

Personal & Professional Ethics in Project Management

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Abstract

As we confront today's challenging business climate, project managers must be dedicated to upholding the principles and standards of the companies Code of Ethics. Unlawful or unethical conduct can harm the company and each of its project team members. As project managers you must be willing to lose business rather than compromise your standards. Today's project managers must foster an inclusive and ethical work environment and provide a safe and confidential channel for team members and third parties to seek guidance, ask questions, make comments and report suspected misconduct. In this paper, I will review the key aspects of the Project Management Institute's Code of Ethics and Professional Conduct. I will also discuss my own work experiences regarding ethics, and the ethical procurement process described by the principles and practices of public procurement.

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Introduction

Project managers must be committed to maintaining an ethical performance culture that adheres to the highest standards of business conduct and ensures sustainable compliance with all applicable laws and company policies. Project managements ethical performance culture and the Code of Ethics they use guide every decision the project team makes and every action they take on the company's behalf and its principles determine how the project team interacts with fellow team members, customers, suppliers, stakeholders, competitors, and the communities in which we operate. As a project manager you must sustain compliance by utilizing standard business processes and robust internal controls to ensure your project complies with all applicable laws and company policies, all the time. Project management plays a significant role in a variety of industries around the world and ensuring project management professionals operate with sound personal and professional ethical practices is of utmost importance in these industries.

Personal and professional ethics contribute greatly on an individual's ability to make crucial decisions involving ethical dilemmas on a professional level. Management is the primary custodian of the companies' culture, but each and every team member has a custodial role and a responsibility to perform with integrity, show respect and build trust. It is up to each of the project team members to safeguard the company and its reputation. Project management and project team members do this by acting responsibly, identifying and mitigating business and compliance risks, considering the impact their decisions have on the stakeholders and reporting all actual or suspected violations. The Project Management Institute (PMI), the project management field's most recognized authority, established a Code of Ethics and Professional Conduct that is intended to be used as a guide on ethical standards for all project management professionals in their specific industries around the world.

Project Management Institute (PMI) Code of Ethics

According to the PMI Code of Ethics and Professional Conduct, the expectations that we have of ourselves and our fellow practitioners in the global project management community articulates the ideals to which we aspire as well as the behaviors that are mandatory in our professional and volunteer roles.

I feel this is a sound moral effort of the PMI to create a professionalism in the project management field. The PMI directs its focus with the Code of Ethics and professional Conduct to be better practitioners and leaders in the industry. As a project manager, I must behave in a moral and ethical manner at all times to ensure my project team fosters the same beliefs and in turn, the projects will embrace the ethical and professional conduct as a culture we stand behind on every project.

The Code of Ethics and Professional Conduct of the PMI is divided into sections that contain standards of conduct which are aligned with the four values that were identified as most important to the project management community to include:

1. **Responsibility** – Responsibility is our duty to take ownership for the decisions we make or fail to make, the actions we take or fail to take, and the consequences that result.
2. **Respect** – Respect is our duty to show a high regard for ourselves, others, and the resources entrusted to us. Resources entrusted to us may include people, money, reputation, the safety of others, and natural or environmental resources.

An environment of respect engenders trust, confidence, and performance excellence by fostering mutual cooperation—an environment where diverse perspectives and views are encouraged and valued.

3. **Fairness** – Fairness is our duty to make decisions and act impartially and objectively. Our conduct must be free from competing self-interest, prejudice, and favoritism.
4. **Honesty** - Honesty is our duty to understand the truth and act in a truthful manner both in our communications and in our conduct.

Not only do the companies and stakeholders we work for have their reputation on the line, but our personal reputation and our overall understanding of what appropriate behavior is judged during the projects we lead. I believe that my individual efforts to conduct myself in a professional and ethical way will join the efforts of the Project Management Institute to shape the collective conduct of individual practitioners around the world.

Ethical Focus

For the project managers to focus on ethics they must focus on the culture of ethics to drive the change throughout the organization, not just individually. “When a project fails, it is so much easier to point the fingers at this person or that person. However, ethically, no person should be singled out for project failure unless it is the project manager. In the end, he or she is the one assigned the ultimate task of ensuring the project is completed. However, there is no “I” in team. Although the project manager is in charge of ensuring the task gets completed, sometimes a task can fail despite the project manager’s best efforts. In these cases of project incompleteness or failure, it should be said that the team failed. This is the most ethical outcome in this sense because it points the blame for failure on the team as a whole instead of just one or two people. Therefore, in a nutshell, it is ethically wrong to blame failure to complete a project on any one person” Alex W and Michele McDonough (April, 2013). Project management plays a key role as executives flowing down the ethics and compliance requirements to the rest of the organization. The personal and professional ethics of the project management team must be the way the management runs the business and ensures they are in compliance with all laws and regulations. This is done by infusing themselves in the business and proactively identifying legal issues before they manifest themselves. Ultimately, project managers must focus on ethics and

compliance as a key enabler of the production ramp and future business success. Ethical behavior in the workplace is a competitive advantage; the goal should be to spread the company's ethical culture to suppliers and partners because it's how they seek to do business internally and externally.

