

ETHICAL DECISION MAKING



**ASHRAE DL
Presentation
February 9, 2016**

About Your Presenter

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- Consulting and Training Emphasis Areas:
 - Leadership, Management, Negotiating Skills, MBTI®, Conflict Mgt.
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Ground Rules

- Participative presentation. Feel free to ask questions, and make comments during my presentation.
- Please: Mobile devices **off** or in **silent ring mode** •

Let's get into it!

Note: Our presentation today is a summary of principles covered in my half-day program I teach on ethics. I will touch on the key elements of the full program and hope you will find them helpful in your day-to-day business activities.

Why Discuss This Topic?

- **Professional Standard of Care** — Engineers have a responsibility to operate ethically and lookout for the safety of the public we serve.
 - It's a special trust that we accept as a design professional and especially as a professional engineer.
- **Leadership** — Our fellow engineers, especially engineers new to the profession, look to us for how they should behave. If we behave ethically, our colleagues are likely do so also. People look to their leaders as models to emulate — *they do what we do.*
- **Lawsuits** — We can be sued if we don't follow ethical practices. While important, this should not be the only reason we act ethically. Yet, it is a real issue we need to consider. •

Terms

- **Values** - beliefs, customs or ideals a person or organization feels are important. Can vary by country, background, age.
- In America:
 - Obey the law
 - Act ethically
 - Do not lie, cheat or steal
 - Take care of the customer
 - Support our organization's goals •

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Let's discuss some terms related to ethics — *values* and *ethics*.

Values: Values are fundamental beliefs that a person or organization feels are important. Values can vary by person, country, background, age or other parameter.

For example, in America, we believe:

Obey the law

Act ethically

Don't lie, cheat, steal

Take care of the customer

Support our company's goals

Terms (cont.)

- **Ethics** - embodiment of values leading to proper conduct and appropriate actions

In other words, ethics is how we use values to make decisions that result in proper conduct. •

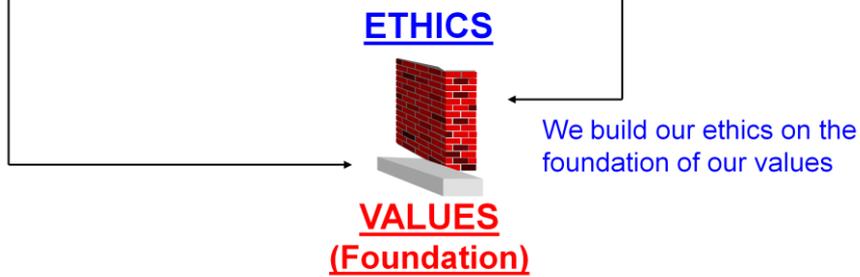
- **Examples:**

- Being responsive to a customer concern
- Not promising a delivery date you know you cannot meet
- Doing the right thing when no one is watching

Ethics: How we use our values to make decisions that result in proper conduct.

Terms – Summary

- **Values** - beliefs, customs or ideals a person or organization feels are important. Values are the foundation for ethics.
- **Ethics** - embodiment of values leading to proper conduct and appropriate actions

