*"Think before you push send"*



# Ethics in Alabama

“A government that is honest, ethical and honorable is fundamental to a better future for Alabama. Without it, we can’t expect the people to trust that we’ll do what’s best for them and for their children.”

Governor Bob Riley



# Alabama Ethics Act

- Establishes 5 person Ethics Commission and administration authority
- Procedures for reporting violations and processing – 45 day notice
- Requires Statement of Financial Interests for officials over \$75,000
- Defines and prohibits gifts beyond “de minimus” (no value)
- Two year lobbying - revolving door prohibition
- Issue of “friends” in business relationships

No public official or public employee shall use or cause to be used his or her official position or office to obtain personal gain for himself or herself, or family member of the public employee or family member of the public official, or any business with which the person is associated unless the use and gain are otherwise specifically authorized by law. Personal gain is achieved when the public official, public employee, or a family member thereof receives, obtains, exerts control over, or otherwise converts to personal use the object constituting such personal gain -



# Metrics of Ethics

## Alabama

stateintegrity.org

Assessing the systems in place to deter corruption in state government

GRADE: **D+**

Public Access to Information	GRADE: F	Political Financing	GRADE: F
Electoral Oversight	GRADE: D	Executive Accountability	GRADE: B-
Legislative Accountability	GRADE: C	Judicial Accountability	GRADE: D-
State Budget Processes	GRADE: C-	State Civil Service Management	GRADE: D
Procurement	GRADE: D	Internal Auditing	GRADE: B+
Lobbying Disclosure	GRADE: D	Ethics Enforcement Agencies	GRADE: C-
State Pension Fund Management	GRADE: C+		



GLOBAL INTEGRITY



The Center for  
Public Integrity

# Sunshine Laws (transparency) are an ethics infrastructure

**“With the public shut out of the secret deliberations, council members were absolved of accountability... In this corrosive environment, it was not only possible but highly tempting to cheat at the margins and, ultimately, engage in unlawful acts, as the audit committee report documents.”**

**Editorial August 17, 2006  
San Diego Union Tribune**

# Poetics of ICMA

## Ethics – Leadership - Performance

Published Code of Ethics

12 Tenets with Guidelines

Professional Development in 18 Core Practices

**#17. INTEGRITY - Demonstrating fairness, honesty, ethical and legal awareness in personal and professional relationships and activities**

# A profession founded on ethics ....

Be proud that ACCMA members subscribe to a stringently-enforced ICMA Code of Ethics established 1924, on timeless principles that include government transparency and ethical conduct by all ICMA members.



