Ethics and Decision Making for Leaders

Saji Madapat, MBA, CSSMBB, PMP

C I A C (Code of Ethics and Professional Conduct Implementation Advisory Committee)

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Agenda

• The role of CIAC
• Why an Ethics Code?
• Features of PMI’s Code of Ethics and Professional Conduct
• What’s in it For Me?
• Summary
Role of CIAC

- Committee Purpose

  - Facilitate the implementation and communication across the PMI organization of the revised PMI Code of Ethics and Professional Conduct to ensure implementation, stakeholder communication, and the development of principles and procedures for sustaining the Code of Ethics and Professional Conduct.
OUR TEAM

Chair: Gabriel de Puyjalon, MPAdm (Canada)
Chris Kindermans, MSc, PMP (Belgium)
Giusi Meloni, PMP (Italy)
Mark Ives (Australia)
Michael O’Brochta, PMP (USA)
Saji Madapat, PMP (USA)

PMI Amy Haughey, Marketing/Communications
William G. Scarborough, Vice-President & General Counsel
Exclusions to the Charter of CIAC

• Hearing or resolution of ethics complaints or perceived violations

• Advising individual practitioners regarding ethics

• Providing guidance regarding ethics to PMI community-at-large
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Why an Ethics Code?

www.lausd.net/ethics
Where the Leader Lives
“What started as a marginal gap between actual operating profit and the one reflected in the books of accounts continued to grow over the years,……

It was like riding a tiger not knowing how to get off without being eaten,”

– Satyam founder Ramalinga Raju
What is the FOUNDATION of Modern Economy?

ETHICS is the Foundation of Modern Civilization

Credit  Trust  ETHICS

ETHICS is the Foundation of Modern Civilization
WHY ``ETHICS & PROFESSIONAL CONDUCT`` NOW?

10 000 000 (est.) individuals working at all levels in project management worldwide

CIAC audience - initially: 400 000 PMI members & practitioners

Project Management *is* a profession

Recognition is based on …
HALLMARKS OF THE PROJECT MANAGEMENT PROFESSION

Standards: the Compass for Professionals across Industries

Certification: Validation of a Professional Competency/ Status

Code of Ethics & Professional Conduct: adherence to a strong & evolutive code must be non-negotiable
What is Ethics?

Common themes:

– Express values commonly held as important to the community, organization or team

– Values guide the behavior of the community.

– Ethics hold the community together and allow it to function on a level of trust.
Ethics Standards are Needed by All Organizations

Ethical Behavior creates trust which:

- Creates relationships that work.
- Creates an environment of responsibility, respect, honesty and fairness in which people will work together to reach a common goal.
Ethics in Business?

“A 34% cut in our corporate ethics should return us to profitability.”
“Only when the tide goes out do you discover who's been swimming naked”
-Warren Buffett
Ethics Standards are Needed by Professional Organizations

Additionally, to:

- Distinguish the profession
- Establish a common understanding of professional obligations to stakeholders
- Creates trust with stakeholders
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• Example Scenarios for Discussion
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How We Built Our Global Ethics Standard

• Built by members of the profession
• Language is not legalistic or colloquial
• Content is culturally sensitive
• Perspective is not Euro- or North American-centric
What Practitioners Wanted in an Ethics Code

• Four Values: Responsibility, Respect, Fairness and Honesty

• One ethics code
  – With portions that address unique needs of specific audiences

• Applies to:
  – All PMI members
  – All PMI certificants and applicants - members and non-members
  – PMI volunteers - members and non-members
PMI Code of Ethics and Professional Conduct

- **Responsibility**
  - Ownership of decisions and actions
    - Honoring commitments
    - Upholding legal and ethical rules

- **Respect**
  - Treatment of people and resources
    - Good faith
    - Non-abusive
    - Respect for resources

- **Fairness**
  - Objective and impartial decisions
    - Transparency
    - Proper handling of conflicts of interest
    - Proper motive in decisions

- **Honesty**
  - Understanding the truth and truth-based action
    - No deception
    - No dishonest behavior

**Values**

- Responsibility
- Respect
- Fairness
- Honesty

**Definition of Values**

- Aspirational and Mandatory Conduct Described

- **Content Covered in the Code**

- PMI Code of Ethics and Professional Conduct

- Framework for Ethics Code

- Honoring commitments
- Upholding legal and ethical rules
- Good faith
- Non-abusive
- Respect for resources
- Transparency
- Proper handling of conflicts of interest
- Proper motive in decisions
- No deception
- No dishonest behavior
Responsibility
- duty to take ownership

Aspirational Standards
• Best interests of society, public safety, and the environment.
• Accept only those assignments that are consistent with our background, experience, skills, and qualifications
• Fulfill the commitments
• Take ownership of errors or omissions
• Protect proprietary or confidential information
• Uphold Code and hold each other accountable to it.

Mandatory Standards
Regulations and Legal Requirements
• Inform ourselves about policies, rules, regulations and laws that govern our work
• Report unethical or illegal conduct

„The price of greatness is responsibility.” Winston Churchill
“My company paid taxes last year. Well... at least my employees did.”
Respect
- duty to show a high regard

Aspirational Standards
- Inform ourselves about the norms and customs of others
- Listen to others’ points of view, seeking to understand them
- Approach directly those persons with whom we have a conflict or disagreement
- Conduct ourselves in a professional manner

Mandatory Standards
- Negotiate in good faith.
- Do not exercise the power of our expertise or position to influence the decisions or actions of others in order to benefit personally at their expense
- Do not act in an abusive manner toward others
- Respect the property rights of others.

