



Study and Facilitator's Guide

Includes Program Handouts

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COMPLIANCE IS JUST THE BEGINNING

FACILITATOR'S GUIDE

FOREWORD: WORKPLACE ETHICS – A CRISIS OF LEADERSHIP

In recent years there has been a confluence of painful, widely publicized situations, all caused by people making terrible ethical decisions in the workplace. The results have been devastating.

On the business side, some of the largest corporations in the United States have fallen victim to the belief that the ethical choices we make will somehow remain invisible. At communications giant Worldcom, senior executives were convicted of fraud, conspiracy, and lying to regulators. Global conglomerate Tyco's CEO was listed by BusinessWeek as one of America's top 25 managers before he was charged with looting his own company of \$600 million. Boeing's top executive was fired after a series of scandals involving military contracts. Adelphia, AOL Time-Warner, Arthur Andersen, Global Crossing, Halliburton and many more of the most powerful corporations in America found themselves on the front pages of newspapers around the world, accused of a wide range of offenses. Meanwhile, the name Enron – once considered one of the most innovative and successful energy companies in the world - has become synonymous with fraud, greed, and ethical misconduct at the highest levels.

Corporations haven't been the only institutions impacted by ethical scandals. The Majority Leader in the US House of Representatives was censured by his own Ethics Committee three times in one year. Sports organizations, from Olympic committees to professional and college leagues, have found themselves making headlines because of drug abuse, financial misconduct or other indications of a lack of sound ethical judgment. Even charitable and civic organizations have been rocked by a wide range of scandals.

The United States has not been alone in facing a flurry of embarrassing and painful ethical lapses. Government officials and corporate officers have recently faced serious charges of ethical misconduct in Canada, the UK, Japan, Australia, Italy, France – in fact it's hard to find a country where ethics scandals aren't part of the regular course of affairs.

In response laws have been passed, committees formed, and individuals prosecuted. People shake their heads and lament the lack of values in our most valued institutions. Employees look to the leadership in their organizations to provide clear guidance on how to improve the situation.

Part of the problem has been that as we enact more laws to define appropriate or "legal" behavior we distance people from decisions about what constitutes "right" conduct. As a result, we have begun to confuse "compliance" with "ethics" - we see compliance with the law as the goal, rather than the starting point of ethical decision-making.

These are the conditions that prompted us to create *Compliance is Just the Beginning*, a training resource to help people at all levels make better ethical decisions.

Human resource and training departments have a long history of playing a critical role in tackling difficult social issues at work. As sexual harassment became a major concern in the 1990's organizations mobilized their resources to provide guidance to employees about their rights and responsibilities. Policies were crafted and enforced, and conditions in most companies and agencies improved. The same has been true of discrimination and other diversity issues. These battles are not won, but there has been significant progress.

The same energy must now be applied to improving the ethical climate in our organizations. We can and must arm employees and managers with the tools they need to help them make better ethical judgments. The goal is not just to avoid embarrassment or penalties; it's to make our organizations stronger and more effective.

To support this effort, QMR has created a 2-part series. Program #1, **3 Steps to Ethical Decisions**, presents a clear process employees at any level can apply to help them work through difficult ethical decisions. In Program #2, **Ethical Situations to Consider**, we present 8 dramatizations of common workplace ethical challenges that employees can use to practice and test the *3 Steps* process. Many talented and insightful people have contributed to the creation of this training resource, and we thank them for their creativity, guidance and support.

We don't pretend that this series is a silver bullet. A training resource won't turn around the condition of ethical decision-making in any given workplace. It will take a sustained effort that includes clarifying organizational values and policies, clear and unequivocal enforcement of the highest ethical standards and, most importantly, leadership. We have seen the cost of inaction as retirement savings have been wiped out, careers ruined, and important institutions in our society weakened. It is too high a price to pay.

Your decision to introduce or expand ethics training in your organization is an important signal that you take this issue seriously. If we are going to have organizations that we can be proud of we need employees and managers who are aware of the values that underpin our decisions, a process to help them deal with difficult ethical choices and, most of all, we need leaders who are willing to step forward and show us the way.



Robert Rosell
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INTRODUCTION

Ethics is a very sensitive topic. Some people assume that right and wrong choices are always clear: one should not lie, one should not steal, and one should not break promises. In their view, the only difficulty is having the courage to *make* the right choice. These people may follow a form of “absolute ethics.”

Other people will argue that right and wrong choices often depend on circumstances — who is involved, what their motives are and so forth. In their view, context and motivation are of primary consideration. They may be following a form of “relativist” or “situational” ethics. Still others confuse “ethics” with “legal compliance”. For them, if it’s legal it’s okay. They see compliance as the goal of ethics training, not the beginning.

Most people, however, do not think explicitly about workplace ethics until they or their organizations are in some kind of trouble. Perhaps they have always considered themselves “good people,” and suddenly they have crossed some line they didn’t see or didn’t even know existed. Now what?

The **premises** of this training series are the following:

(a) There is a general consensus in society about the place of ethics at work:

- Good ethics is good business. Most of us want to work for, buy products from, and associate with ethical organizations.
- Bad ethics is bad business. Not only can you end up in jail, but most people don’t want to work for, buy products from, or associate with unethical organizations.
- Fairness, Honesty, Integrity, and Respect are widely held workplace values.
- Most of us think we can recognize unethical behavior when we see it, even if we may not be able to articulate what it is abstractly.

(b) Unethical behavior appears to be on the rise and with it a concern among leaders in all kinds of organizations:

- High profile cases, such as the Enron scandal, have increasingly occupied the news in the last few years.
- In response, “ethics committees” and “ethics programs” have arisen in schools, businesses, and other organizations.
- Publications on “business ethics” or “organizational ethics” have proliferated.
- Government regulations have emerged in an effort to rebuild confidence in the ethical practices of our organizations.

(c) Creating effective guidelines for ethical decision-making is difficult, but imperative.

- Ethics largely remains a gray area charged with emotions.
- We work in diverse organizations with employees of many backgrounds who may not share common values.
- The risks that unethical practices present to these organizations make ethics an area that needs clear, intentional thinking.
- **It is possible and necessary for organizations to develop clear ethical guidelines.**

We believe that in spite of differences in fundamental beliefs or core values, people can learn to make ethical decisions that will not only keep them and their organizations from violating laws and suffering the consequences, but also make their companies more successful, their workplaces more stable and satisfying, and their employees happier and more productive. QMR has developed this training program, *Compliance is Just the Beginning*, to address this need.