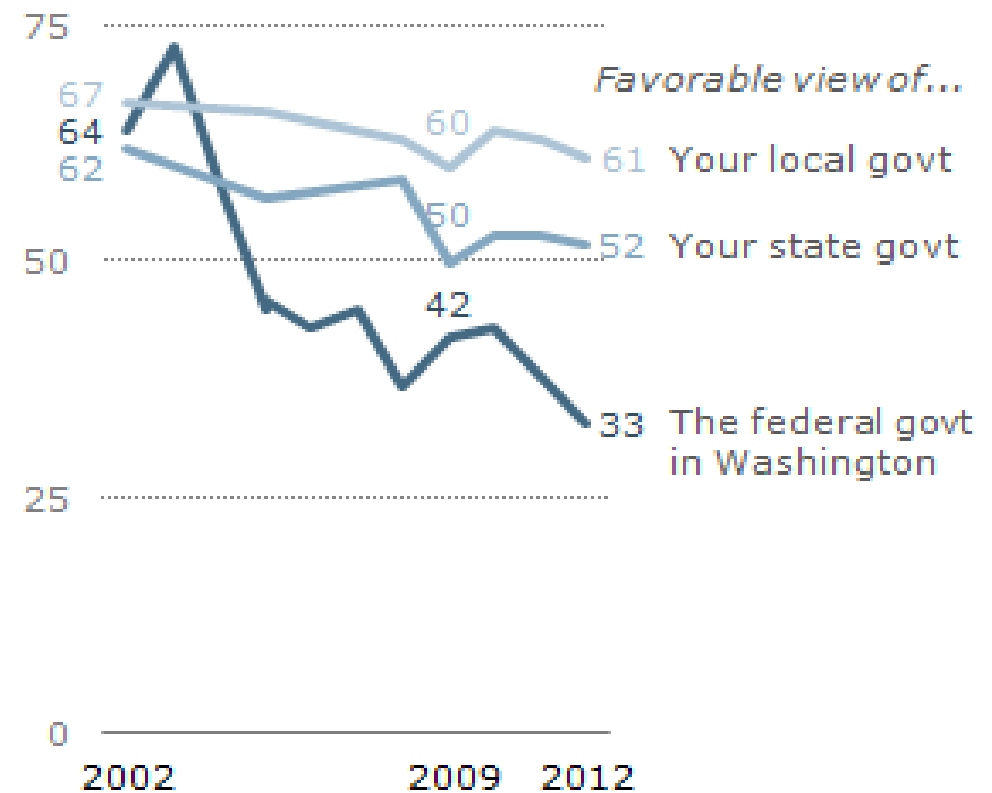
# STANDARDS OF INTEGRITY

- ✓ **Personal Integrity:** Demonstrating accountability for personal actions; conducting personal relationships and activities fairly and honestly
- ✓ **Professional Integrity:** Conducting professional relationships and activities fairly, honestly, legally, and in conformance with the ICMA Code of Ethics (requires knowledge of administrative ethics and specifically the ICMA Code of Ethics)
- ✓ **Organizational Integrity:** Fostering ethical behavior throughout the organization through personal example, management practices, and training (requires knowledge of administrative ethics; ability to instill accountability into operations; and ability to communicate ethical standards and guidelines to others)

# Trust in Government



## As Ratings of Federal Government Fall, State and Local Hold Steady



PEW RESEARCH CENTER Apr. 4-15, 2012.

# ICMA Code Review Keeps It Relevant

We have a new Tenet 12...

- **Old:** Seek no favor; believe that the personal aggrandizement or profit secured by confidential information or by misuse of public time for personal gain is dishonest.
- **New:** Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

# New Guideline On Personal Advocacy of Issues

- “Members share with their fellow citizens the right and responsibility to voice their opinion on public issues. Members may advocate for issues of personal interest only when doing so does not conflict with the performance of their duties”.

# What's Big Data got to do with ethics?

**“But I didn’t know!” No longer an excuse. “But You should have known!” “The information was all there!”**

The common excuse of “I didn’t know” will be increasingly unacceptable as to the reason for poor performance or ethical failure in the future.

**Transparency:** It will be easily determined by media **data journalists** and citizen analysts in hindsight that you should have known, the information and indicators (the data) was available or housed within your organization.

**Timeliness:** Performance reporting can be easily and frequently be **monitored on a daily, monthly or quarterly basis** with tools for trending and predictive analysis to allow data based information to be incorporated into management decisions; the existence of such data requires awareness of ethical issues associated with the insights data brings

# Social Media Newest Danger Zone



**Justine Sacco**

@JustineSacco



 Follow

Going to Africa. Hope I don't get AIDS. Just kidding. I'm white!

