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Ethics Training

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Ethical Behavior

“Ethics is knowing the difference between what you have a right to do and what is right to do”

Potter Stewart



Economists implicitly adopt a value framework when beginning a cost-benefit analysis. Different value commitments can lead to the same item being considered a cost from one perspective and a benefit from another.

For example, some count a new road to a scenic mountain vista as a benefit, while those whose standard is maintaining an unchanged natural environment would count it as a cost.

Economic Development Professional Code of Ethics

- This training session and accompanying materials:
 - Provide guidance on the importance of integrity in decision making,
 - Provide tools for making ethical decisions
 - Discuss the 10 tenets of the IEDC Code of Ethics
 - Use interactive case study examples to demonstrate ethical decision making in difficult situations



UNDERSTANDING ETHICS

- Ethics is about choices that people make about ordinary and extraordinary decisions in day-to-day life
- Ethics is about upholding higher standards of conduct than simply adhering to the rules or the law

Making Ethical Decisions

- Is it legal?
- Does it violate the spirit of the law?
- Does it comply with our rules and regulations?
- Is it consistent with our organizational values?
- Does it match our stated commitments?
- Am I the only or primary beneficiary?
- Will I feel okay and guilt free if I do this?
- Is bias or emotion clouding my judgment?
- Would I do it to my family and friends (or myself)?
- Would the most ethical person I know do this?



Focus on Strong Values

- Organizations need to:
 - Clearly establish organizational values
 - Integrate them into operations and provide support systems for upholding the values
 - Promote them through effective communication with the members, outside stakeholders, media, general public, etc.
 - Connect them with policies and decision making processes

Promoting Ethical Behavior

- Organizations should provide ethics education programs for all employees
 - I would argue that an ethical culture starts from within oneself – however – do current policies...
 1. Do policies explain the underlying ethical principles?
 2. Clarify proper ethical behavior?
 3. Explain the difference between ethical behavior and legal/illegal actions?
 4. Present practical ways of carrying out procedural guidelines?

Three Components

- Code of Conduct
 - Written code of conduct
 - Written policies and procedures for investigation
- Ethics education
 - Involve the staff
 - Be a role model
 - Incentives for ethical behavior
- Performance assessment
 - Discussions and debates
 - Role play

Reasons for Unethical Behavior

- Pressure to perform (unrealistic business/organization goals, deadlines, etc.)
- Pressure from peers
- Lack of understanding of consequences for one's actions
- Uncharted territory
- Personal loyalties
- Lack of long term perspective or failure to see it at the time
- Personal costs for doing the right thing may be too high
- Poor judgment
- Lack of clear understanding of expected organizational/professional code of conduct
- Improper and/or inadequate training

7 Step Checklist for Ethical Dilemmas

1. Recognize and clarify the predicament.
2. Gather all essential facts.
3. List all of your options.
4. Analyze each option by asking yourself: "Is it legal? Is it right? Is it beneficial?"
5. Draw your conclusions, and make your decision.
6. Double check your decision by asking yourself: "How would I feel if my peers and superiors found out about this? How would I feel if my decision was made public by the media?"
7. Take action.

IEDC Code of Ethics

1. Professional economic developers shall carry out their responsibilities in a manner to bring respect to the profession, the economic developer, and the economic developer's constituencies.

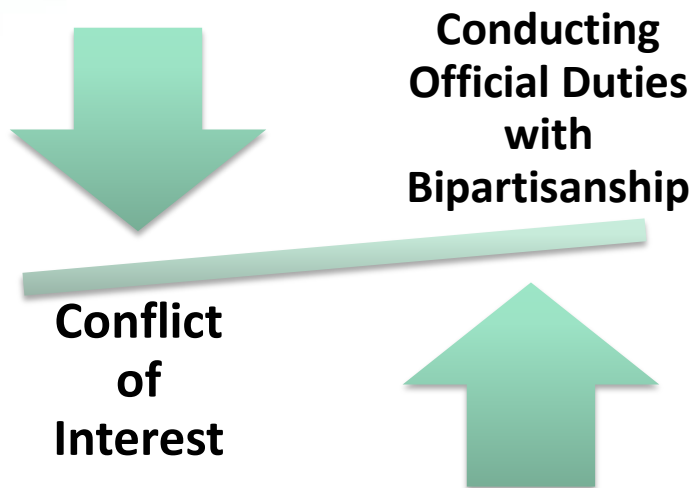
IEDC Code of Ethics

2. Professional economic developers shall practice with integrity, honesty, and adherence to the trust placed in them both in fact and in appearance.



