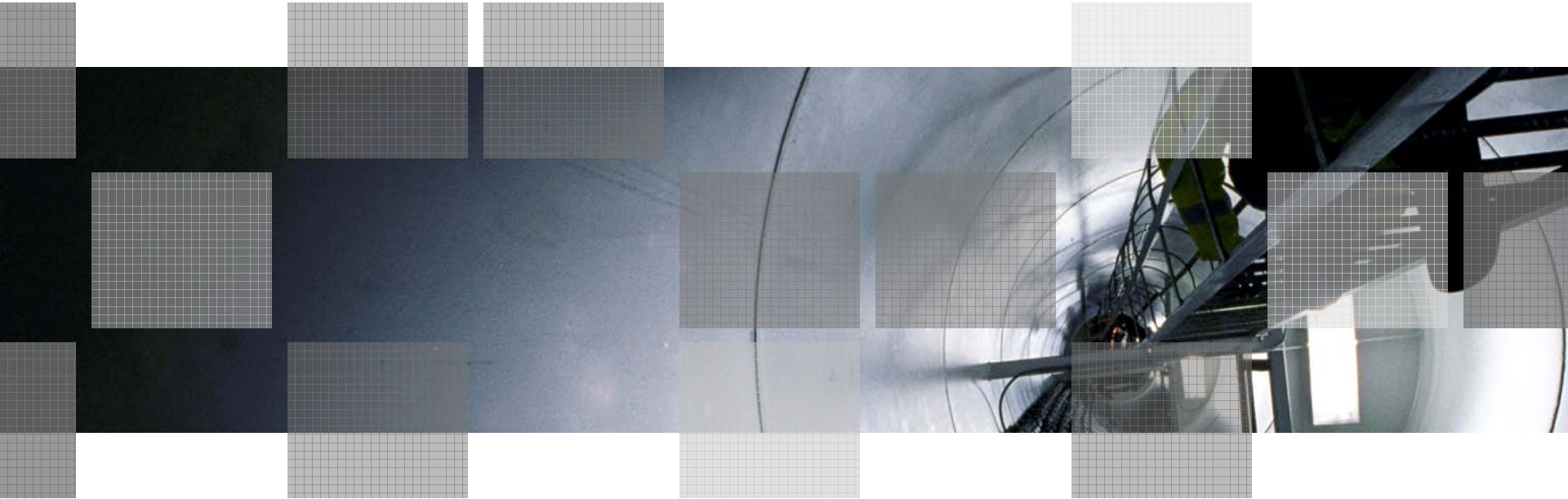


# **Is It Possible to Look Out for your Company's Best Interest and Still be Ethical?**



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- **What Do We Mean By Ethics**
  - **Some Examples of Unethical Behavior**
  - **Do I Have To Act In An Unethical Manner?**
  - **Benefits of Ethical Behavior**

# Ethics - Religion

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- **In the Talmud Rabbi Hillel said, “Do not do to others what is hateful to you. All else is commentary.”**
- **In the Gospels Jesus said, “Do unto others as you would have them do unto you.”**
- **In the teaching of the Moslem prophet Mohammed it is written, “no one of you is considered faithful until you wish upon your brother what you wish for yourself.”**
- **Confucius said, “What you don’t want for yourself, don’t do to others.”**
- **The Swami Chinmayananda a spiritual Hindu teacher said “Charity is an attempt where in I try to expand and bring into the ambit of my life, all others around me and grow to consider the other man’s needs and requirements as important as my personal needs.”**

# Ethics – Cultural

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- **The Declaration of Independence, “We hold these truths to be self-evident .... That all men are created equal ... that they are endowed by their Creator with certain unalienable Rights... That among these are Life, Liberty and the pursuit of Happiness**
- **A Common Truth: To act ethically is to take into account the wants, desires, needs and feelings of others.**
- **Everyone deserves the same respect that we believe should be paid to us.**
  - The right to be heard
  - The right to be treated with dignity
  - The right to earn a living
  - The right to be told what is happening
- **Do we really believe in this?**

# Examples of Unethical Behavior – Pecking Orders

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- **The “Global Pecking Order”**
  - **The Owner**
  - **Consultants**
  - **Vendors**
  - **Contractors**
  - **Grunts in the Field**
  
- **The “Corporate Pecking Order”**
  - **CEO**
  - **Vice President**
  - **Managers**
  - **Supervisor**
  - **Project Manager**
  - **Engineers**

# Examples of Unethical Behavior – Pecking Orders (Continued)

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- **The “Engineering Pecking Order”**
  - **Engineers**
  - **Draftsmen**
  - **Procurement**
  - **Accounting**
  - **Secretaries**
  - **Other support Staff**

# Examples of Unethical Behavior - Relationships

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- **Relationship Building is Good ... But is it unethical to :**
  - Bribe people to get work
  - Accept kickbacks to award work
  - Elaborately entertain clients
  
- **Giving to Charity is Good ... But is it unethical to:**
  - Use purchasing power to force others to give
  - Use purchasing power to force others to sponsor costly social events

# Examples of Unethical Behavior - Bidding

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- **There is nothing unethical about bidding**
- **But ... Preparing a bid costs money and resources**
- **Is it unethical to:**
  - **Bid a job that you know may not be awarded**
  - **Bid someone you know you will not award the job**
  - **Withhold information bidders need to judge their chance of success – competition, evaluation criteria**
  - **Bid a job more than once without compensation**
  - **Take a value added idea from an unsuccessful bidder and give it to the successful bidder to implement without proper compensation**



# Examples of Unethical Behavior – Change Orders

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- **Complex engineered equipment, fabrication or construction will always have the need for a change order adjustment in price**
- **There is nothing unethical about protecting yourself from a vendor who is motivated to get the most out of change orders**
- **There is nothing unethical about negotiating strongly with your client for a change order**
- **Is it unethical to:**
  - **Use future purchasing power to blackmail a vendor to avoid paying for extra work that was requested and performed**
  - **Use technicalities to avoid the responsibility for paying for your mistakes or extra requirements**
  - **Hold a contractor to a legal requirement when circumstances have clearly changed the intent**
  - **Demand something when you know your client is unaware that it is not really a change in scope**

# Do I Have to Act In An Unethical Manner?

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- **Maybe**
- **We all consider ourselves and our actions to be ethical**
- **But ... In the rush to do business, or because we don't have all the facts, or because we are distracted we all act unethically from time to time**
- **We all have bosses or clients who require us to do things we think are unethical**
- **When you act unethically, it is unethical to:**
  - **Refrain from explaining to someone that they are asking you to do something that may be construed as unethical**
  - **Refrain from apologizing**

# Benefits of Ethical Behavior

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- **The management text answer: If we act ethically, in the long run we will be more profitable**
- **But ... maybe not – our bosses (clients) don't always understand and reward such behavior**
- **So why be ethical**
  - **Religious**
  - **Cultural – it is what separates us from failed societies**
  - **Helps create an enjoyable work climate**
  - **We feel good about ourselves**

# Conclusion

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**So ... Is it possible to look out for your Company's best interest and still be ethical?**

- **I don't know – it depends on your definition of “best interest”**
  - **Return on shareholder Investment**
  - **Providing benefits, security and career development for staff**
  - **Perpetuating the enterprise**
  - **Supporting society**
  
- **Its up to you**