 Reply  Retweet  Favorite  More

**1,635**

RETWEETS

**681**

FAVORITES



10:19 AM - 20 Dec 13  from Hillingdon, London

© Twitter

# The Integrity Tripod



**Balancing of ambition,  
competence, and moral  
compass**

**Warren G. Bennis and  
Robert J. Thomas,  
Leading for a Lifetime**

# Seeking the Ethical Path

**THERE IS**  
**NO RIGHT WAY**  
**TO DO**  
**A WRONG THING**



# Ethical Leadership

USING THE RIGHT **VALUES**

THE RIGHT **WAY**

TO MAKE THE RIGHT DECISION

FOR THE RIGHT **OUTCOME**

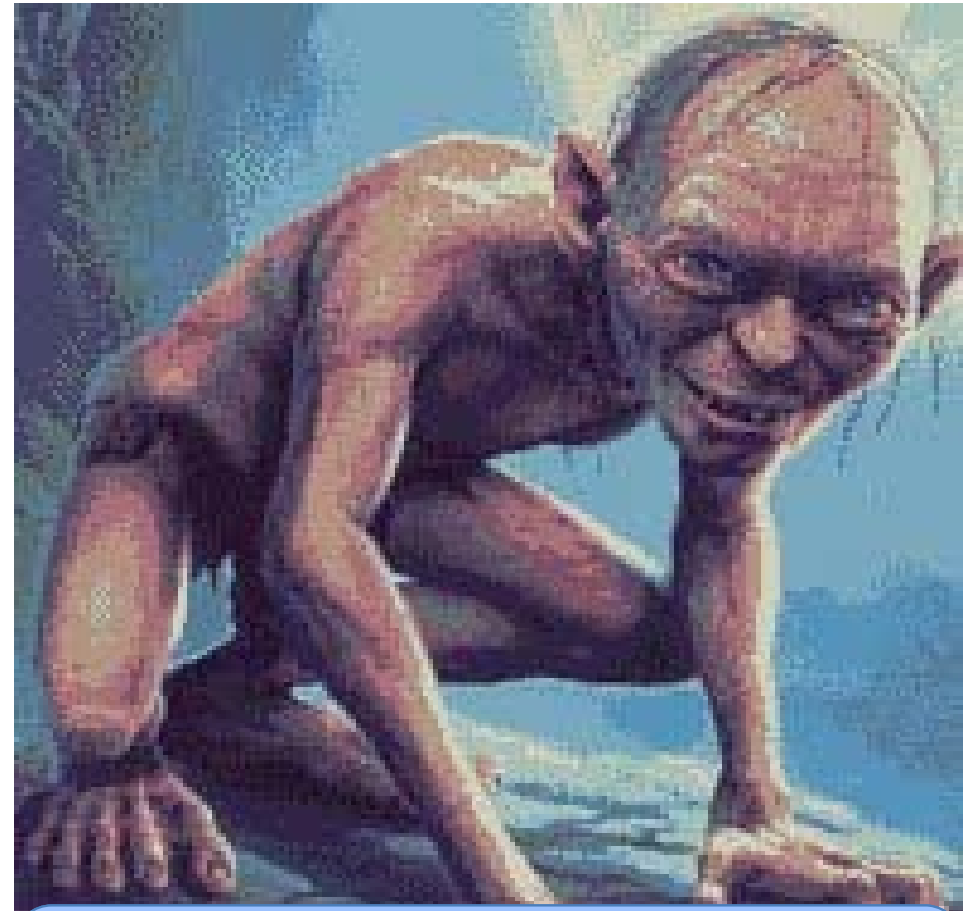
## **Why do you think ethical lapses seem more commonplace now?**

- Mobile population reduces community cohesion
- Moral decay or fewer societal absolutes
- The “social contract” are in flux in workplace
- Economic disparity and reductions in workforce.
- 24/7 media cycle highlights formerly unreported indiscretions and fosters alienation
- A self oriented, narcissistic culture
- Breakdown of the family
- Financial abuse by institutions unpunished
- Media and music are corrupting influences

# Ethical Challenges In Political Governance

Do you conduct yourself in the public interest as an elected official in such a manner that you will :

- take a vote on any issue and be willing to lose your elected position
- turn away anyone attempting to improperly influence you,
- resist showing favor to campaign contributors and life long friends,
- protect a legitimate minority concern against a majority of your residents,
- refuse to use confidential information that could add to your wealth or influence,
- are you willing to vote against your party's position on principle,
- have irreproachable personal relationships and behavior



“You are not the person I voted for....  
The political power has changed you  
since you took political office”

# A Higher Calling For Members of FCCMA

1. The chief difference between our profession and the many other fine professionals and politicians who may do work in government similar to ours and have the same academic MPA or MBA degrees that we have earned is the fact that we have agreed to accept and conduct our lives and affairs by a written ICMA Code of Ethics.

# A Higher Calling For Members of ACCMA

2. As a profession we hold “integrity” as a fundamental competency of our profession; we choose at times to be ***sacrificially*** ethical in conduct. ( Tenet 7- refraining from politics)
3. This focus on ethical management is essential for the ICMA members themselves to maintain our profession, recruit the best and brightest, and preserve the fastest growing form of government. People for hypocrisy.

# Ethics or Ethos (Greek) = “Character”

- Character guided by “codes of conduct”
  - ICMA Code of Ethics, Rotary Four Way Test, Scout Oath and Laws, 10 Commandments
- Universal principles like honesty and loyalty would likely be accepted in value statements worldwide
- “Reciprocity” or “Golden Rule” present in all religions of the world
- An outward reflection of the heart exposed

# Governance of Self-Control

“Like a city whose walls are broken through is a person who lacks self-control.”

Proverbs 25:28



# WHY Ethical Lapses ?

- Ego?
- Power?
- Greed?
- Avoidance of “Pain” Or Cowardice?
- Compulsion?
- Embarrassment?
- Basic Lack of A Moral Compass?
- “The End Justifies the Means”?

# ICMA Common Ethical Issues

- Improper political involvement
- Leveraging position for personal gain (favors, gifts, special treatments)
- Little white lies, bold lies and cover-ups
- Improper compensation
- Misuse of city/county credit cards or resources
- Improper relationships
- Product endorsements

# Where do we get our ethics?

- Our parents are significant
- Churches or faith-based groups & clergy
- Schools, coaches, teachers
- Youth associates or peers
- College classes on ethics
- **Professional associations**
- Career mentors
- Books or media