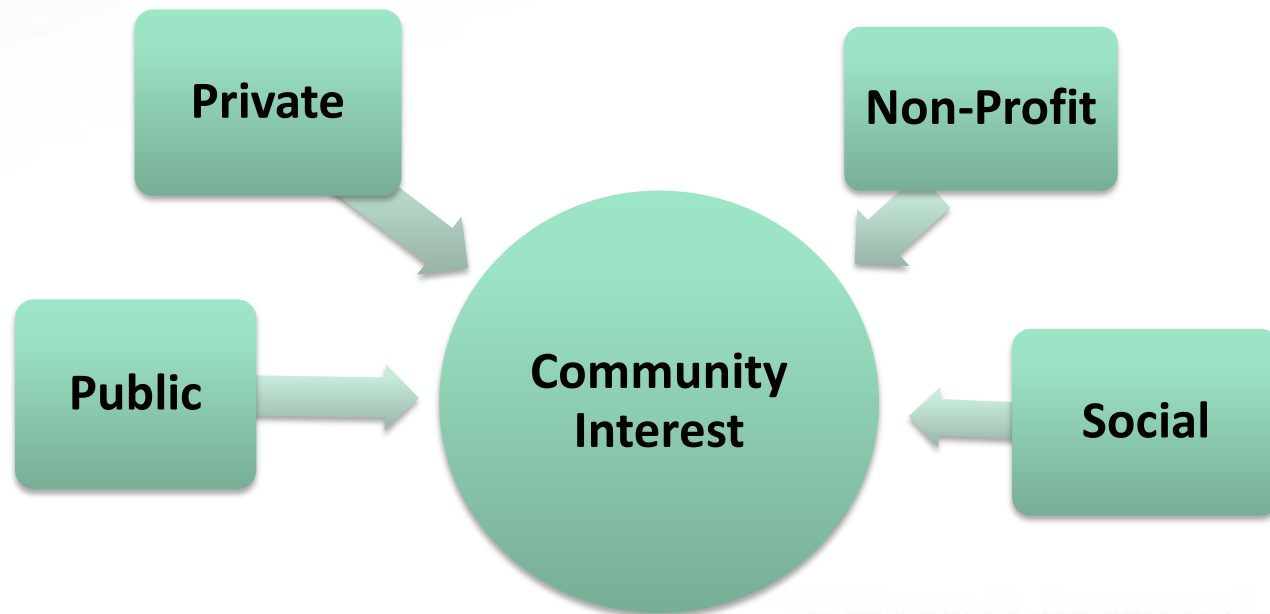
IEDC Code of Ethics

3. Professional economic developers will hold themselves free of any interest, influence, or relationship in respect to any professional activity when dealing with clients which could impair professional judgment or objectivity or which in the reasonable view of the observer, has that effect.



IEDC Code of Ethics

- Professional economic developers are mindful that they are representatives of the community and shall represent the overall community interest.



IEDC Code of Ethics

5. Professional economic developers shall keep the community, elected officials, boards and other stakeholders informed about the progress and efforts of the area's economic development program.