„To be one, to be united is a great thing. But to respect the right to be different is maybe even greater.“ Bono
Respect

“It's a very special occasion...
You went a whole month without humiliating anyone.”
Fairness
- duty to act impartially and objectively

Aspirational Standards
- Demonstrate transparency in decision-making process
- Constantly reexamine impartiality and objectivity
- Provide equal access to information to those who are authorized
- Make opportunities equally available to qualified candidates.

Mandatory Standards

Conflict of Interest Situations
- Proactively and fully disclose any real or potential conflicts of interest to the appropriate stakeholders
- When realize conflict of interest, disclose, refrain from the decision-making process

Favoritism and Discrimination
- Do not hire or fire, reward or punish, or award or deny contracts based on personal considerations, including but not limited to, favoritism, nepotism, or bribery
- Do not discriminate against others based on, but not limited to, gender, race, age, religion, disability, nationality, or sexual orientation
- Apply the rules of the organization (employer, Project Management Institute, or other group) without favoritism or prejudice.

“I think perfect objectivity is an unrealistic goal; fairness, however, is not.” Michael Pollan
Fairness

“We found a country where CEO’s work for $5 a day.”
Honesty
- duty to understand the truth

Aspirational Standards
• Seek to understand the truth
• Truthful in our communications and in our conduct
• Provide accurate information in a timely manner
• Make commitments and promises, implied or explicit, in good faith.
• Strive to create an environment in which others feel safe to tell the truth

Mandatory Standards
• Do not engage in or condone behavior that is designed to deceive others (misleading or false statements, half-truths, information out of context, withholding information…)
• Do not engage in dishonest behavior with the intention of personal gain or at the expense of another.

„Honesty is the best policy.” Benjamin Franklin
Honesty

"Sure we cheated. You told us to make the answers as realistic as possible."
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What do these scenarios mean to me?

• As a PMI member
• As a leader
• As project manager

“*You cannot escape the responsibility of tomorrow by evading it today.*”

-Abraham Lincoln
Role of Law & Ethics

- Law of the Land
- Corporate and Client Conduct Codes
- PMI Code of Ethics
- Personal Ethics
Ethics Issues in PMI

- PMI Ethics Review Committee
- PMI Ethics Appeals Committee
- Not to be confused with Grievance Process
„Kali” Law

Kali and Mea - characters from H. Sienkiewicz "In desert and in wilderness"
THE PROJECT MANAGER’S VOW

“I will help pull everyone’s needs together and plan this project to see if project objectives can be met.

I will adjust stakeholder expectations and the project plan so they are realistic and achievable.

Then, I will ensure a common understanding, take corrective actions, and keep everyone focused to keep the project on track,

or I will just fire myself!”

-Rita Mulcahy († 2010)

„Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws.” Plato
Summary

• Each of us, by our actions, shapes the reputation of PMI and the profession.
• Each of us has a duty to uphold the provisions in the ethics code and to hold our peers accountable as well.
• The ethics code will never be "finished" – it will continue to evolve and mature with our profession.
• YOU can play a leadership role by setting ground rules for how your team will operate; openly discussing ethics; and showcasing ethical behavior.
Resources

- CIAC (Code of Ethics and Professional Conduct Implementation Advisory Committee)
  - Provide feedback to CIAC on clarifications or commentary regarding the ethics code: 2009 CIAC Chair: Gabe de Puyjalon, gdep@rocketmail.com
- Your Local Component
Saji Madapat  MBA, CSSMBB, PMP
PMI CIAC
Saji@Madapat.com
Saji is currently serving his 4th term in PMI Code of Ethics Implementation Advisory Committee (CIAC) - a committee of the PMI global Board, advising on Ethics strategies. At Ernst & Young, he is responsible for the Enterprise Performance Improvement projects for its various clients. As an Advisor- Portfolio Management Office, Saji played an instrumental role in setting up Portfolio Management office by mapping organization strategies and balance score card of $5B FedEx Freight corporation to its IT & Non IT projects & programs throughout the organization. Saji was featured in Gartner Global PPM Summit 2008 as an executive BOD room member and had the privilege to present several papers on PPM and OPM3 in various forums. Saji had the project portfolio responsibility for Global Business Systems (ERP&BI) in 20 countries in North & South America, Europe, Africa and Asia Pacific of Buckman (a globally Most Admired Knowledge Enterprise -6 time MAKE award winner). Saji also associated with Bearing Point (KPMG), Arthur Anderson, BaaN (Vanenburg) Business System and CroweChizek on various strategic projects. Saji’s experience includes Project Feasibility Studies, Appraisals, Industry Analysis, Company Analysis and Strategic Financial Planning.

Saji had the privilege to contribute to PMI’s various strategic initiatives including global standard Books on Portfolio & Program Management Standards, OPM3, PMBOK® Guide and PMCD Framework.

Saji’s PMI achievements include:
• Masters from PMI’s Leadership Institute.
• PMI Component Mentor (2006 & 2007) role in PMI’s most crucial region (Asia).
• Three terms as VP, Finance PMI Memphis TN Chapter.
• Authored and presented over 30 papers at various Global Leadership Conferences.
• Judge of PMI’s 2004, 2005 & 2007 Project of the Year (POY), Featured in PMI Network Magazine 2008,