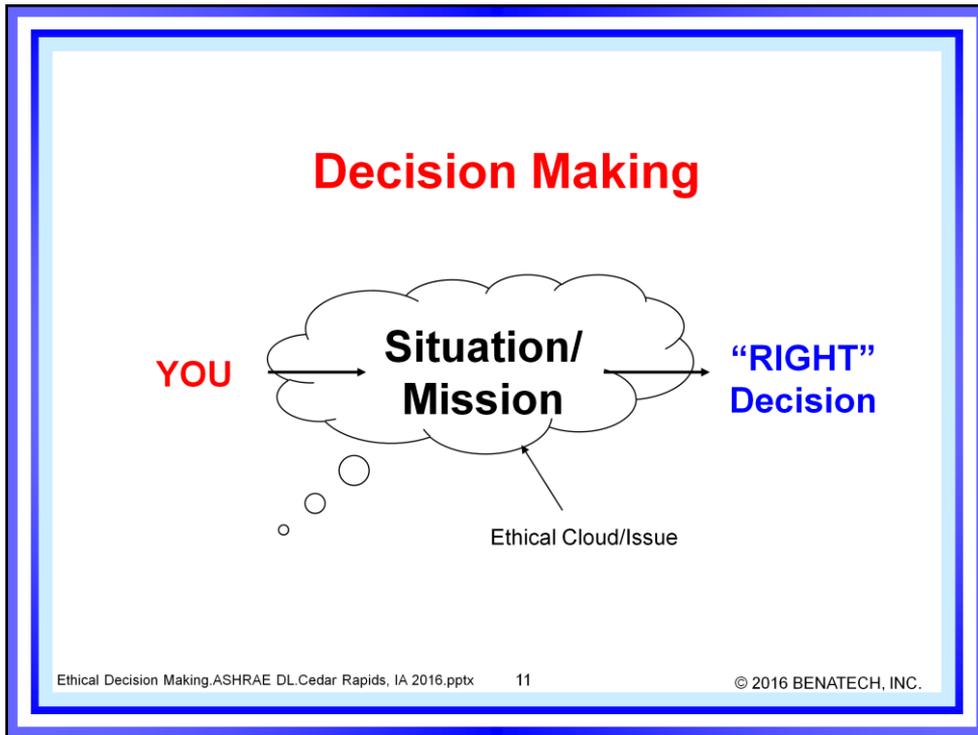


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This graphic represents the fundamental relationship between values and ethics; i.e., values are the foundation for our ethics and how we make ethical decisions.



As we deal with ethics, at any time you as an engineer or leader may be faced with a particular situation or mission to accomplish.

There may be cloud or issue that may obscure how you should behave.

Ethical Dilemma

- Conflict between competing values and obligations
- Examples:
 - Falsifying records
 - Oskar Schindler and others
 - Valid customer complaint v. profit •

One of your challenges as an engineer or leader may be when you are facing an ethical dilemma. An ethical dilemma occurs when there is a conflict between competing values or obligations. In other words, when two values you believe in are in conflict or you are torn between two obligations.

Falsifying records — An ethical dilemma would exist if you were told to falsify a record by your supervisor. On the one hand, you want to do what your supervisor tells you because he or she is your supervisor. On the other, you know it is wrong to falsify a record. This is an example of an ethical dilemma involving conflicting values.

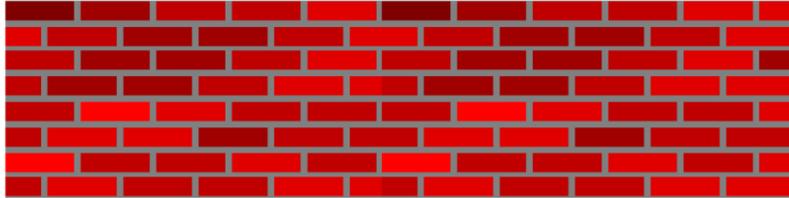
Oskar Schindler and others — In World War II, it was against the law in Nazi Germany and their conquered countries to protect and save Jews from extermination. Unfortunately, many people complied with that law. However, a brave few took it upon themselves to obey a higher moral law that says you should not harm those who are of a different faith than you or someone else. These courageous men and women, often at great risk to themselves and their families, faced this ethical dilemma by saving the lives of their countrymen and women whose only “crime” was that they were Jewish (or gypsies, or homosexuals or mentally retarded). They made the right ethical decision.

Valid customer complaint v. profit — Another type of ethical dilemma would be how to handle a valid customer complaint which will result in reduced profits or a loss for a particular project. One value says take care of the customer. The other says don't lose money on this project.

These are example of ethical dilemmas. You may have been or will be faced with some like these or different ones in your career.