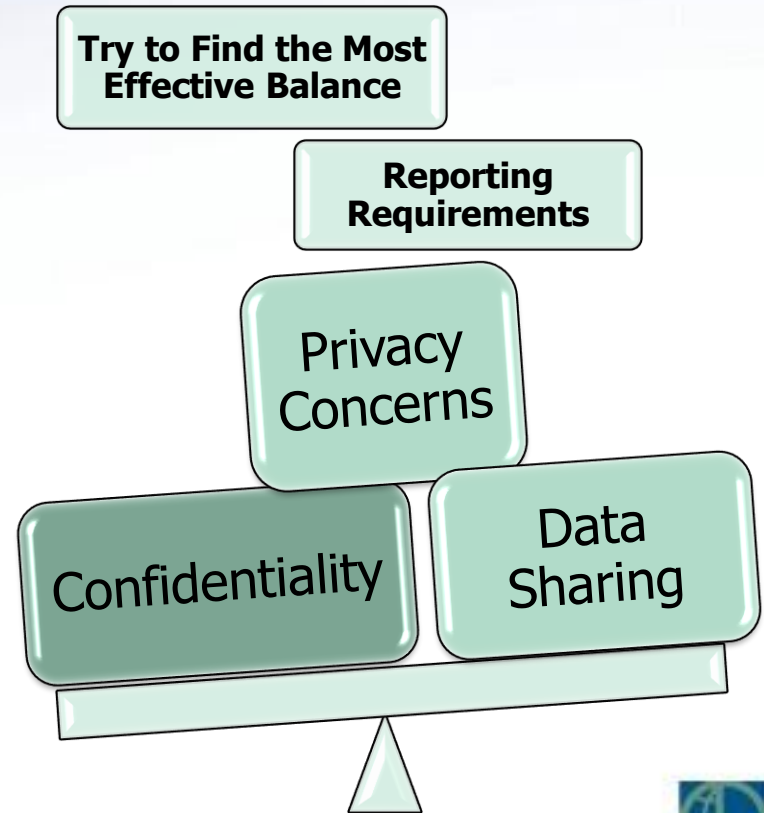
IEDC Code of Ethics

6. Professional economic developers shall maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities.



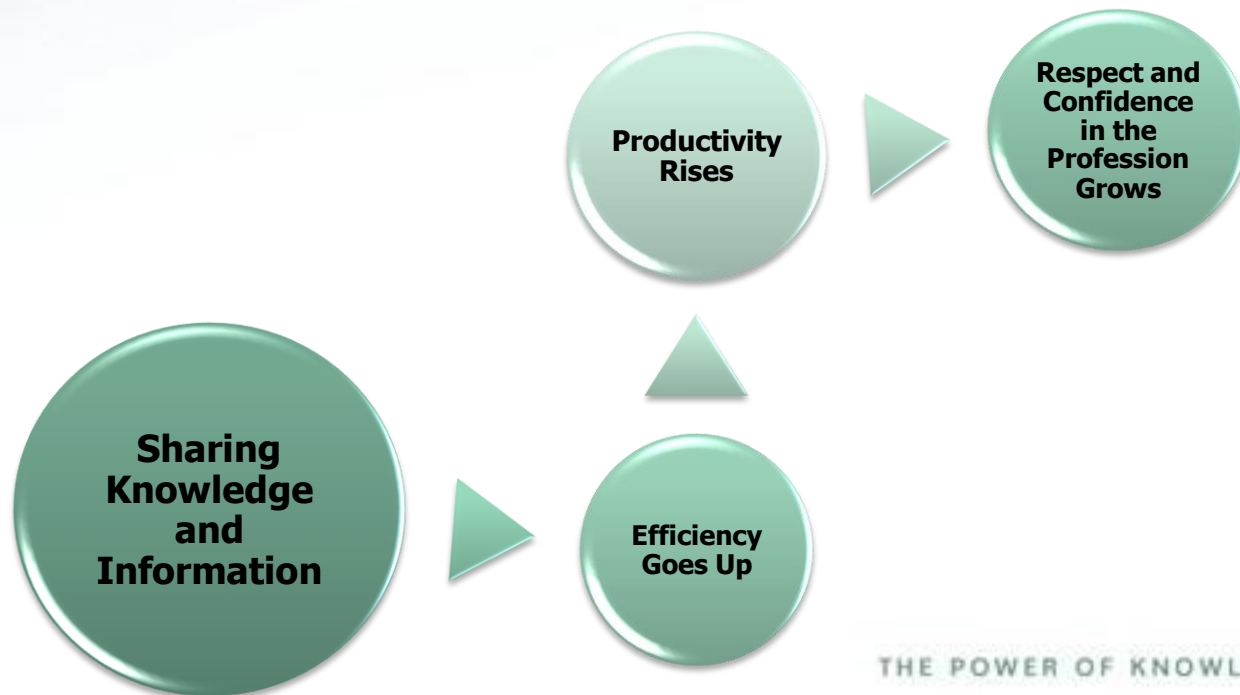
IEDC Code of Ethics

7. Professional economic developers shall openly share information with the governing body according to protocols established by that body. Such protocols shall be disclosed to clients and the public.