HOW TO USE THIS MANUAL

The Facilitator's Manual is designed to help you adapt this training program to the needs of your organization. Its modular design offers wide flexibility; here we have organized the material into two versions: a longer, 3.5 – 4 hour workshop (L) and a shorter, 1.5 to 2 hour workshop (S), but you may configure the materials to suit your needs. We have also created additional, optional (O) materials and exercises that you may choose to use.

The Programs

Program One will introduce you to the fundamental approach of this two-part series. It will present *a three-step decision-making process* and offer clear guidelines for implementing each step. Program Two consists of eight scenarios representing different kinds of ethical decisions and dilemmas.

Both programs grapple with the gray areas, the really tough decisions, applying the 3 Steps *process* to situations that participants can actively discuss.

Preparation

View the video programs to see the “big picture” of how they are structured and how the content is presented. Determine the timeframe for the training you wish to deliver. Read this guide to understand the resources available to you. Select the training approach and activities that will best meet your organization's needs.

The **discussion questions** for participants are in **handouts** in the back of the guide. They are also available as PowerPoint slides. For facilitators these questions are accompanied, in a second column, by **notes** that may be helpful in leading the discussions.

Ground Rules

1. In order to encourage participants to be candid in their small group discussions, the facilitator will ask participants to respect each other by not interrupting someone who is contributing to the dialogue and by not demeaning what other participants say.
2. The facilitator should model this approach by letting participants speak without interruption and attempting to summarize their contributions faithfully on the white board or flip chart. The facilitator should also seek to get input from as many participants as possible.

What you will need:

- VHS or DVD player (stand alone or computer) and projector or television monitor
- Your company's guidelines for ethical behavior. Perhaps these are found in a statement of “values”, “vision”, “mission” or a “code of conduct.” You may find them featured in your New Employee manual. Perhaps their short form is posted in the main lobby, or the lunchroom. Maybe they are on your website. Please prepare them as a handout for participants in this training program. If your company has nothing in writing, consult with your legal department and senior management to prepare a short list of implicit or intuitive values that you think guide your company's ethical decisions.
- White board or flip chart and appropriate pens.
- Copies of Handouts from this Manual. You may also use the PowerPoint slide versions of these handouts.

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| 10 | 1a: What's ethics, anyway? | A | x | x | | |
| 11 | 1b: Our Code of Conduct | B | | x | | |
| 12 | ▶ START video Run 17.5 minutes PAUSE at "What should Elena do?" | | x | x | | |
| 12 | 1.1 Discussion | | | | | |
| 12 | From the Mouths of Babes | C | | x | | |
| 13 | The Road to Rationalization | D | x | x | | |
| 14 | Game Show: "You Never Know!" | E | x | x | | |
| 15 | Engage the Experts | | | | x | |
| 16 | 1.2 Core Workplace Values | F | | x | | |
| 17 | Engage the Experts | | | | x | |
| 18 | 1.3 The PROCESS | G | x | x | | |
| 19 | Compliance Test: Investigate | H | x | x | | |
| 20 | Ripple Effect: Evaluate | I | x | x | | |
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| 25 | ▶ RESUME | | | | x | |
| 25 | We learn more information | | | | | |
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| 25 | 1.5 Now what should Elena Do? | M | x | x | | |
| 25 | Explore the issues | | | x | | |
| 26 | Employ the PROCESS | | x | x | | |
| 26 | ▶ RESUME | | | x | | |
| 26 | Engage the Experts | | | | x | |
| 26 | PAUSE | | | | x | |

| Page | Contents of Program | Handout | Short | Long | Optional | √ |
|------|---------------------|---------|-------|------|----------|---|
| 26 | Response/comments | | | | x | |
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| 29 | ▶ START video 2.1 Playing with the Numbers | N | x | x | | |
| 29 | PAUSE What should Phil Do? | | x | x | | |
| 29 | Explore the Issues | | x | x | | |
| 30 | Employ the PROCESS | | x | x | | |
| 30 | ▶ RESUME Engage the Experts | | x | x | | |
| 30 | PAUSE Response/Comments | | | x | | |
| 31 | ▶ START 2.2 A Little Business on the Side | O | x | x | | |
| 31 | PAUSE What should Lee do? | | x | x | | |
| 31 | Explore the Issues | | x | x | | |
| 31 | Employ the PROCESS | | x | x | | |
| 32 | ▶ RESUME | | x | x | | |
| 32 | Engage the Experts | | | x | | |
| 32 | PAUSE Response/Comments | | | x | | |
| 33 | ▶ START 2.3 Paranoid or Vigilant? | P | x | x | | |
| 33 | PAUSE What should Maria do? What should John do? | | x | x | | |
| 33 | Explore the Issues | | x | x | | |

| Page | Contents of Program | Handout | Short | Long | Optional | √ |
|------|--|---------|-------|--------|----------|---|
| 33 | Employ the PROCESS | | x | x | | |
| 34 | ▶ RESUME | | x | x | | |
| 34 | Engage the Experts | | | x | | |
| 34 | PAUSE Response/Comments | | | x x | | |
| 35 | ▶ START 2.4 The Price of Principles | Q | x | x | | |
| 35 | PAUSE What should Renee do? | | x | x | | |
| 35 | Explore the Issues | | x | x | | |
| 35 | Employ the PROCESS | | x | x | | |
| 36 | ▶ RESUME | | x | x | | |
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| 37 | PAUSE What should Jan Do? | | x | x | | |
| 37 | Explore the Issues | | x | x | | |
| 37 | Employ the PROCESS | | x | x | | |
| 38 | ▶ RESUME | | x | x | | |
| 38 | Engage the Experts | | | x | | |
| 38 | PAUSE Response/Comments | | | x x | | |
| 39 | ▶ START 2.6 Blowing the Whistle | S | x | x | | |
| 39 | PAUSE What should Mark do? | | x | x | | |
| 39 | Explore the Issues | | x | x | | |
| 39 | Employ the PROCESS | | x | x | | |
| 40 | ▶ RESUME | | x | x | | |
| 40 | Engage the Experts | | | x | | |
| 40 | PAUSE Response/Comments | | | x x | | |
| 41 | ▶ START 2.7 Conflict of Interest | T | x | x | | |
| 41 | PAUSE What should Min do? | | x | x | | |
| 41 | Explore the Issues | | x | x | | |
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| Page | Contents of Program | Handout | Short | Long | Optional | √ |
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| 42 | ▶ RESUME | | x | x | | |
| 42 | Engage the Experts | | | x | | |
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| 43 | Explore the Issues | | x | x | | |
| 44 | Employ the PROCESS | | x | x | | |
| 45 | ▶ RESUME | | x | x | | |
| 45 | Engage the Experts | | | x | | |
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| 49 | <i>Activity 3:</i> Invent the “Ripple Effect” exercises | | | | x | |
| 49 | <i>Activity 4:</i> “Ripple Effect” contests. | | | | x | |
| 49 | <i>Activity 5:</i> “No one will ever know.” | | | | x | |
| 50 | <i>Activity 6:</i> The Ripple Effect from <i>good</i> decisions! | | | | x | |
| 50 | <i>Activity 7:</i> Promote a “value of the month | | | | x | |
| 51 | Recommended Resources | | | | | |
| 52 | Who’s Who in “Compliance is Just the Beginning” | | | | | |