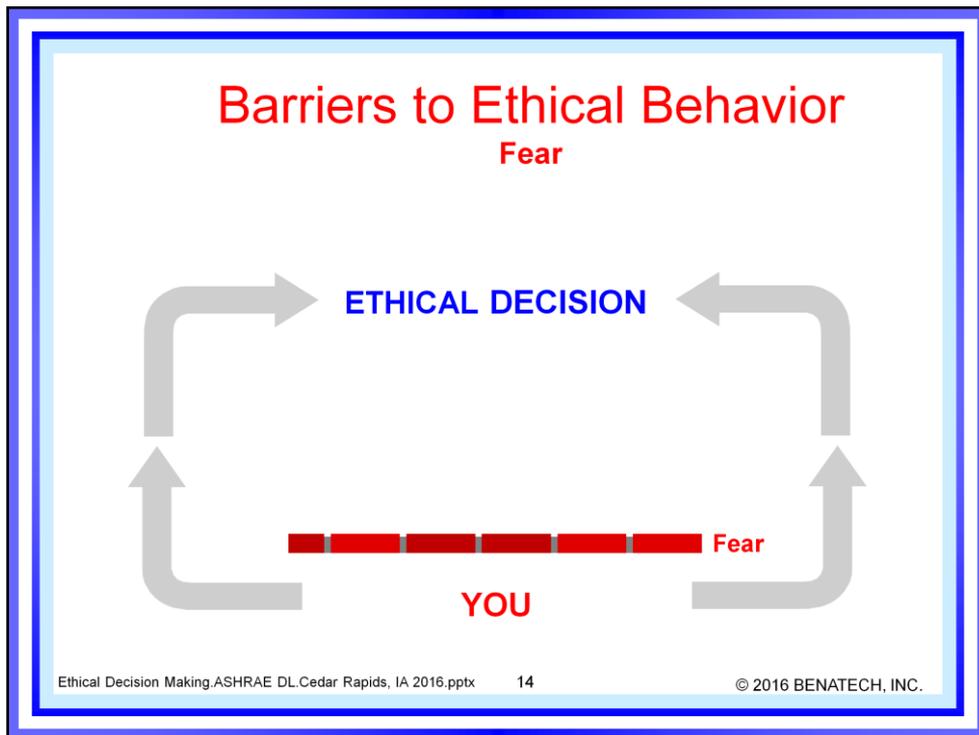
Barriers to Ethical Behavior

ETHICAL DECISION



YOU

Sometimes you will have barriers to making the “right” ethical decision. You, as an engineer or leader, will have the responsibility of overcoming these obstacles and making an ethical decision.

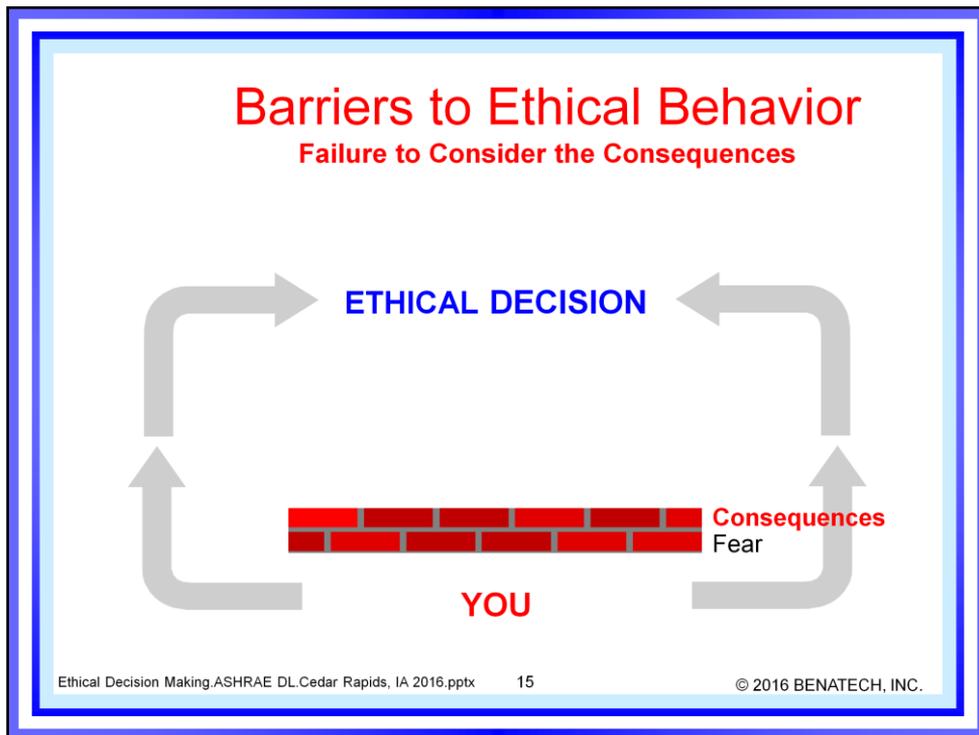


One barrier to ethical behavior is **fear of consequences** for doing the ethical thing.

An example situation might be: A report you recently sent to management has information (e.g., favorable numbers) that makes you or your department look good. However, you find out a few days or weeks later that the numbers were incorrect, and, in fact, cast your department in an unfavorable light.

Should you fess up? How would this affect your career? How would it affect your company and your career if you don't? As a minimum, if you do reveal the error, you will be acknowledging an error on your part. On the other hand, by being forthright and setting the record straight, you have helped established yourself as someone who will do the right thing, even when it's uncomfortable to do so.

Effective leadership can establish an environment that makes it easy for someone to come forward and do the right thing.