# Why Promote Ethics in your Organization?

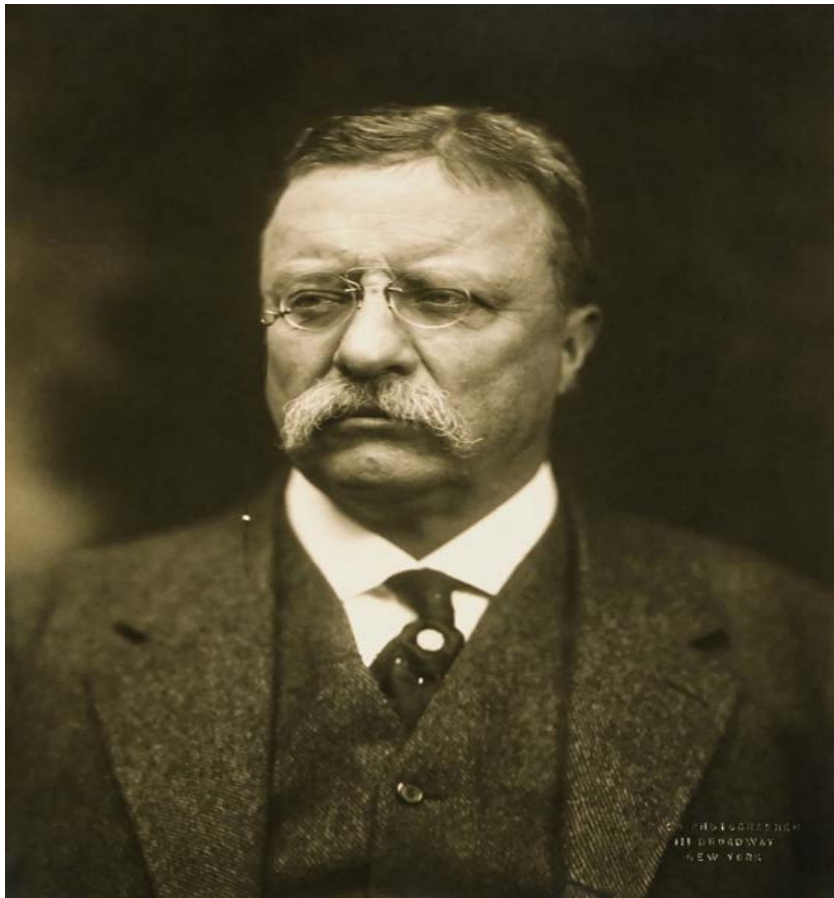
- Public trust and credibility
- Ethical organizations attract and keep good employees
- Avoid unfavorable publicity
- Costs of litigation
- Avoid disruption ethics issues cause in the workplace

# The Leadership Imperative

- Adaptive Capacity
- Ability to engage others through shared meaning
- A distinctive voice
- Unshakeable integrity