| |
|------------------------------------|
| LIST OF HANDOUTS AND SLIDES |
|------------------------------------|

| # | Handout Title | Short | Long | Optional | √ |
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| B | Pre-screening Activity: Our Code of Conduct | | x | | |
| C | From the Mouths of Babes: Children on Cheating | | x | | |
| D | The Road to Rationalization | x | x | | |
| E | Game Show: YOU NEVER KNOW! | x | x | | |
| F | Four Core Workplace Values | | x | | |
| G | THE THREE-STEP PROCESS | x | x | | |
| H | Step 1. The Compliance Test: INVESTIGATION | x | x | | |
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| J | No one will ever know | | x | | |
| K | Step 3. The Gut Check: REFLECTION | x | x | | |
| L | The Story of Maria, Elena, and Victor: What Should Elena Do? | x | x | | |
| M | The Story of Maria, Elena, and Victor: Now what Should Elena Do? | x | x | | |
| N | Program 2 Scene 1: Playing With the Numbers What Should Phil Do? | x | x | | |
| O | Program 2 Scene 2: A Little Business On the Side What Should Lee Do? | x | x | | |
| P | Program 2 Scene 3: Paranoid or Vigilant What Should Maria and John Do? | x | x | | |
| Q | Program 2 Scene 4: The Price of Principles What Should Renee Do? | x | x | | |
| R | Program 2 Scene 5: Copyrights and Copy Wrongs What Should Jan Do? | x | x | | |
| S | Program 2 Scene 6: Blowing the Whistle What Should Mark Do? | x | x | | |
| T | Program 2 Scene 7: Conflicts of Interest What Should Min Do? | x | x | | |
| U | Program 2 Scene 8: A Token of Our Appreciation What Should Lonny Do? | x | x | | |
| V | One Thing Leads to Another | | | x | |
| W | Revise Your Organization's Ethical Guidelines | | | x | |
| X | Damage Control & Mission Control | | | x | |
| Y | When is it Plagiarism? | | | x | |

Exercises before Screening the Video

PRE-SCREENING ACTIVITY: WHAT'S ETHICS, ANYWAY?

HANDOUT A

| Discussion Questions | Facilitator Notes (suggested contributions; summarize them on the board) |
|--|--|
| 1. What is ethics? | Webster: 2. a system of moral principles or values; 4. the rules or standards of conduct governing the conduct of a profession. Other? Our society's shared values that guide behavior in organizations. Cultural values that affect decision-making in business, law, medicine, and other professions. |
| 2. What's an ethical dilemma? | Formally, it's a situation when either choice has some negative consequences. "Choosing the better of two evils." More informally, however, it's a tough situation where no decision is perfect. |
| 3. What do we mean by an ethical or unethical decision? | A decision that has a legal or moral component, usually within an organization or community. A "right" or "wrong" decision involving a difficult choice. A decision that affects a lot of people in a good or bad way. |
| 4. What do we mean by ethical behavior? | Behavior in conformity with legal and social norms. Behavior that is consistent with personal and community standards. Could be behavior that meets some higher, more absolute standard. |
| 5. Are social and cultural norms sufficient guidelines to ethical behavior? | Sometimes, but not always. Until the U.S. civil rights movement of the 1950s, for example, racism was institutionalized. Organizations with leaders who wished to do the right thing had to make decisions that went against social norms. |
| 6. What role do laws play in ethical behavior? | Laws provide rules that set a minimal standard for acceptable behavior and require compliance. They are just the beginning of the process of ethical decision-making. |

Pre-screening Breakout Activity: How does your organization define ethical behavior?

Break the class into small groups of 3 to 4 people. Distribute your organization's ethics guidelines or values statement and ask the groups to discuss them for 5 minutes. Use the questions in Handout B. [This document may be long, too long for discussion. Perhaps just a section could be used, or even an opening paragraph or page. If your organization does not have anything in writing, please prepare a short list of implicit or intuitive values that you think guide your organization's ethical decisions.] A representative from each group should report back to the larger group. Plan to return to this at the end of the training.

| Discussion Questions | Facilitator notes |
|--|--|
| <p>1. Have you ever seen this document? If so, when and where?</p> | <p>It may be widely distributed, or not at all. It may be a few bullet points, or a lengthy manual. It may consist, rather, simply of implicit principles intuitive to the organization’s leadership.</p> <p>If you have a written policy it may be part of an employee training manual, but never pointed out by the person responsible for new employee orientation. Or it may have been among the first policies addressed. It’s valuable to determine how familiar participants are with your ethics policies and documents.</p> |
| <p>2. When, why, and by whom do you think it was written?</p> | <p>The president? The HRM officer? A committee? It may be a document signed by the president or CEO, whether or not he/she wrote it. It may be a document that has existed for as long as anyone can remember. Or it may be something more recent, reflecting current concerns.</p> |
| <p>3. Do you think it is a clear, realistic set of values or guidelines for ethical behavior?</p> | <p>Often these documents are detailed manuals that attempt to cover every aspect of an employee’s behavior. Typically, most employees do not read them. Or they may be very brief, even perfunctory. In the latter case, they may be strong, integral parts of the organization’s culture, or may be given only the proverbial nod. (In Program One an Enron executive states that her company had a public list of ethical values but did not live by them at all.)</p> <p>Participants will have varied ideas about their effectiveness.</p> |
| <p>4. Are these guidelines part of your organization’s culture? Does everyone know them?</p> | <p>It may be a perfectly good document, but has it become part of the culture? Is it integral to the life of the organization?</p> |
| <p>5. Have you used these guidelines in making a difficult ethical decision?</p> | <p>Is it used? Depending on their level of responsibilities, participants may have difficulty in answering this question.</p> |
| <p>6. If they are unrealistic or too complicated, what would you propose instead?</p> | <p>This can be only preliminary. At the end of the longer workshop, this can be addressed again as an optional exercise.</p> |

PROGRAM ONE: 3 STEPS TO ETHICAL DECISIONS

FROM THE MOUTHS OF BABES
CHILDREN ON CHEATING

HANDOUT C

▶ **START VIDEO** — Run about 17.5 minutes.

|| **PAUSE VIDEO** at: “What Should Elena Do?”