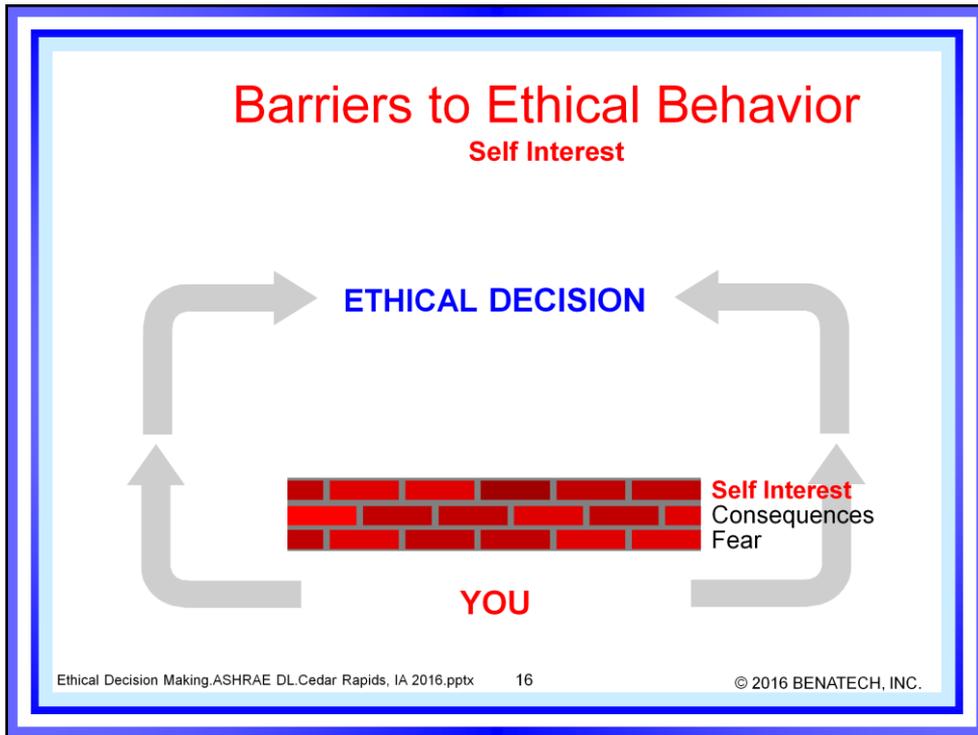
Another barrier to ethical behavior is **failure to consider consequences** for doing or not doing the ethical thing.

An example situation might be:

You go to work on a weekend and pass by your boss's office. You like your boss and he/she likes you. In fact, on your last evaluation, he/she gave you very high marks and recommended you for promotion at the earliest possible time. You lean in to say hi and notice there is a half-full bottle of Jack Daniels Black Label on his/her desk. He/she looks up and says hi back.

It is against company policy to drink alcohol at the office.

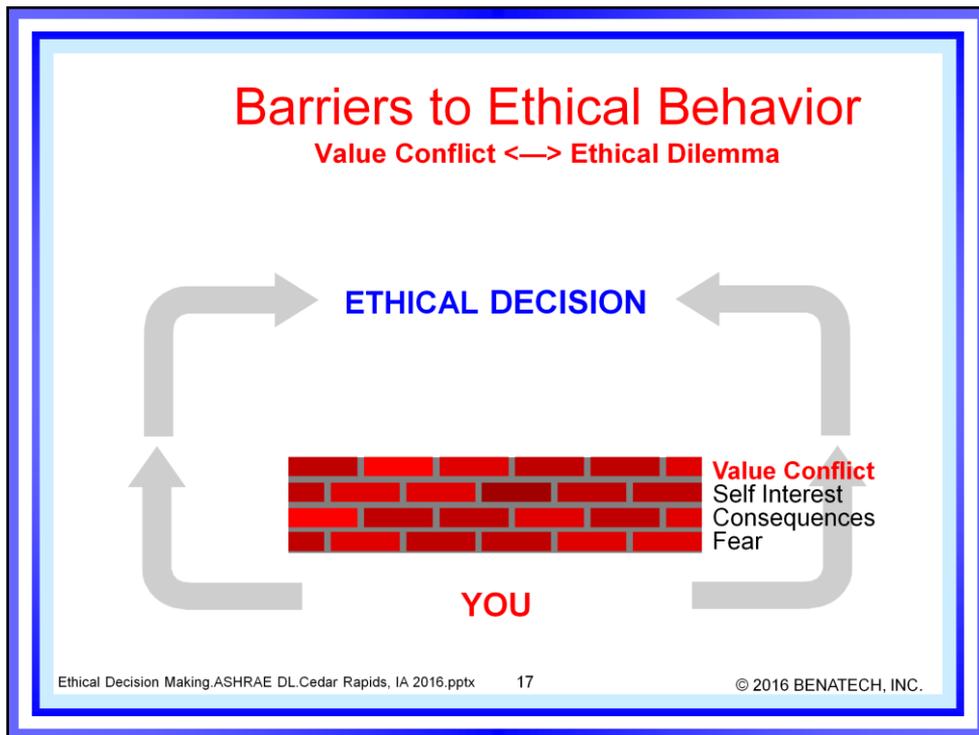
What are some of the ethical issues here?