People

As a young man brought up in the south, we take pride in our "Word". It is known and respected amongst the communities that a man's word is his bond and with it carries not only his reputation but his families' reputation. I often think about that in my commitment to my own work ethics. I pride myself on professionalism, the passion and the enthusiasm, the openness and the willingness to challenge everyone around me to live a moral and ethically driven lifestyle at work, professionally, and at home, personally. We can all learn to do the right thing, but good people do the right thing without thought. I instil these values and morals in my son because it is important to do the right thing when no one is looking, that's what good people do.

My personal experience with ethics at the workplace has been one that training and knowledge provided to me by my employer prepared me for. Many times during my career I have been faced with ethical and moral dilemmas. I work closely with vendors and third party contractors. A friendly invite to dinner, a hat with their company logo offered to me as a gift, tickets to a game of my favorite football game, etc...I am required to take a Ethics and compliance class annually to ensure I know what to do when the situations arise. When offered the hats, tickets, meals, etc...I know that if accepted, they are in violation of our company policies and they are easy to respectfully decline. Proper knowledge and training of your company policies and the code of conduct practices will ensure you are compliant at all times.

Training

Continuous training is vital to the culture change of ethical practices in the project management field. My current employer mandates ethics training semi-annually to keep ethical practices fresh in our thoughts and daily behavior. The training we receive is not only virtual but interactive to help us understand how to make an ethical decision for different scenarios.

The Better Business Bureau (BBB), uses this same type of training to ensure compliance with their Code of Conduct policies. According to the BBB the scenario based, visually interactive training gives the management team a new and more real life tool to work with. “The program comes with two versions - for management and for employees – to help staff members at all levels better understand the importance of ethics and values in their particular workplace” Better Business Bureau (2008).

According to the BBB, ethics in a business is important because:

- Staff can be distracted by ethical concerns. They lose focus. Distraction causes loss of productivity and increased business costs.
- When management does not pay attention to ethical issues, distracting situations can grow. Research found that workers witnessing an incident having ethical concerns tell an average of eight other people.
- The reputations of a business and the workers involved in ethical problems can be damaged.
- Employee retention and recruitment can be hurt by the ethical lapses of employees.
- Confusion and resentment are likely to develop when there are no clear ethical guidelines for management and workers.

Ethical Procurement

“It is essential that public procurement professionals and stakeholders adhere to a well-defined and established code of ethics. The public procurement organization should have an adopted code of ethics and require its employees to uphold the code and seek commitment to it by all those with whom they engage” CIPS and NIGP (2012). A well defined code of ethics will

layout the guidelines and policies for all to follow. According to the principles practices of public procurement, ethical procurement is defined as something that prohibits breach of the public's trust by discouraging a public employee from attempting to realize personal gain through conduct inconsistent with the proper discharge of the employee's duties.

“Ethics are the principles which define behavior as right, good and appropriate.

Employees in public service are bound to uphold certain values. Any attempt to realize personal gain by conduct inconsistent with the proper discharge of the employee's duties is a breach of the public trust” CIPS and NIGP (2012).

The public procurement professionals break down their code of conduct and compliance policies to ensure a complete understanding for all parties involved. They have many key elements to their policy to include:

- Conflict of Interest
- Conduct with Suppliers
- Corruption
- Business gifts and hospitality
- Other Policies and Considerations
- Ensuring Compliance

Conclusion

In my career I have faced many ethical situations that fall under the four values that are identified as most important by the PMI: Responsibility, Respect, Fairness, and Honesty. It's crucial that project managers and organizational leads spell out and define all aspects of their Code of Ethics as the PMI references to ensure a professional ethics culture exist during the lifecycle of their project and in day to day operations.

The culture change has been embraced throughout the project management community. It's not only a corporate social responsibility, but many many companies now embrace ethics as their core values. In the past, business ethics had no baring on how business was conducted internally or externally. Now the Code of Ethics is reviewed on a global scale prior to doing any business and you can find most companies with a brief Code of Ethics statement built into their mission statement.

Organizations around the world are recognizing the importance of a professional ethics and compliance division in their portfolio and have adopted formal ethical codes of conduct, similar to that of the PMI Code of Ethics and Professional Conduct to help foster ethical practices within their organization. Most large corporations also offer some form of a dialog or phone-in reporting system to provide a confidential, neutral and independent communication channel for employees and others who want to raise a question or concern. The program provides a safe way for people to seek guidance, ask questions, make comments and report suspected misconduct. This resource is available worldwide and it allows project team members to have an off-the-record discussion and explain their situation in greater detail and address issues that require explanation, extended discussion or involve complicated facts. The system representative will discuss your available options and next steps in the process.

These Codes of Conduct are the organizations way of outlining your do's and don'ts. Project managers are in a professional and ethical leadership position that requires a vast knowledge of the do's and don'ts of their organization. Unprofessional ethical and bad morel practices can reflect upon an entire organization or an entire profession such as Project Management. It is imperative that we, as project managers, adhere to the professional ethics of the PMI at all times.

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