Warren G. Bennis and Robert J. Thomas  
Leading for a Lifetime

# Leadership Matters



**Who inspires you?**



**Who do you inspire?**

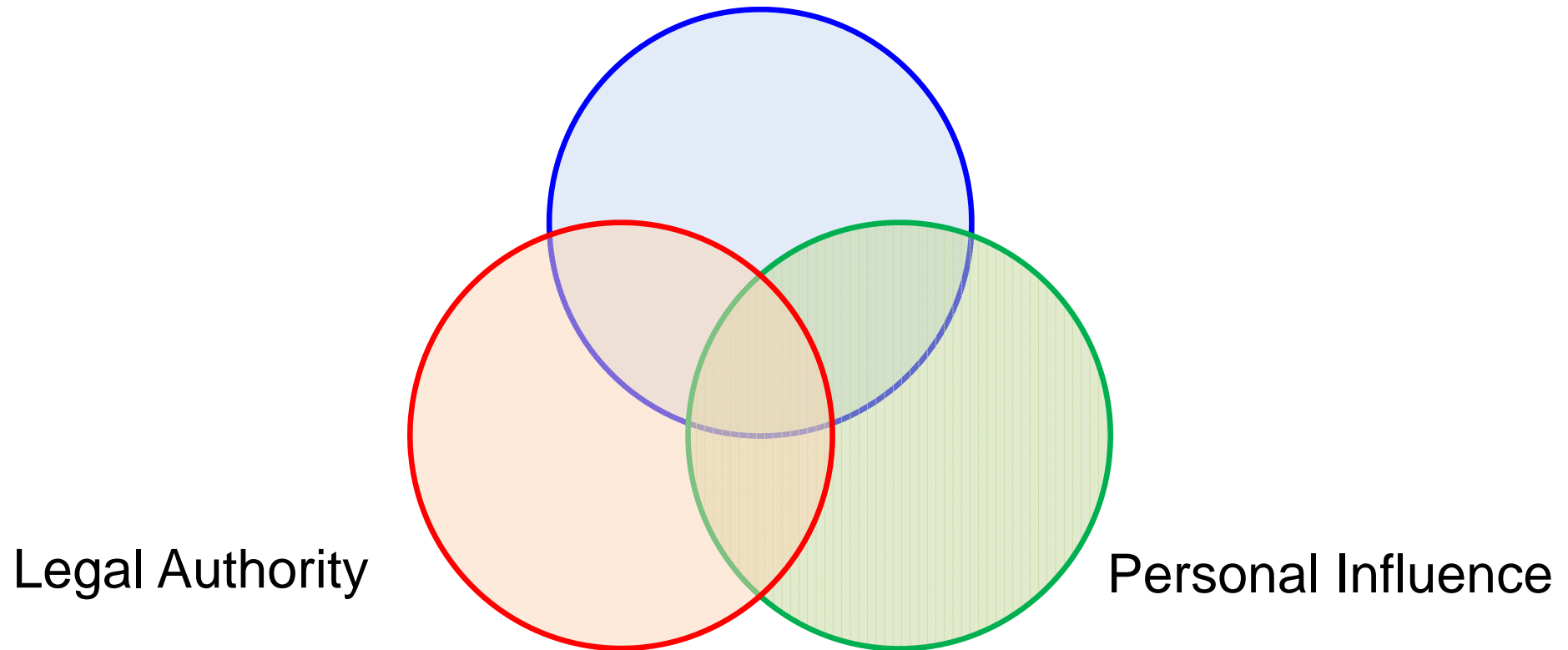
# The Good Leader

“Being seen as someone who can be trusted, who has high integrity, and who is honest and truthful is essential.”

James M. Kouzes and Barry Z. Posner  
A Leader's Legacy

# Understanding Leadership

Positional Leadership



**A guide to understanding ethical “leadership” in dealing with complex community problems.**

# Keys To Ethical Public Leadership

- Clearly articulate the philosophy and values you wish to have practiced
- Provide visible top management support for high ethical standards
- Encourage formal and informal conversations about ethical issues
- Review existing policies and procedures for potential violations of desired values
- Institutionalize ethics in the organization

# The Ethics Challenge



## Pop Quiz: If an ICMA member is it okay to....

- Give to Mayor or Governor's campaign
- Sign a petition for a candidate running for office
- Attend a mayor's victory party
- Write a letter to support a referendum
- Give a donation to an issue oriented campaign
- Personally endorse a product in an ad

# Determining What is Right?

- 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 personal interest in fact or appearance? Will I benefit from the decision I am about to make? 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?

# Ethics Continuum

**Legal**

**Greatest  
Evil / Harm**

**Greatest  
Good / Benefit**

**Your Actions**

# The Ethical Challenge

- Cause by lack of reflection = failure to see the ethically challenging context of a situation .

**“What was I thinking”**

- Don't evaluate impact of alternative actions.

**“I never imagined this would happen”**

- You can easily “fool yourself” when facing an ethical challenge that it is an issue.

**“ Everyone does it”**

# How to measure your trustworthiness

- Is my behavior predictable or erratic?
- Do I communicate clearly or carelessly?
- Do I treat promises seriously or lightly?
- Am I forthright or dishonest?

James M. Kouzes and Barry Z.  
Posner  
*A Leader's Legacy*

# Opportunity Abounds For Abuse of Position



[Explaining his affair with Monica Lewinsky:] I did something for the worst possible reason—just because I could.

(Bill Clinton)

izquotes.com

# The Blind Spot



“When it comes time to make a decision, our thoughts are dominated by thoughts of how we *want* to behave; thoughts of how we *should* behave disappear.”

Max H. Bazerman & Ann E. Tenbrunsel “Blind Spot”

# Why we miss the mark

- When faced with an ethical issue, we don't see it
- We don't think about the values ( i.e. ethics) that really matter to us
- Values don't enter the equation for our conduct or decision making
- When faced with a decision, we rationalize our behavior
- Struggle between “want” and “should”

# Ancient Recognition of the Need for Ethics Training

Aristotle identified four elements of the moral education:

- Rules and precepts of behaviors
- Explicit instruction
- Exhortation, and
- Training

**“We are what we repeatedly do. Excellence, then, is not an act but a habit.”**

-Aristotle

# Ethics Training Brings Awareness

## (Not Perfection)

- People are unethical because they don't easily perceive that the situation confronting them even comes under the issue of an ethical dilemma.
- Being ethical or talking about ethics does not mean you are perfect, but recognize that there are ethical components in many if not most personal and corporate decisions.