Another barrier to ethical behavior is **self interest**; i.e., putting your interests above the good of your team or company.

An example might be: Putting down another's performance to make you look good (instead of trying to help that other person succeed in the organization).

Or not sharing information that would help a fellow engineer, leader or manager succeed because you want all the glory.

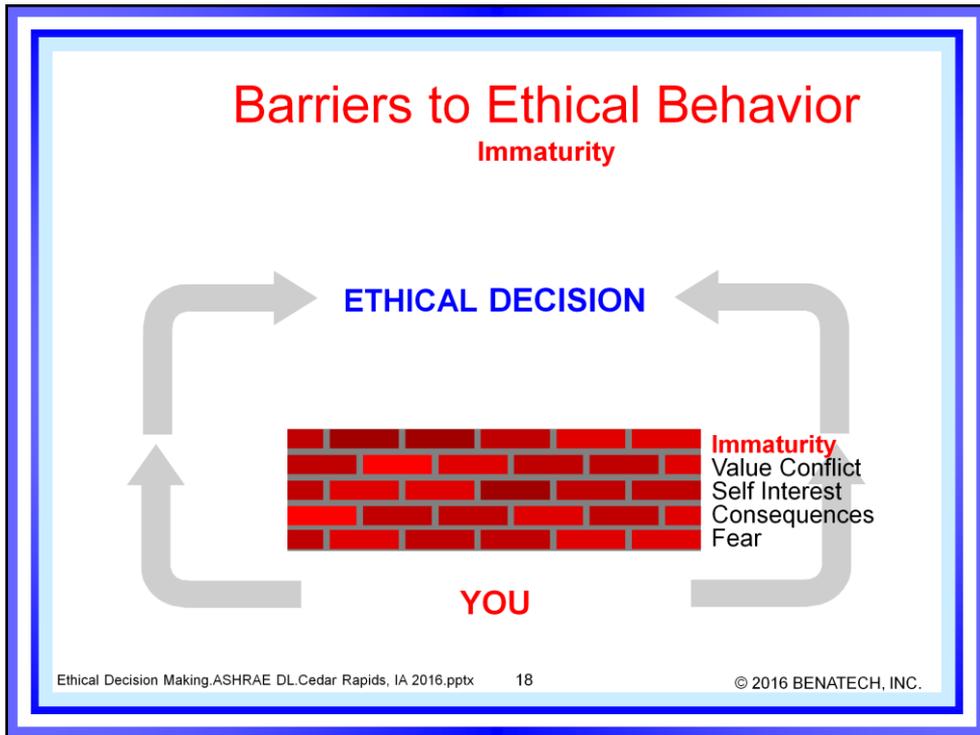


Another barrier to ethical behavior is a **value conflict**; i.e., a conflict between two or more values you believe in (an ethical dilemma)