(Longer Training)

| Discussion Questions | Facilitator Notes |
|---|---|
| 1. What question were the children asked? | “If someone tries to cheat on a test, by asking you for the answer, would you tell them?” |
| 2. What did the younger children have to say about this kind of cheating? Did they come to a consensus? | Most said you’d get in trouble if you told someone the answer. Or you shouldn’t cheat because your teacher would get mad. One said cheating is wrong, another that she wouldn’t do it because you aren’t supposed to cheat. |
| 3. What do you think about these responses from young children? | They are on the one hand legalistic — the reason not to cheat is that you’ll get in trouble. They assume that someone will find out. They also are clear and absolute e.g. “Cheating is wrong”. |
| 4. What did the older children say about it? | One said it depended on who the person was and, what the situation was; the other said if she knew she wouldn’t get caught, she’d probably tell them the answer. |
| 5. What do you think about these responses? How do they differ from those of the younger children? | They are “relativistic” or “situational” in ethical terms: the primary consideration is context, motivation. |
| 6. Where do you think the children get these views? | Adults? Television? School? Friends? |
| 7. What do you think they would say when they are older? What might have changed in their lives that would lead them to different answers? | They may be more cynical or more calculating. What has changed is that they have had experiences that have taught them to respond to ethical challenges differently. |
| 8. Plagiarism (copying words or ideas into your own work without attributing them to their authors) is a huge problem in universities and even in newspaper and book publishing. Does this surprise you after hearing these children? | If teenage students already aren’t clear on what cheating is, how can we expect them to be different once they are in college? Or in the workplace? |

| Discussion Questions | Facilitator Notes |
|--|---|
| <p>1. “I deserve it.” “No one will get hurt.” As pressures grow, so does our ability to rationalize and excuse a ‘wrong’ choice. Have you ever experienced or watched something like this happen?</p> | <p>Encourage people to talk about what causes perfectly respectable people to rationalize bad ethical decisions this way. Our culture? People who seem to get by with unethical behavior and even “win” with it? Tolerance? Economic downturns? Loss of confidence in the value of hard work? Other?</p> |
| <p>2. “No one will ever know.” Why do people believe this? What would happen if everyone acted as though they knew someone was watching? Think of occasions when history might have been different had the persons involved assumed someone was watching or someone would surely find out?</p> | <p>Maybe they’ve seen bad guys succeed, at least short term. Or maybe they’ve succeeded (or thought they did) in keeping things from their parents when they were little. Or they succeeded in cheating on tests or plagiarizing term papers in college. What other explanations might there be? Do you think this is more common today than in the past?</p> |
| <p>3. “Everyone does it.” Why is this so powerful a statement? Peer pressure is common among teens and young adults, and commonly succumbed to. Why is that? Do people outgrow the tendency to be influenced by peer pressure? Do you have experience with active or passive peer pressure?</p> | <p>This is why the definition of ethics as behavior meeting legal and social norms is a bit shaky. What if social norms are wrong? Or lead to bad choices? People have to be strong in their core values to resist both passive peer pressure (imagined, perceived) and active (explicit pressure to do something you aren’t comfortable with.)</p> |

| Discussion Questions | Facilitator Notes |
|---|---|
| <p>1. Surely no one would do such blatantly wrong things as "lie to auditors" (not remembering to mention a few things) or "cheat your customers" (what they don't know won't hurt them) or "steal from your organization" (to double his money). Or would they? What evidence do you have from the recent past?</p> | <p>A Single Bad Ethical Decision can have Huge Consequences. Over the last decade we've seen high-level executives do all the things Ken does in this game show. Participants should be able to cite several examples from recent history, both high profile and perhaps some within their own communities.</p> |
| <p>2. Why do you think people make this kind of bad decision?</p> | <p>Ken's rationalizations say it all: "I've really earned this. They owe me. No one will ever find out. Anyone else would choose door one. If you don't look out for yourself, who will? I could do a lot of good with that money. I need it as much as anyone else." One thing leads to another. For example, you start changing one number here and there, and pretty soon you're "cooking the books."</p> |
| <p>3. How do you think people become good at and comfortable with lying? What are their motives?</p> | <p>Practice: They start with little lies, and then bigger ones, and pretty soon they don't even know when they are lying. OR: They continue to know very well that they are lying, but they are tempted by the gain — money, prestige, or whatever — and are totally convinced that no one will ever find out.</p> |
| <p>4. What do you think could prevent such behavior or at least make it less frequent?</p> | <p>This question opens a huge area for discussion. Some participants may go back to the family, the schools, religious values, civic education. Others may pragmatically suggest common sense practices, e.g. "act as though someone will always find out." Others may refer to the "Four Core Values" presented in Program One.</p> |

Engage the Experts: Why do people choose to make bad ethical decisions? What are the consequences? What are some other considerations? Review what the experts said in the video:

- Enron: we just didn't stop to think about how our decisions would affect others – the ripple effect.
- A person makes one decision, and then another, then another, and two years later, they look at where they are and what they've done and they wonder what happened.
- Sometimes “what's best” is “what's best for me in the short term,” and they don't look long-term.
- Sometimes in the short term we might avoid conflict, but in the long term, the cost of covering something up is worse.
- We know what right is, but don't always have the courage to do it. Temptations can take you down the wrong path.
- People don't think about unintended consequences. Or they think they can get away with something. Or they don't care.
- They don't have time for the reflection needed to make a better decision.

| Response/Comments | Facilitator Notes |
|---|--|
| <p>What do you think? Are there other considerations? Is it true, in your experience, that people know what right is, but simply don't have the courage to do it? Why might that be?</p> | <p>Sometimes it's other pressures, such as livelihood — their courage might cost them their job, and they can't afford to be without work. Also, they may not believe that their courage will be rewarded – either “morally” or monetarily. They might think that no one really cares.</p> |

- Fairness:** Play by the rules.
- Honesty:** Tell the truth.
- Integrity:** Keep your promises.
- Respect:** Treat others with dignity, respecting their person and property.