# Need For Ethics Training

- Ethics is not just illegal activities, but actions that violate agreed upon norms of behavior, such as Codes of Ethics.
- Ethics is more than complying with laws or rules, which are the minimum of consensus on how people act in society and organizations.

# **Philosophical Foundations or Theories For Ethical Decision Making**

## **Theory of Utility**

“Serves greatest good for the greatest number”

## **Theory of Rights**

“Protects the rights of man or the unalienable rights of individuals”

## **Theory of Justice**

“Safeguards fairness, equity and impartiality in decisions”

# Three Alternative Paths for Ethical Decision-Making

1. ***Relative Ethics*** – Your ethical decision-making or actions are based on the culture you consider normal or common within your community (organizations reflect this culture)
  - **Danger:** Leads to “everyone is doing it” excuses and an outlook that one cannot judge others for their actions. Drifts with the culture of the times, changing demographics and technology.

# Three Alternative Paths for Ethical Decision-Making

2. ***Situational Ethics*** – Your actions are based upon the situation at hand and may change based on circumstances as you judge motives and perceive facts .
  - **Danger:** Leads to basing your behavior to a self-imposed assessment of possible consequences of getting caught or appearing to not be consistent. Facts of situations are not always clear.

# Three Alternative Paths for Ethical Decision-Making

3. ***Absolutism*** – Your actions based upon a firm conviction of a clear “right from wrong” that is articulated in a document or your personal or professional belief system.
  - **Danger:** Works well to engrain and teach a common ethical viewpoint among members of organizations. Controversial in multicultural environment, could lead to intolerance, group think or fascism .

# Ethical Conduct....



# The Athenian Oath

(from NLC website)

## The Oath

"We will never bring disgrace on this our City by an act of dishonesty or cowardice. We will fight for the ideals and Sacred Things of the City both alone and with many. We will revere and obey the City's laws, and will do our best to incite a like reverence and respect in those above us who are prone to annul them or set them at naught. We will strive unceasingly to quicken the public's sense of civic duty. Thus, in all these ways, we will transmit this City not only, not less, but greater and more beautiful than it was transmitted to us."

# Ethical Leaders Accept Responsibility

## Responsibility

- “response–ability”
- *the ability to choose your response*

## Resist determinism paradigm

- Genetic – your grandparents did it to you
- Psychic – your parents did it to you
- Environmental – your boss made you do it

# Ethical Decisions Are Choices



*Between stimulus and response lies freedom*

***SELF AWARENESS  
IMAGINATION  
ETHICS CONSCIENCE  
INDEPENDENT WILL***

*From Victor Frankel – “Man’s Search For Meaning”*

## Develop Ethical and Moral Discipline

- Prepare in advance. Your challenge will come. It may be sudden or anticipated during life cycles (early in job orientation, with new assignments or prior to retirement)
- Know yourself, what weaknesses (sex, pride, status, substance abuse, credit problems, true disrespect for systems you enforce) do you recognize in yourself?
- Know and understand the **Code of Ethics** you live out each day. Follow the Guidelines. Know Your True North.

# 4 Core Principles of Public Service

- Seek no favor
- Build trust through transparency and honesty
- Treat all equitably
- Build great communities through good stewardship

# Core Public Service Values

- Equity
- Transparency and trust
- Honor
- Integrity
- Commitment
- Steewardship

# Managing Conflicts of Interest....



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© Frederick Sneddon | Dreamstime.com

**3 D TEST**

**DISCERN**

**DISCLOSE**

**DISENGAGE**

# Conflicts of Interest

- Outside or future employment considerations that conflict with your public duty
- Official decisions that affect you, your family or friends
- Using public resources for personal or political purposes
- You recommend a personal friend for a consulting project
- Managing confidential information
- Appearance of a conflict is destructive of trust

# Ethical values in action

- Don't misuse authority in personnel decisions
- Don't leverage your office for personal gain
- Gifts....don't accept them



# Make Your Organization a Shining Example of Ethical Conduct!



Shine light on the unethical conduct

# Or risk suffering the consequences!



# Strategies for Being an Ethical Leader

- **Set the tone and model the conduct you want to see in others**
  - **You are always on ethical “active duty”**
  - **Don’t walk by something wrong –you condone it**
  - **Don’t create ethical dilemmas for others**
  - **Be clear that “how” someone achieve results matters as much as the result**
  - **Place your conduct under rules you enforce on others**