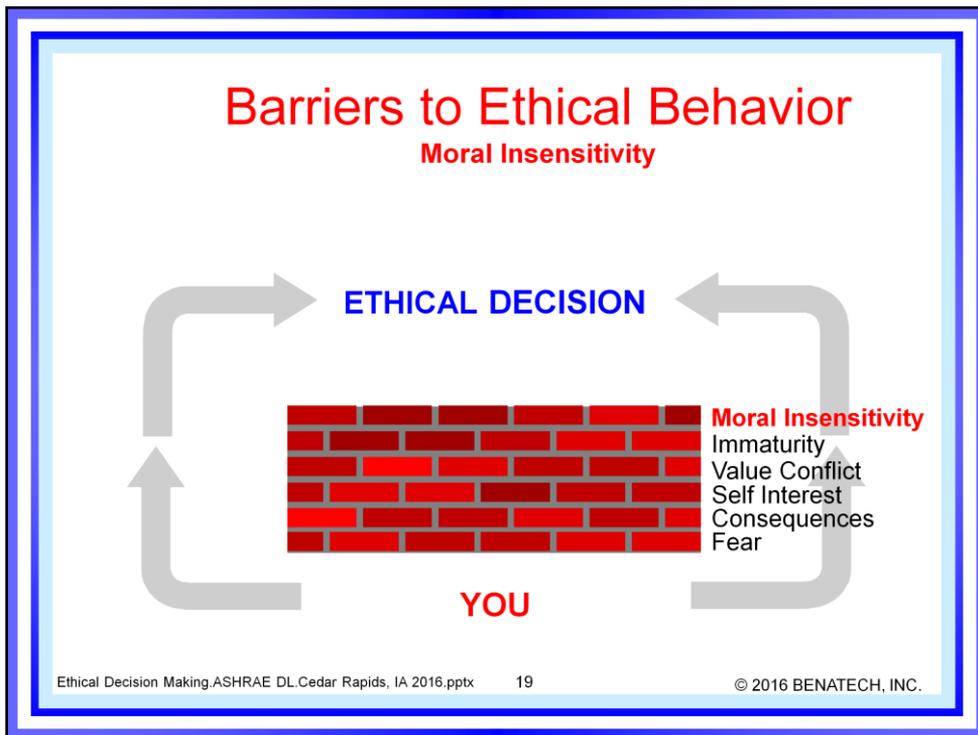
An example might be: You are told to falsify a report by your supervisor. One value you believe in is complying with the guidance of your supervisor. Another I am sure we all believe in is presenting truthful reports. This situation is a value conflict or *ethical dilemma*, which is a conflict between competing values and obligations faced by the leader.

At a restaurant the night before an important oral presentation, you and your team come across a folder left by the previous customer. You open it to learn how you might return it and discover that it contains the presentation notes and strategy of one of your competitors for the job. What are the competing values and obligations here?

Another example of an ethical dilemma was Winston Churchill's ethical dilemma whether to warn Coventry, England that a German airstrike was going to happen to their city. He knew this because of intelligence intercepts and decoding by the Enigma machine the allies had, but which Germany did not know they had.



Another barrier to ethical behavior is **immaturity**; e.g., a young person taking the advice of another person to engage in questionable behavior after being assured that everyone does it. “Come on, Bill. Everyone does it.”

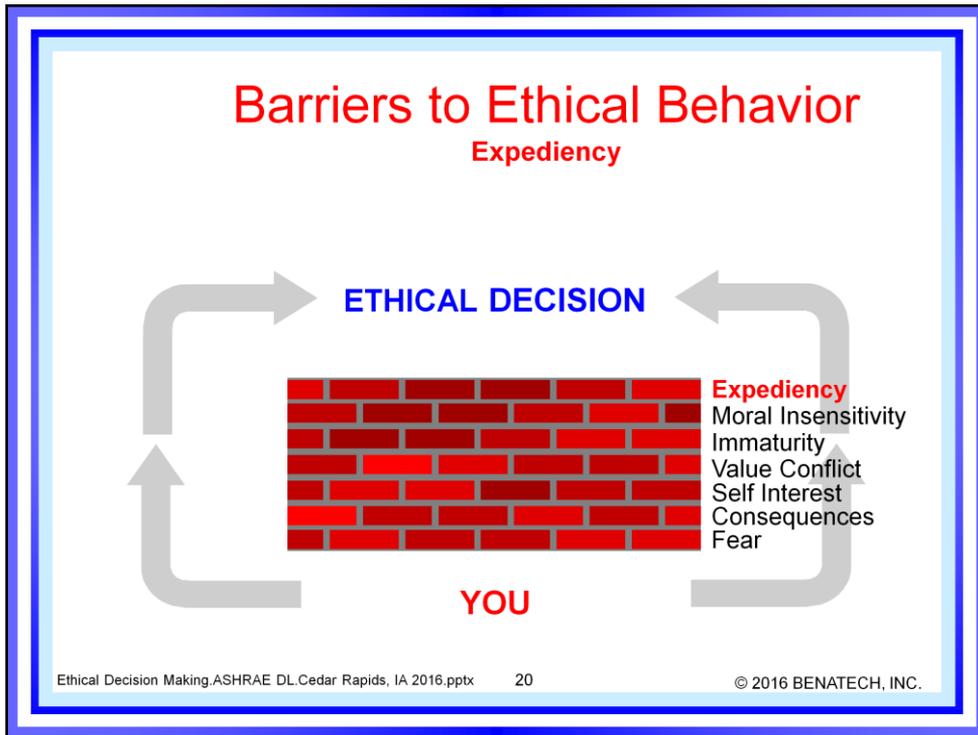


This barrier deals with the issue of the person being *clueless* about what ethical behavior is. They may have not received a strong ethical foundation (values) as a youth, and this has carried forward in their life.