| Discussion Questions | Facilitator Notes |
|--|--|
| <p>1. Have you thought about the values that guide your decision making, implicitly if not explicitly? If you have, what prompted you to do so?</p> | <p>Most people haven't, unless a specific situation required it of them. Some may be able to give simple examples, such as road manners. Some drivers are polite; others are not. Why is that so? Some participants may have stories from community activities, politics, or personal crises.</p> |
| <p>2. Do you think people should be consciously aware of what their core values are? Why or why not?</p> | <p>When an ethical decision has to be made quickly, we do not have time for reflection. The more conscious we are of our core values, the more available they are to us when we need them.</p> |
| <p>3. What do you think about the four core workplace values presented here? Should they apply in any workplace?</p> | <p>There are many values that apply in any given workplace, but finding values that apply universally is challenging. Explore these four values — fairness, honesty, integrity and respect — and consider whether they are universal values that would (or should) apply in any workplace.</p> |
| <p>4. How do you interpret "Fairness"? Can you give an example of this value in action at work?</p> | <p>Ask for specific examples from participant's work experience. Do they see fairness as a core value in your workplace? Do they think it should be? If participants can't offer first-hand examples, suggest some from other organizations — are all employees subject to the same rules regarding gifts or sick-leave? Why or why not? Is it fair?</p> |
| <p>5. How do you interpret "Honesty"? Can you give an example of this value in action at work?</p> | <p>Ask for illustrations from the participant's experience. For example, a supervisor in an employee's annual review wants to avoid conflict, and so he/she is not candid about deficiencies in the employee's performance. Is that honest? Has she/he helped or hurt the employee?</p> |

| Discussion Questions | Facilitator Notes |
|---|--|
| <p>6. How do you interpret “Integrity”? Can you give an example of this value in action at work?</p> | <p>When is a promise a promise – or not? That question is raised in the story of Elena and Maria. People sometimes observe that business deals used to be made “on a handshake,” back when a handshake stood for a person’s “word,” or promise. Today we have contracts. Participants can be asked to comment on what they think a promise is or is not.</p> |
| <p>7. How do you interpret “Respect”? Can you give an example of this value in action at work?</p> | <p>Some people work in conditions where respect is not a core value of the organization, or at least not to the extent that behavior characterized by respect for others is evident in all employees. Participants may prefer to discuss the situation in other organizations, rather than their own. For example, to what degree status influences the treatment of employees by supervisors.</p> |
| <p>8. What workplace values would you add? Or subtract?</p> | <p>Kindness, compassion, sharing? Would you consider these universal in that they would apply as a core value in all workplaces? Are they subsets of the others?</p> |

***Engage the Experts:* How does an organization benefit from a culture where all employees at all levels adhere to a clear set of ethical standards? What are the consequences when it doesn’t have these standards?**

Review what the experts said in the video, and invite a discussion about the role of ethical values in the workplace.

- Enron: We had a list of values that looked great, but what was going on inside the company had nothing to do with them.
- When a company doesn’t articulate values, then personal values or lack thereof take over.
- People won’t trust the company, because they don’t know when you will be behaving unethically.
- Ethical decisions aren’t a question of black and white, but of gray. Clarity about an organization’s values will help employees make better decisions.
- If values are clear, they are a tool to use in decision making. If I know my organization has made a commitment to respect, for example, I can use this in my decisions.
- If you don’t have these values, and can’t make good decisions, you end up putting out organizational fires rather than running your business, and that is distracting.
- It’s costly and it makes employees unhappy, because they know that the money going to court fees and settlements could be building or supporting the organization.

1. The Compliance Test: *Are the choices you face legal? Do they comply with regulatory expectations? Do they meet your organization's standards and values?*

THIS IS A PROCESS OF INVESTIGATION.

2. The Ripple Effect: *Does the decision reflect well on me and my organization? What are the likely effects, good and bad, on my family, my colleagues, my organization, my community, and the wider world once the decision becomes widely known?*

THIS IS A PROCESS OF EVALUATION.

3. The Gut Check. *Is the decision consistent with my core values? Does it feel like the right thing to do? Is this a decision I will be proud of? Will I be able to sleep at night?*

THIS IS A PROCESS OF REFLECTION.

THE COMPLIANCE TEST: ARE THE CHOICES YOU FACE LEGAL? DO THEY COMPLY WITH REGULATORY EXPECTATIONS? DO THEY MEET YOUR ORGANIZATION'S STANDARDS AND VALUES?

HANDOUT H

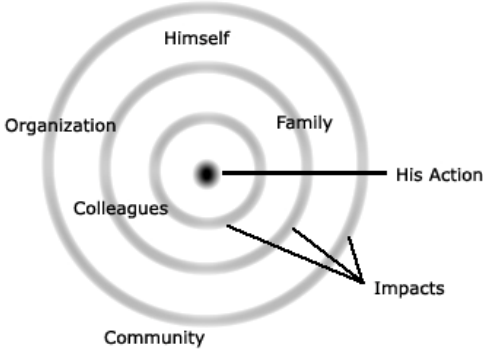
| Discussion Questions | Facilitator Notes |
|--|--|
| <p>1. Where would you find the rules for appropriate behavior for your organization?</p> | <p>In many organizations people do not know what the rules are, where to find them, or to whom they apply. Ask participants what kinds of organizational rules it might be important for them to know. Ask how they might investigate to identify these rules.</p> |
| <p>2. If a legal question comes up at work and you aren't sure what the regulations are, how do you find out?</p> | <p>Investigation. Have employees explore what resources might be available to them inside the organization. These might include the legal department, HR department, senior managers and experienced staff.</p> |
| <p>3. If the internal resources of the organization can't answer your question, where would you look next?</p> | <p>Investigation. Go to resources outside the organization – government resources, regulatory agencies, the library or Internet to find the information you need. The Compliance Test is about finding out the facts. In most cases, this will be relatively easy. In some cases, however, you'll need to do some research.</p> |
| <p>4. How can your organization help?</p> | <p>Ask employees to suggest ways in which the organization can make it easier for them to be clear about compliance issues. What resources would they like to have that are not currently available to them? For example, clearly written, user-friendly documents that clarify key issues.</p> |
| <p>5. What is the "legal limit"? Why should we take care not to get too close to it?</p> | <p>The "legal limit" is usually the absolute boundary, which is usually a minimum, not optimum standard. Compliance is not about finding how close you can get to the legal limit. To do so is like standing at the edge of a precipice – it is all too easy to fall over.</p> |
| <p>6. One of the narrators says that we need to know the spirit of the law so that we never come too close to the legal limit. What is meant by "the spirit of the law"? Can you give examples?</p> | <p>We need to know why the rule or law exists if we are to rely on our own judgment in the crunch. If we don't know why a law exists, it's more difficult to ensure compliance. Why is it illegal for a pilot to drink alcohol a certain number of hours before flying a plane? If the legal requirement is 8 hours, would it pass the compliance test for the pilot to get drunk 8 hours and 10 minutes before he or she is scheduled to fly? Why or why not?</p> |

THE RIPPLE EFFECT: DOES THE DECISION REFLECT WELL ON MY ORGANIZATION AND ME? WHAT ARE THE LIKELY EFFECTS, GOOD AND BAD, ON MY COLLEAGUES, MY ORGANIZATION, MY FAMILY, MY COMMUNITY, AND THE WIDER WORLD ONCE THE DECISION BECOMES WIDELY KNOWN?

