The Leader’s Role in Creating an Ethical Culture

UCMA Conference
St. George, Utah
April 9, 2013

Craig Rapp
“These are my principles- If you don’t like them... well, I have others.”

--Groucho Marx
An Ethical Framework
The Long, Winding Journey

“Life”

Craig Rapp LLC
Who Are You?

Craig Rapp LLC
Your Motivators

Internal

External
# Craig’s Internal Motivators

<table>
<thead>
<tr>
<th>Motivator</th>
<th>What it means to me</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal growth and development</td>
<td>I continue to challenge myself by learning and then teaching new concepts and ideas</td>
<td>5</td>
</tr>
<tr>
<td>My environment</td>
<td>I live in an area that fulfills me personally and spiritually</td>
<td>6</td>
</tr>
<tr>
<td>Helping others</td>
<td>I help others discover their purpose and co-create strategies to fulfill it</td>
<td>4</td>
</tr>
<tr>
<td>Being with people I care about</td>
<td>I regularly connect with family and friends</td>
<td>2</td>
</tr>
<tr>
<td>My gifts</td>
<td>I spend more than 50% of my work life using my unique gifts</td>
<td>1</td>
</tr>
<tr>
<td>Making a difference</td>
<td>I am contributing to something that will make a difference in the world</td>
<td>3</td>
</tr>
</tbody>
</table>
# Craig’s External Motivators

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<tr>
<th>Motivator</th>
<th>What it means to me</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary compensation</td>
<td>I am aware of my financial position but I don’t obsess about it</td>
<td>2</td>
</tr>
<tr>
<td>Having power</td>
<td>People with influence will quickly answer my calls/emails</td>
<td>4</td>
</tr>
<tr>
<td>Having a title</td>
<td>I am recognized as someone in a decision-making capacity</td>
<td>5</td>
</tr>
<tr>
<td>Public recognition</td>
<td>I am recognized as a leader in my profession</td>
<td>3</td>
</tr>
<tr>
<td>Winning over others</td>
<td>I am successful at selling my ideas</td>
<td>1</td>
</tr>
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Motivators

✧ List:
  Internal Motivators

✧ List:
  External Motivators
Discussion

- What did you learn growing up? On the job?
- Do our stories influence our behavior?
- Who is the authentic you?
- Do our motivations push our ethical boundaries or maintain them?
- How do you balance them & remain ethical?
The Myth about Ethics

• It’s simple... everyone knows right from wrong
• Strong personal values and professional standards are sufficient
• Just follow the laws, after all we have so many of them!
• I’m okay! It’s everyone else we have to worry about
• It’s like teaching a pig to sing
Ready to sing...
The Realities

• Everyday challenges
  – Competing interests, demands, expectations
  – “Right versus right” issues

• Trust is scarce, cynicism is not

• Appearances trump the facts

• Era of surfing not golfing
Integrity Index

Illegal ▶ Legal ▶ Stinks ▶ Ok ▶ Stellar Conduct
Integrity

Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.

ICMA Code of Ethics
The Integrity Tripod

Balances:
-- ambition
-- competence
-- moral compass

Warren G. Bennis and Robert J. Thomas, Leading for a Lifetime
Core Values of the Profession

• Political neutrality: refrain from all political activities that undermine public confidence
• Handle personnel on the basis of merit and fairness
• Seek no favors – no personal gain nor misuse of public time or office
• Encroachment: You can’t go along to get along
• Social responsibility and sustainability: What you build will outlast you

What are some reasons why these are important?
Run, do not walk, from these conflicts

- Hiring relatives
- Dating employees
- Favors/shortcuts for friends
- Personal relationships with elected official
- Personal gain from local government transactions
- Investments in your community
Tenet 13 (Don’t be stupid)

• Lying
• Falsifying records
• Breaking your promise
• Failure to “come clean” after the first mistake
• Careless email (text, FB, other posts)
• Surfing porn sites using a city laptop
• Gifts
• Taking unapproved comp and bennies
• Misuse of City credit cards
• Falsifying your credentials
I did a background check and discovered that you embellished your résumé.

For example, there's no college named "The Einstein One."