An example might be: A person who grew up in a bigoted community where blacks, Jews, Hispanics and others not “like themselves” were made the object of derision or beaten up. As a child, he or she never learned that prejudice and racism were wrong.

This person may give a favorable assignment or promotion to someone who looks like him or her rather than to a more qualified person of a different race or religion.

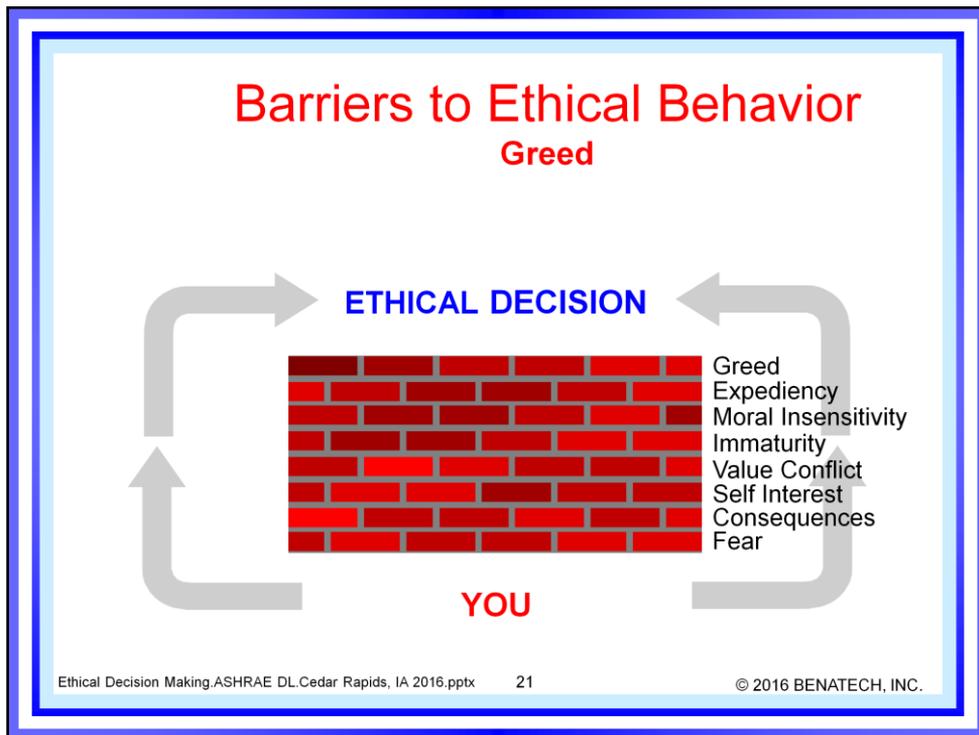
What are examples where you have seen this barrier manifested?



This barrier deals with taking the quick or easy way out.

An example might be: Not following a checklist or appropriate procedure to accomplish a mission (e.g., a computer system startup procedure or a building commissioning procedure). Or not checking an inexperienced person's work. Or violating a safety rule to increase production.

What are examples where you have seen this barrier in your career?



This barrier deals with a person who wants to win at any is price. This person may have lost his or her moral compass and might not recognize that his/her greed is leading him/her to make decisions that are unethical. Or worse, he/she may realize it, but does it anyway.

An example might a person who tries to obtain a competitor’s confidential information by misrepresenting himself as a potential ally or joint-venture partner.

An another example might be: A person who goes behind someone’s back to accomplish their goals at the expense of another (for instance, complaining to your boss about another manager’s slowness in reviewing a document you sent to him/her, but you never went to the other manager to ask for an expedited review.)

Ask for examples where the participants may have seen this barrier in their careers.

Now You Know

By being aware of some of the obstacles to ethical behavior, you are in a better position to recognize ethical challenges and gain control of a situation.

Your being aware of the barriers to ethical behavior will help you make an “ethical” decision •

Now that you are aware of the obstacles to ethical behavior, you are now in a better position to recognize them when they occur, and take appropriate action to allow you to make an ethical decision.