HANDOUT I

| Discussion Questions | Facilitator Notes |
|---|--|
| <p>1. Can you give an illustration of the Ripple Effect, positive or negative, from your own experience?</p> | <p>Encourage examples from employees' work and personal lives. Be prepared with your own example to get things going. High-profile cases have included abuse of e-mail and the Internet resulting in dismissal and even scandal.</p> |
| <p>2. How do we figure what the likely Ripple Effects will be?</p> | <p>Evaluation. We need to imagine what the likely impacts of our decisions will be. In doing this we need to cast a wide net, thinking of how the decision will impact our colleagues, organization, family, community, and ourselves. In most cases when doing the Ripple Effect analysis, we should assume that the decision we make will become widely known.</p> |
| <p>3. Can you think of examples of decisions in your organization or community that had unintended or unexpected Ripple Effects?</p> | <p>Unintended consequences are a huge part of the ripple effect. People (courts, stakeholders) do not always consider our motives. "I didn't mean to hurt anyone" you will hear in ethical situation 2.1 in Program Two. Think of an example of a decision that might be made in your organization or community and discuss the possible Ripple Effects.</p> |
| <p>4. How far does the Ripple Effect extend? For example, who were the people behind the mirror in the dramatization "No One Will Ever Know"? Are they the end of the ripple or is there more?</p> | <p>Use your imagination. Just how far could that Ripple carry?</p> |
| <p>5. What would happen if people quit thinking that "no one will ever know" and started assuming that the ethical decisions they make at work will eventually be widely known?</p> | <p>Some participants may raise the issue of privacy. Why should everything we do be known? The point is not whether a specific decision will eventually end up in the newspaper, but rather that when you assume it will, you are more likely to make decisions that will benefit, rather than hurt, you and your organization.</p> |

In the dramatization where the man assumes his actions are invisible, only to find the world watching from behind a two-way mirror, we see an example of why it's so important to always assume that your ethical decisions will become widely known.

| Discussion Questions | Facilitator Notes |
|---|--|
| <p>1. What was his primary assumption?</p> | <p>That no one was looking, that no one would ever know what he was doing. Perhaps he did not process this assumption consciously, but it is clearly there.</p> |
| <p>2. Why do you think he emptied the chocolate bowl into his briefcase?</p> | <p>After he took a handful, he spread around the remaining chocolates so it wouldn't be so obvious that he had taken half of them. It appears he thought someone might notice how few chocolates were left, so he decided to remove the remaining evidence.</p> |
| <p>3. He then took the silver tray. This feels like he's stepped over the line from greed to theft. Why do you think he did this?</p> | <p>He saw the empty tray on the table and perhaps decided to get rid of the evidence of his embarrassing behavior.</p> |
| <p>4. Draw several concentric circles to form a "Ripple Chart" and label them with "Ripple Effects" that have already begun to take place because of this man's behavior. Use different sides of the circle to represent different "constituencies" affected by his actions.</p> | <p>You can go step by step from the center and chart the impact on the man himself, his employer, his friends, family, community, etc.</p> <p>It is also fair to ask how he could possibly do such a thing in the first place. What do participants think was motivating him or going through his mind?</p>  |
| <p>5. Do you think that if he had considered the Ripple Effect, he might have made different choices?</p> | <p>Since fundamental to the Ripple Effect is the concept that you must assume your decisions will become widely known, it is likely that he would have made other choices.</p> |

THE GUT CHECK: *IS THE DECISION CONSISTENT WITH YOUR CORE VALUES? DOES IT FEEL LIKE THE RIGHT THING TO DO? CAN I LIVE WITH MYSELF, CAN I SLEEP AT NIGHT?*

HANDOUT K

| Discussion Questions | Facilitator Notes |
|--|---|
| <p>1. Isn't the "Gut Check" too subjective? What if your "gut" is telling you to do the wrong thing?</p> | <p>It would be if the Gut Check were the only part of the process. But once you've investigated the Compliance questions and evaluated the Ripple Effects, then the Gut Check is an essential "gatekeeper".</p> |
| <p>2. Some people would call the "gut check" "listening to your conscience." Does the terminology matter?</p> | <p>No. People may interpret the "gut check" in any way that helps them utilize their own core values to exercise responsibility.</p> |
| <p>3. How does the Gut Check work? Why is it sometimes so difficult?</p> | <p>Reflection. If we have not thought about our core values, it may be difficult to apply the Gut Check in a situation that requires a quick decision. We may not trust our instincts. Especially if our instincts (our "gut") tell us to go against what may seem expedient, we may question whether they are valid.</p> |
| <p>4. How does one learn to trust one's instincts and to be confident in the Gut Check?</p> | <p>Reflection. Take some time to think about your core values. Apply them theoretically in ethical situations you observe in the community and ask "What would I do?" Imagine the Ripple Effects of your decision and how those would make you feel.</p> |
| <p>5. What about role models? Are they important to the Gut Check process?</p> | <p>People may have several role models, from historical heroes to parents, teachers, or colleagues. Encourage participants to give examples of role models for ethical behavior. Thinking about what someone who you respect would do if facing a similar situation can be a valuable part of the Gut Check.</p> |

THE STORY OF ELENA, MARIA AND VICTOR

EXPLORE THE ISSUES

HANDOUT L

| Discussion Questions | Facilitator Notes |
|---|---|
| 1. What is going on in this story? | Elena has heard from Maria, supervisor of both Victor and Elena, that she will be taking over some of Victor's responsibilities very soon. Maria cannot or will not say whether Victor is being laid off. Maria asks Elena to keep their conversation confidential. Later, Victor tells Maria that he and his wife have put a bid on a house that is much more than they could afford should Victor lose his job. |
| 2. What is Elena's dilemma? | If she doesn't tell Victor, he could lose his house; if she does tell him, she would violate Maria's request that she keep the information confidential, and possibly lose her job. |
| 3. What are the issues? | Did Elena make a promise to Maria? Explicit? Implicit? Victor cannot be allowed to buy that house without a secure job. So how can Elena ensure that he knows his situation? What happens if Elena breaks Maria's confidence? Elena may be breaking a promise (compromising her integrity) and she may lose her job. Should Maria have told Elena about the changes ahead and then asked her not to tell Victor? Is the answer relevant to Elena's decision? Do our ethical decisions depend on other people's ethical or unethical behavior? |
| 4. What are the choices? | Tell Victor, risk Maria's anger, possible dismissal. Don't tell Victor, lose his friendship, feel guilty that you might be in some way responsible for a financial catastrophe. Other options? |