# “Values” require action or “response”

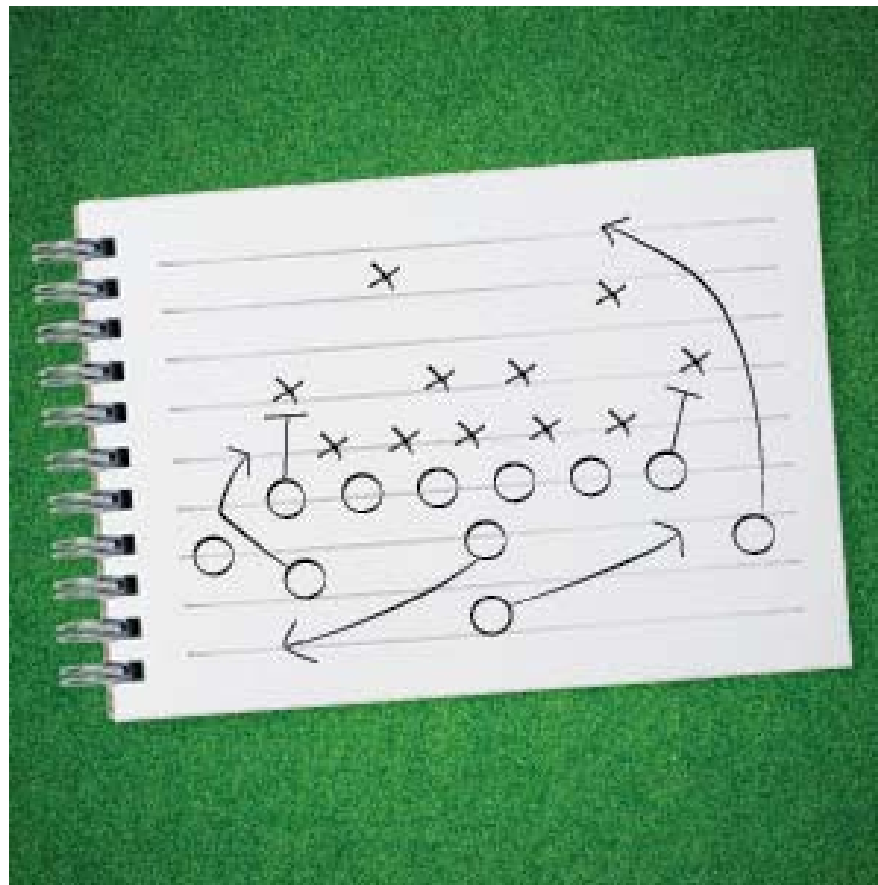
- Be fair and impartial in decisions
- Respect and protect public assets
- Communicate clearly and truthfully
- Personal conduct merits trust on and off the job
- Avoid conflicts of interest

# Ethical Culture Necessary For High Performance Organization

- Analyze the organizational culture ( survey or focus group tools available
- Compare the operating ethic or condition of the organization with the espoused character or ethic you seek
- Devise a strategy for influencing the culture

# Does your organization have an ethical playbook covering all employees?

Transparency  
in reporting.



Don't accept  
gifts or  
favors.

Respect  
citizens and  
co workers.

Keep the  
public trust

# Ethics Support Systems Vital

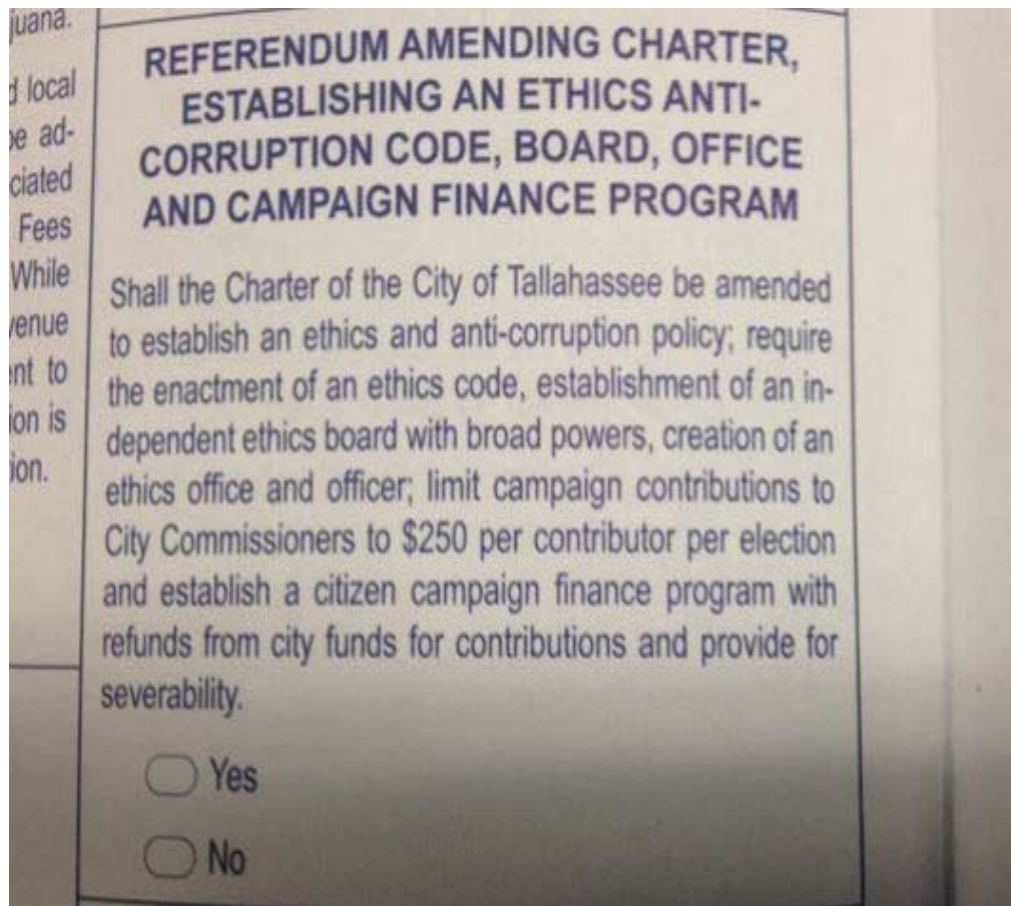
- ✓ Discussing ethical issues works
  - Orientation for new employees
  - Ethics training (online, onsite, in teachable moments)
  - Regular conversations on “ethics in the trenches”
- ✓ Provide counsel and advice
  - Acknowledge that you too seek counsel on the tough issues
  - Designate an ethics officer or chaplain