The Ethical Dilemma

- **Competing Values**
 - Meeting a tight deliverable due date v. performing careful calculations and quality checking the design
- **Competing Obligations**
 - Rewarding performance v. effort •

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One of the toughest things an engineer, leader or any person, must do is deal with an ethical dilemma. An ethical dilemma is a situation where you are facing one or more of the following conflicts:

Competing Values — Meeting commitment due dates vs. performing careful, quality work. What are your examples?

Competing Obligations — Obligation to a person who gives 110% effort and can do basic repetitive tasks but cannot extrapolate his/her knowledge to perform more complicated analyses. How do you value and reward this person's contributions in a way that is fair to him/her but does not "overly" reward that person and thereby reduce budget available to reward your top performers.

Ethical Decision Making



There is this “cloud” of competing obligations responsibilities that are making this decision more difficult than other decisions.

A Step-by-Step Approach to Ethical Decision Making

- Gather information about the situation. Do we have an ethical dilemma? (If we know what to do, it may be a tough situation, but it's not an ethical dilemma.)

If it is an ethical dilemma:

- Interpret and weigh the information you gathered.
 - Identify alternatives
 - List pros and cons of each alternative. How important is each pro and con?
 - Examine your own biases regarding the situation.
- Use the information to make a preliminary best decision

■ Now Quality Check it •

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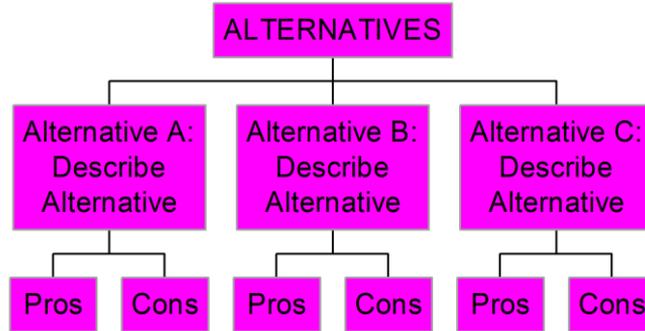
Now that you can recognize when you have an ethical dilemma, here are some steps you can take to deal with it.

1. Gather information. Make sure an ethical dilemma exists.

If you know the “right” action to take, then there is no dilemma. If you are not sure, you probably are facing a dilemma.

So gather information about the situation and the choices you have to make.
2. Interpret and weigh the information.
 - Identify possible alternatives.
 - List the pros and cons of each alternative.
 - Interpret and weight the information. How important is each pro and each con. Are there any “must-haves” or “can’t have”?
 - Now is the time to examine your own biases regarding the situation and the people involved in the situation.
3. Make a preliminary “best” decision based on steps 1 & 2.
4. Now quality-check your preliminary decision before going final.

Ethical Dilemma



How important is each pro and con? How should each be weighted?

Make a preliminary best decision.

Now *Quality Check It*.

Quality Checking your preliminary decision

- Goals
- Rules
- Issues
- Bias
- People
- Alternatives
- Sleep on it, then quality check again
- “Light of Day” —————→ 60 Minutes Internet

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You have just made a preliminary decision. Now you need to quality check that decision before you formalize it. Here are some steps to help you do this.

Goals — Does your decision support the right goals for your company, team, or group?

Rules — Is my decision consistent with any applicable rules, regulations, policies, etc.?

Issues — Have I considered all the relevant issues?

Bias — Have I allowed my or others’ biases to prejudice my decision?

People — Have I considered the rights and interests of all persons who will be affected by the decision?

Alternatives — Have I considered all viable alternatives? Have any alternatives become obvious since beginning consideration of the ethical dilemma?

Sleep on it, then quality check again —you have done all of the right things. You think your decision meets the quality criteria above. Now sleep on it, if you have time, and run through the above steps one last time. When you think this is the “best” ethical decision, do the “Light of Day” test.

“Light of Day” — This is the acid test (so-called because acid can be used to test for the purity of gold). Would you be able to defend your decision if the ethical dilemma you were facing was the lead story on “60 Minutes” this Sunday or splashed all over the internet. If you could, you probably made an

ethical decision.

**Congratulations,
You did everything right!**

You made an ethical decision!!

Review

- Why Discuss Ethics?
- Define *Values* and *Ethics*
- Examples of barriers to Ethical Behavior?
- Ethical Dilemmas
 - What they are
 - How to deal with them
- Steps to Ethical Decision-Making •

**Thank you for
your attention.**

**I appreciate your interest and
participation.**

Questions?