EMPLOY THE PROCESS

| | |
|---|--|
| Investigate: Compliance Test | <p>Has Elena made a promise that cannot be broken? Maybe. Are there applicable laws? There do not seem to be laws involved; there may be organizational policies, however, on revealing confidential information.</p> |
| Evaluate: Ripple Effect | <p>If Elena tells Victor: she may feel responsible for his misfortune. Rumors of the coming reductions in workforce would be confirmed and could lead to negative impacts within the organization, such as poor morale.</p> <p>If Elena doesn't tell Victor: he may be financially ruined; she could lose his friendship once he becomes aware that she knew of the decision before he bought his house; word of how Victor was treated could reflect badly on the organization and impact employee morale; she will feel responsible forever.</p> |
| Reflect: Gut Check | <p>Can Elena afford to risk her job? Does it feel like the right thing to do to let Victor buy the house knowing that he is about to lose his job? Is breaking her agreement to keep the information confidential consistent with her personal values? Does she have any alternatives?</p> |

▶ RESUME VIDEO

Engage the Experts:

- Is this a compliance issue? Has Elena made a *promise* to Maria; if so, she cannot break it. One expert says that she definitely did; others say that needs to be investigated.
- She has to do the gut check, but that doesn't make it easier. What feels like the right thing to do? Can she face Victor when he finds out that she knew the situation before he went through with the house purchase, and didn't tell him?
- Ripple effect – it's a very difficult choice: possibly losing Victor's friendship if she doesn't tell, or losing her job if she does.
- Is there a third alternative?
- Go back to Maria and explain that if they don't tell Victor that he's losing his job, he may make an offer on the house and end up in financial trouble.
- If Maria doesn't help, then perhaps Elena should look for another job, because this is an employer she cannot trust.

|| PAUSE VIDEO (Longer Training)

| Response/Comments | Facilitator Notes |
|--|---|
| <p>What do you think? Are there other considerations?</p> | <p>Note that the experts had differing views. Do you agree with any of them? Which, and why? What do you think about the “third alternative”? Do you think that we often get stuck on “either-or” and don’t look for more creative ways to solve problems?</p> |

▶ RESUME VIDEO

We learn that Maria and Victor had been dating. Victor met his future wife and jilted Maria. Maria may want revenge.

|| PAUSE VIDEO at “Now what should Elena do?” (Longer Training)

EXPLORE THE ISSUES HANDOUT M

| Discussion Questions | Facilitator Notes |
|---|--|
| <p>1. What has changed?</p> | <p>Maria’s motives are now in doubt, possibly she is engaged in retaliation. Elena may or may not know that retaliation is illegal, rather than just unfair.</p> |
| <p>2. Now what does Elena need to consider?</p> | <p>Whether to go over Maria’s head and speak to someone else in management. Would that help? Confronting Maria; perhaps the problem can be solved before Maria takes action? If indeed Maria is trying to retaliate, she needs to know that such action is illegal.</p> |
| <p>3. How can she know if this is in fact retaliation or merely a coincidence?</p> | <p>This requires investigation. She could try to talk to Maria, but it may be difficult, given her position and the dynamics we see in the dramatization. She might be able to talk to someone in Human Resources or the legal department.</p> |
| <p>4. What is Elena’s time frame?</p> | <p>She needs to make a fast decision or Victor could make a purchasing commitment that would be difficult and/or expensive to get out of.</p> |

EMPLOY THE PROCESS

| | |
|---|--|
| Investigate: Compliance Test | There may be legal issues here, because retaliation is illegal. Elena needs to investigate as to whether that is the case. Should Elena confront Maria? Go to HR or senior management with her concerns? Speak with Victor? |
| Evaluate: Ripple Effect | If this were to become widely known, which we must assume, the impacts on the organization could be significant. There could be legal action taken, bad publicity in the media, and negative impacts on employee morale, which in turn could affect productivity. Maria could face disciplinary action. She could also deny any retaliation against Victor and take legal action against the organization herself. |
| Reflect: Gut Check | Does Elena believe that this is a case of retaliation by Maria against Victor? Does she feel her concerns about Maria's motives cancel her obligation to keep the information about Victor confidential? |

▶ RESUME VIDEO

Engage the Experts

- This changes the situation: retaliation is against the law. Maria may feel she has to bring this to senior management.
- Despite this information, Elena should not disclose to Victor because that won't help. She must find a way to solve the issue within the company. The organization has a right to know about the problem and to try to solve it.
- It's now a question of law. Elena is now a party to the situation because she knows about it. Bringing in a third person is really wise.

|| PAUSE VIDEO after the experts speak. (Longer Training)

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there other considerations? | This scenario demonstrates how important it can be for employees to know workplace laws, regulations, and rules. Elena's response may be different if she does not know that retaliation is illegal. |

▶ RESUME VIDEO

COMPLIANCE IS JUST THE BEGINNING:

SUMMARY

THE PROCESS

1. Compliance Test: **Investigate** the laws and the rules, and understand the spirit behind them. Remember that compliance is just the beginning.
2. Ripple Effect: **Evaluate** the impact of your decision and *always* assume that your choice will become widely known.
3. Gut Check: Take time to **Reflect** on your decision; be sure you are staying true to your own core values. Listen to that inner voice that tells you that what you are doing is *right*.

Remember the Core Workplace Values: Fairness, Honest, Integrity, Respect

THE EXPERTS' LAST WORD

People are good at rationalizing, which is a weakness.

People who are well grounded in their personal values can better deal with these difficult situations.

Knowing right and wrong is important not only to staying out of trouble (Damage Control), but also to creating excellence in the organization and pride in oneself (Mission Control).

We need to be willing to have a conversation about these issues — to ask ourselves and our colleagues what's the right thing to do.

To make an ethical decision we need courage, diplomacy, knowledge.

Follow the PROCESS: investigate compliance, evaluate the ripple effects, and reflect on your personal values.