# Chesterfield County VA

## How to report fraud, waste and abuse

1. **In person**
2. **By phone:** Fraud, Waste and Abuse Hotline accessed 24/7. Callers may remain anonymous. Caller ID and call back features have been disabled to maintain confidentiality.
3. **By FAX:** Complete and print our [Reporting Form](#)
4. **By Mail:** Complete and print our [Reporting Form](#)
5. **Online:** Complete and submit the [Secure Online Reporting Form](#).

# Ethics Awareness and Enforcement



## Ethics Matter

*"One bad apple can spoil  
the whole bushel"*

Courtesy of The Gainesville Sun and the Florida City and County Management Association

# Preparing For Ethical Issues

- ✓ Build an ethical organization. Lead by example.
- ✓ Practice accountability, audit frequently, practice awareness.
- ✓ Don't ignore concerns that are voiced or reports of misconduct regardless of the source.
- ✓ Practice awareness and implement safeguards.
- ✓ Seek counsel or ask for Advisory Opinion.

# Strategies For Building Ethical Organizations

- Be clear “how” we achieve results matter
- Hire people with ethical values
- Have good and relevant policies in place:  
nepotism- travel- gifts- internal audits- conflict of interests
- Encourage reporting and whistleblowers
- Zero tolerance on unethical conduct
- Articulate ethical values and align with practices

# Dealing with Unethical Situations

- Assume positive intent
- Get all the facts
- Escalate review process as appropriate
- Match the response with the violation
  1. Nature of violation
  2. Clear standards and training'
  3. Prior history of violations
  4. Level of responsibility
- Recover, accept responsibility and move on
- Show others you also seek counsel on issues

# 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?
- What has been done to keep it from reoccurring?

# How to Respond to Ethical Crisis

THEN When Something Occurs.....and it will....

- ✓ Drop the defenses, if it is wrong admit it. Deal with ethical failure publicly and responsibly with transparency.
- ✓ Don't shoot the messenger. Publicly protect the whistleblower.
- ✓ Conduct and demonstrate a relentless and thoroughly objective investigation and update media appropriately.
- ✓ Trust but verify all information. Exercise judgment on penalties.
- ✓ Deal with the wounded and inevitable collateral damage.
- ✓ Recover with a focus on your core mission and articulating what the organization has learned from the mistake and changes being instituted as a result.

# Ask Yourself



- What would your Mother think of your actions and your wife or children?
- Who is hurt by your unethical conduct?
- 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?**

# Preserve the Intangible Value

“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

***“When the moment comes...  
and it will .....what will you do....will  
you be prepared... will you resist or  
flee...or fall into the trap set for you”.***



# Your Life Is Your Message

- Leadership by example is not only the most pervasive form of ethics but also the most enduring form of leadership.
- When team members share a commitment to ethics in addition to a business strategy, the team has the greatest level of alignment.
- Each one of us is setting an example for someone else, and each of us has a responsibility to shape the future as we wish it to be and accept adversity as a character building period of faith and learning.