IEDC Code of Ethics

8. Professional economic developers shall cooperate with peers to the betterment of economic development technique, ability, and practice, and to strive to perfect themselves in their professional abilities through training and educational opportunities.



IEDC Code of Ethics

9. Professional economic developers shall assure that all economic development activities are conducted with equality of opportunity for all segments of the community without regard to race, religion, sex, sexual orientation, national origin, political affiliation, disability, age or marital status.



IEDC Code of Ethics



10. Professional economic developers shall abide by the principles established in this code and comply with the rules of professional conduct as promulgated by IEDC.

Case Studies

- Groups of 5-8 attendees
- Identify a spokesperson for the group
- Discuss the case study scenario(s) and question(s) as a group
- Report back discussion to the entire audience

Case Study 1: Starting your Own Business while still Employed

- Part I:
 - Is this an ethical dilemma?
 - What if he is using city property – computers and other office supplies?
- Part II:
 - Is there a conflict of interest here?
 - If you were John how would you justify your actions in both instances?

Case Study 1: Starting your Own Business while still Employed

- Moving from employee to entrepreneur
 - Pick a date
 - Develop a plan
 - Set clear boundaries
 - Be cautious about how you use social media

Case Study 2: Travel Expense Fraud and Confidentiality

- Is this an ethical dilemma?
- If you were Jane's employer what would be your next step?
- Does Jane have a right to seek legal counsel in regards to breach of confidentiality?

Case Study 2: Travel Expense Fraud and Confidentiality

- Travel and related expenses represent one of the largest expenditures for many organizations
- Weak expense reporting controls and manual processes make a company vulnerable to fraud and errors related to cost and budget allocations

Case Study 3: Investing in Cities where you Work

- Is there a potential conflict of interest here?
- What should John's next step be, disclosure or concealment of his investments?

Case Study 4: Accepting Gifts

- Is there an ethical dilemma here?
- If you were Jane what course of action would you take if any?

Case Study 9: Shopping the Project Around

- Has the consultant committed an ethical breach? If so, what is the proper channel for censure?
- Should the local economic developer report the consultant for shopping the project after the location decision has seemingly been made by the owner?

Case Study 11: Padding your Resume

- Should Jane be fired on the spot for being dishonest?
- Because she has proven to be a good employee, should the incident be overlooked and kept between John and Jane?
- Is a reprimand in order, and if so to what extent?
- What should John do? What are his options?

Case Study 11: Padding your Resume

- Consequences of padding
 - Cause damage to your reputation
 - Humiliation when caught
 - Assignment to lower skill projects
 - Can set into motion a series of lies to cover up the initial lie
 - Termination from job without the ability to sue for wrongful termination or discrimination

Case Study 12: The Out-of-State Developer

- Which option would you choose? Why?
- If you were the economic developer for the Wasatch Front, what would you do?

Case Study 13: Managing Conflicts of Interest

- Is there a conflict of interest here?
- Was the lawsuit filed by historic preservation groups appropriate or was it extreme?
- The planning commission member sought legal counsel before partaking in the vote. What else could he have done to further avoid the appearance of a conflict of interest?

Case Study 14: Respecting Roles and Responsibilities

- Should the manager have remained in order to hear the comments and perhaps offer his input?



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

Case Study 15: Acceptance & Withdrawal

- Did John commit an ethical violation?
- Should the Vermont take action against John? If so what?

Working with Ethics Violations

- Chances of violations can never be eliminated
- In addition to promoting ethical cultures establish procedures that enable review and sanctions, if proved.

IEDC Ethics Violations Review

- Committee of Professional Conduct (CPC) is the main body for reviewing and investigating alleged violations, as well as determining sanctions if proved.
- Peer-review process
 - Staff support provided to CPC as needed

Reviewing Ethical Violations

- Main components of reviewing ethics violations:
 - Initial review of the complaint to determine violation or not
 - If yes, conduct an independent and detailed investigation of the case
 - If violation found, the organization may impose sanctions of the person(s)
- Important to engage all parties in an impartial environment, maintain written documentation, and allow for an appeals process

Thank You!

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