

# Avoiding an Ethical Crisis

*Why it's sometimes difficult to do the right thing*

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## Introduction:

- “Gauging the Audience”
- My Background
- Why This Topic Resonates for Me

## Goals for the Presentation:

- Decrease the Odds that You or Your Organization Will Suffer an Ethical Crises
- Help You Take the Topic of Ethics and Integrity Out of the Realm of Cliché—Dig Deeper in Regard to What These Concepts Actually Mean and What They Actually Require

## How Big a Problem?

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- “Unethical”:
  - 13,500,000
- “Corruption”:
  - 185,000,000

## Ethics:

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**“In Accordance With the Accepted  
Principles of Right and Wrong  
Governing a Group’s Conduct”**

## “Accepted Principles”:

- Laws
- Regulations
- Policies
- Codes of Conduct/Ethics
- Accepted Practices
- Expectations:
  - Organizational
  - Public

## Law vs. Ethics:

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- Law: What You Are Required To Do
- Ethics: What You Should Do

## Adjectives to Describe Ethical Conduct:

- Honest
- Transparent
- Fair/Equitable
- Forthright
- Trustworthy
- Consistent



## Why Are Ethical Lapses So Common:

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

Your Greatest Risk—Personally and  
Organizationaly:

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**COMPLACENCY**

## A Higher Standard?:

- Are You Held to a Higher Standard as a Public Official/Employee?
- If So, Why?
- Is It Fair?

## Case Study:

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**I Don't Have a Conflict of  
Interest!**

# Top 10 Suggestions to Avoid an Ethical Crisis:

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## #1: Prevention First

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- Never Take Ethics and Integrity for Granted
- Talk About It
- Train
- Don't Assume It Will Just Happen
- Make It Part of the Organization's Culture and Value System
- Hiring for Ethics

## #2: “Just Because it is Legal Doesn’t Mean it is Ethical”:

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- Don’t Confuse “Legal” With “Ethical”
- Not Breaking the Law Will Keep You Out of Jail, But.....
- Our Obligation is to Maintain the Public’s Confidence
- Use the Probationary Period as Intended

## #3: The Greatest Challenge to Ethical Conduct: The “R” Word

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- **RATIONALIZATION**
- Ability to Rationalize That Inappropriate Conduct is “OK”
- “I Deserve.....”
- “In This Case.....”
- Being Seduced By The Ability to Come Up With a “Plausible Rationale”



## #4: Beware of the “No One Will Find Out” Rationalization

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- “A Secret if a Five Second Head Start”
- There is Always Someone Who Will (or Could) Find Out
- No One Finding Out is Not An Appropriate Criteria
- Regardless, YOU Will Know

## #5: “The Google Rule”

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- Previously Known as the “Newspaper Rule”
- One of the Best Defenses to the “ Seduction of Rationalization”
- Helps You Understand That You Are Not the Only Audience Who Will Judge Your Conduct

## #6: “The Taxpayer Rule”

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- What Would the Average Taxpayer Think?
- Public Resources Belong to the Public
- We Must Use Resources Consistent With the Public’s Expectations
- Public Resources Include:
  - Money
  - Equipment
  - Time
  - Facilities
  - People

## #7: You Are Only Tested When the Choices are Tough

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- When You Have Something to Lose or Gain
- When You Can Suffer Personally or Professionally for Taking a Stand
- When it is Difficult and Uncomfortable

## #8: A Leader's Three Levels of Ethical Responsibility

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- What YOU Did: YOUR Decisions and Actions
- What OTHERS Did—That You Knew About (How Did You Respond?)
- What Others Did That You Didn't Know About:
  - Should You Have Known?
  - Are You Open to Bad News?
  - Can You Demonstrate “Due Diligence”

## #9: Responding to an Ethical Lapse

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- Critical to the Final Outcome
- Avoiding the “C” Word at All Costs
- Early and Full Disclosure
- Taking Corrective Actions
- A Delayed Response Can Be Deadly
- “Not Deciding” Can Be a Critical Error
- Don’t Turn an Honest Mistake Into an Ethical Crisis

## #10: The 3 Questions You Must Be Prepared to Answer

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- What Did You Know?
- When Did You Know About It?
- What Did You Do About It?

## Key Points:

- Understand the Risk of COMPLACENCY
- Manage RATIONALIZATION
- Effective Leadership Requires Ethical Conduct
- The “Google Rule”
- The “Taxpayer Rule”
- Your 3 Levels of Ethical Responsibility
- The 3 Questions You Must Be Prepared to Answer



## *Integrity: Stephen Carter*

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- Discerning Right vs. Wrong and Taking Consistent Action
- 3 Required Steps of Integrity:
  - Discerning What is Right and What is Wrong
  - Acting on What You Believe, Even at Personal Cost
  - Saying Openly That You Are Acting on Your Understanding of Right vs. Wrong

## *Blind Spots:* Max Bazerman & Ann Tunbrunsel

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- The Struggle Between What You Want to Do and What You Should Do
- Many Ethical Challenges Are Not Identified Early Enough
- You Can Fool Yourself When Facing an Ethical Challenge
- Informal Values Often Overwhelm Formal Values
- Most People Think They Are More Ethical Than Most Other People!

## *The (Honest) Truth About Dishonesty:*

Dan Ariely

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- “They Cheat, You Cheat and I Cheat (From Time to Time)”
- We Want the Benefits of Cheating While Also Wanting to Retain Our Self Perception as Reasonably Honest People
- When Our Ability to Rationalize Our Actions Is Reduced, Our “Fudge Factor” Shrinks
- Impulse vs. Reason—More At Risk If Tired or Overwhelmed (or “Medicated”??)

## Warren Buffett:

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“It Takes 20 Years to Build a  
Reputation and Five Minutes  
to Ruin It”

## A Final Thought:

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“All That is Necessary For the Triumph of Evil is That Good Women and Men Do Nothing”

## Resources:

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International City/County Management Association (ICMA):

[www.icma.org](http://www.icma.org)

Institute for Local Government (ILG):

[www.ca-ilg.org](http://www.ca-ilg.org)

# ICMA

INTERNATIONAL CITY/COUNTY  
MANAGEMENT ASSOCIATION