And I'm reasonably certain that "Smartology" isn't a real major.
Ways You Can Foster An Ethical Culture

1. Lead by example
2. Be clear about values and acceptable conduct
3. Have good internal policies
4. Conduct training
Leaders....

- Are always being “watched”
- Set the “organizational tone”
- Take action to **champion** ethical behavior
- Understand the consequences to the organization
Hire and Promote People with Strong Ethical Values

• Include an ethics component in the hiring process

• Ethics orientation for new employees

• Link good conduct with incentive structures, i.e. performance evaluations
Ways You Can Foster An Ethical Culture

1. Lead by example
2. Be clear about expected values
3. Have good internal policies
4. Conduct training
Policies That Can Help

• Regulations on outside employment
• Conflicts of interest
• How and when political activity is ok
• Limitations on accepting gifts
• Merit based hiring
• Credit card usage
• Use of city vehicles, computers, cell phones
• Social media
Gifts: There is Always Free Cheese in a Mousetrap
Ways You Can Foster An Ethical Culture

1. Lead by example
2. Be clear about expected values
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4. Conduct training
Implement Training and Compliance

• Offer opportunities to discuss ethical issues
• Provide counsel and advice
• Be consistent in enforcement actions and messages
• Create a safe reporting mechanism
• Recognize and commend concerns: Don’t shoot the messenger!
Cultural Assessment Tool

How would your staff respond? “I am...

• Expected to report questionable ethical behaviors of others.

• Clear about where to go for advice about ethical issues

• Surrounded by co-workers who know the difference between ethical and unethical behaviors, and seem to care about the difference.
When An Ethical Problem Comes to Light, Be Ready to Answer......

- What did you know?
- When did you know it?
- What did you do about it?
Ask Yourself

- Can you live with your Google legacy when it hits the media?
- Will you think well of yourself when you look back on this decision in ten years?
- Is it keeping you up at night? If you have to think twice about it, don’t do it?
Review...the Ethical Action Test

- Is it legal?
- Does it comply with our rules and regulations?
- Is it consistent with our organizational values?
- Am I the only or prime beneficiary of an offer or service?
- Does it match our stated commitments?
- Will I feel okay and guilt free if I do this?
- Would I do it to my family and friends?
- Would I be okay if someone did it to me?
- Would the most ethical person I know do this?
Strategies for Building an Ethical Organization

• Walk the talk
• Hire people with strong ethical values
• Be clear that “how” we achieve results matters
• Have good policies
• Discuss ethical dilemmas
• Provide advice
• Conduct an ethics audit
• Don’t punish the messenger
Moral Courage

“At least once in your lifetime take a risk for a principle you believe in, even if it brings you up against your bosses.”

Daniel Schorr
"If you don't stick to your values when they're being tested, they're not values, they're hobbies."

Jon Stewart
Are You’re an Ethical Survivor?
1. “Bob Gets it Done”

1. Reimburse Bob and recommend him for an employee award for innovation and creative problem solving.

2. Refuse the reimbursement but thank Bob - give him extra time off for a job well done.

3. Refuse reimbursement - you believe he paid a bribe and you want to verify the facts and legal implications.

4. Reimburse him out of petty cash – it is a minor amount within policy and he saved lives and property.

5. None of the above
2. All in the Family

1. Co-sign and don’t say anything- this is your wife’s business- you’re a silent partner- stay silent!
2. Co-sign and disclose this to the City Attorney.
3. Co-sign and disclose this to the City Council.
4. Don’t co-sign the loan- tell your wife that this has the appearance of conflict of interest
5. Don’t co-sign, work to find a way for your wife to get financing without your participation
6. None of the above
3. The Council Retreat

1. Pay the bill and submit it for reimbursement - the Mayor directed you to do it

2. Get the Hotel to invoice the City - place it on the next Council agenda for approval

3. Pay the bill - send an email to each participant requesting reimbursement for their share

4. Pay the bill, then call the Mayor and tell him that everyone will need to pay their share

5. Pay the bill and then ask the Council to give you a much larger raise next year for shielding them from bad press coverage

6. None of the above
4. I Don’t Want the Job

1. Accept the appointment with grace and humility. Ask outgoing Council for a significant raise and maximum severance clause.

2. Decline the appointment in writing, indicating you’d prefer to remain as Assistant or Interim.

3. Accept the action, but express your desire to be either Assistant or Interim.

4. Accept the appointment and hope that things work out with new Council.

5. Accept the appointment, but prepare for your future by looking at your options (other jobs).

6. None of the above.

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5. Relocation Blues

1. Take the new job. You are too distracted worrying about money and your marriage to do a good job where you are.

2. Take the new job- you couldn’t predict the economy collapsing- you need to think of your family.

3. Stay in your current job- if you leave, the Council will bad-mouth you to other local government officials.

4. Stay in your current job- you made a commitment and this would violate the ICMA Code.

5. None of the above.
6. “I’ve Got a Secret”

1. Have some casual conversations with the City Manager to find out how “serious” his daughter’s relationship is.

2. Tell the City Manager what you know about the Fire Chief’s son’s condition.

3. Say nothing—this is confidential information—disclosure is a violation of law.

4. Talk to the Fire Chief’s son—encourage him to disclose his condition to the manager’s daughter.

5. Talk to the Fire Chief—tell him what you know about his son and the dating relationship.

6. None of the above.
7. Accounting Rules

1. Transfer the accountant to a non-finance position- he’s a good worker

2. Fire the accountant- there is no tolerance for stealing public funds

3. Suspend the accountant- this is a small amount of money- not a termination offense

4. Refer the accountant to EAP for counseling

5. None of the above
8. The Eccentric Councilmember

1. Do nothing. This is a Council matter- they will sort it out

2. Talk to other Council members to find out if Ann offered them the same deal

3. Confront Ann with what you know- threaten to disclose it if she doesn’t accept the settlement

4. Share what you’ve learned with the City Attorney

5. None of the above
9. The Engagement Party

1. Don’t change anything. This is a private matter- your friends aren’t attending to influence city business

2. Acknowledge the Mayor’s concern, but indicate that since the Mayor and Council won’t be attending, there’s no problem

3. Use your blog to publically state that the party will not be paid for by developers

4. Talk to your developer friends about the perception- ensure that none of them pays for the party

5. Change the arrangements and host the party at your home

6. Since this may be your last big party as City Manager- make it's a good one

7. None of the above
10. Professional Development??

1. No need to do anything. This was a random luck of the draw- perhaps buy a bigger garage
2. Disclose this to the City Council but keep the vehicle
3. Give it to your spouse- keep it at arms length
4. Donate the vehicle to the City
5. Return the vehicle- you were attending a professional development conference- you should not profit from government paid training
6. None of the above
11. Not So Great New Job

1. Keep doing your job. You’ve already talked to Ron about your concerns— you can’t force him to change.

2. Talk to the Mayor— this is the Council’s job— not disclosing Ron’s behavior makes you complicit.

3. Have another conversation with Ron— tell him that you will bring his ethical violations to UCMA and ICMA if he doesn’t change.

4. Call UCMA and ask for guidance on how to proceed.

5. Work with the Department Heads to confront Ron as a group.

6. None of the above.
12. The Job Applicant

1. Talk to the Mayor’s niece-its not a commitment to hire and will avoid problems

2. Ask the City Manager for advice- you don’t want to anger the Mayor

3. Call her back and indicate that you can’t interview her because the application deadline has passed

4. Talk to her- and make sure she tells the Mayor how helpful you were

5. None of the above
13. Fantasy Football

1. Since they seem to be knowledgeable- make sure to ask them for advice on your Fantasy Football draft

2. Talk to the Department Head about your concerns. Direct her to fix the problem

3. Talk directly to the employees and ask them to stop. Indicate that Fantasy Football during work hours is equivalent to stealing the public’s money

4. Issue an organization-wide ban on using work time and equipment for Fantasy Football

5. None of the above
14.  I’ll Return it in the Morning

1. Do nothing. The equipment wasn’t needed on the weekend- no problem

2. Reprimand the supervisor- this was a misuse of public property

3. This was an inappropriate use of city resources - employees shouldn’t get perks not available to the public- tell supervisor to stop this practice

4. Same as #4 above, but make sure to establish a clear policy

5. Reserve the chain saw for your own use next weekend

6. None of the above
Thank You!