THE CHILDREN:

Grownups set an example for children. They should do the right thing.

■ **STOP VIDEO**

PROGRAM TWO: ETHICAL SITUATIONS TO CONSIDER

INTRODUCTION

Begin Program Two by reviewing the *3-Step Process* (Investigate, Evaluate, Reflect) presented in Program One as well as the *Four Core Values*, using Handouts G and F.

The training guide for Program Two consists of questions and exercises for each of eight scenarios. Depending on the time you have and the specific needs of your organization, you may use all eight in your training sessions or choose those most pertinent among them. If your time is limited, you may also choose to use these scenarios for later discussion and reinforcement. The video time for each scenario (the ethical situation plus expert commentary) is under four minutes.

The **discussion questions** for participants are in **handouts** in the back of the guide. They are also available as PowerPoint slides. For facilitators these questions are accompanied, in a second column, by **notes** that may be helpful in leading the discussions.

GUIDELINES FOR SCREENING THE VIDEO:

|| PAUSE each scenario at the question: “What should ___ do?”

At that point, in each of the eight scenarios, participants are asked to:

- *Explore the Issues*
- *Employ the Process*

Depending on the size of your training class, you may want to break up into small groups. If so, a representative of the group should report to the larger class at the end of the allotted time. If you are short on time, each group could report on a different question.

You may then ► RESUME VIDEO

for a discussion of the ethical situation by a panel of experts. After viewing this, participants are asked to:

- *Engage the Experts*

After listening to the experts, participants may agree with or challenge their views. Additional questions and exercises may be provided for the longer version of the training.

| The SCENARIOS | |
|--|--|
| 2.1 Playing With the Numbers: What Should Phil Do? | |
| 2.2 A Little Business On the Side: What Should Lee Do? | |
| 2.3 Paranoid or Vigilant: What Should Maria Do? What Should John Do? | |
| 2.4 The Price of Principles: What Should Renee Do? | |
| 2.5 Copyrights and Copy Wrongs: What Should Jan Do? | |
| 2.6 Blowing the Whistle: What Should Mark Do? | |
| 2.7 Conflict of Interest: What Should Min Do? | |
| 2.8 A Token of Our Appreciation: What Should Lonny Do? | |

▶ **START VIDEO**

2.1. PLAYING WITH THE NUMBERS

HANDOUT N

|| **PAUSE VIDEO: What should Phil do?**

Explore the Issues

| Discussion Questions | Facilitator Notes |
|--|--|
| <p>1. What is going on here? What has Phil discovered that Joanne has been doing? Why is he shocked?</p> | <p>Joanne has been manipulating the organization’s financial numbers so they appear more “stable” on a month-to-month basis. She has not altered the actual bottom line. Her supervisor is surprised and shocked, but recognizes her good intentions.</p> |
| <p>2. Do you believe what Joanne says? Did she have good intentions?</p> | <p>Probably; that doesn’t excuse what she has done, however, which is most likely illegal.</p> |
| <p>3. If so, why didn’t she know that you can’t “cook the books,” even if it doesn’t involve stealing or tax evasion?</p> | <p>She may not have received adequate training or education on financial matters like this. And she may not have a clear sense of what constitutes honesty in handling financial reports. There was insufficient supervision. Or perhaps something in the organization’s culture made her think this was a good idea.</p> |
| <p>4. What responsibility does her supervisor Phil have? Should he have sensed something was wrong earlier?</p> | <p>Phil should have been more aware of what was going on. He was not checking Joanne’s work routinely. It is likely Joanne’s naiveté was evident in other areas and should have prompted Phil to exercise his supervisory responsibility.</p> |
| <p>5. What are Phil’s choices?</p> | <p>Report the financial situation to his boss. Report Joanne to Human Resources. Recognize and determine his own culpability and responsibility. Determine whether Joanne can be merely reprimanded or has to be fired. Determine what course of action the company should take to rectify the reporting misrepresentations.</p> |

Employ the Process

| | |
|---|---|
| Investigate: Compliance Test | There are clear laws on this issue. You cannot falsify numbers, whatever the motive. |
| Evaluate: Ripple Effect | When this becomes widely known ... Impact on the organization once investors and regulators find out could be very significant. Employees could lose confidence in the viability of the company. There could be disciplinary or even legal action taken against Joanne, Phil and the organization itself. |
| Reflect: Gut Check | Although Phil likes Joanne and has had a good relationship with her, he has to look carefully at how best to respond to this situation. He has to consider the impacts on the organization, investors, employees and other stake holders and weigh his loyalty to Joanne against the legal and other likely negative consequences of her actions. Ultimately compliance trumps all, and his first responsibility must be to the organization. |

▶ RESUME VIDEO

Engage the Experts

- This is a clear compliance issue that you have to report. There are laws that say you can't change numbers from month to month.
- *How* you report it is also important. Phil has to tell Joanne that what she did was wrong and that he has to report it, and "here's what I'm going to say."
- It will hurt the company legally and economically when the information gets out. But emotion can cloud judgment.
- Joanne needs to be asked how she'd feel if what she did became front-page news. What if she was a stockholder and found out that someone was playing with the numbers?
- You can't arbitrarily decide which laws you are going to follow. So if there is a compliance issue, it is the ultimate decision-maker.
- Where did Phil fail as a manager? He needs to ask himself what he might have done that made Joanne think this was okay.

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there other considerations? | Was Joanne unfairly put into a position of responsibility for which she was unprepared? Was the organization not clear enough on its core values and expectations? |

▶ RESUME VIDEO

2.2. A LITTLE BUSINESS ON THE SIDE

HANDOUT O

|| PAUSE VIDEO: What should Lee do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|--|--|
| 1. What is going on here? Who is Lee and what is his situation? | Lee has a regular full-time job and a small technology consulting business on the side. His consulting customers are drawn mostly from his colleagues and clients at work. As his consulting business has grown, he has been told by his boss that he can no longer approach clients from his regular job and offer them his services. These are his chief contacts for new business and he wonders if that is fair. |
| 2. Is there a conflict of interest here? | It is hard to tell if there is a conflict in terms of the actual business interests, since we don't know what kind of company Lee works for. There may be other conflicts, however — for Lee's energy, focus, loyalty, and even time. |
| 3. Could anyone get hurt if Lee continues his business as it naturally grows? | If Lee's energy goes more and more towards his side business, he might lose focus on his current job. Also, if he has a problem with one of the clients he met through his regular job, this may negatively impact his employer's relationship with that client. |

Employ the Process

| | |
|---|---|
| Investigate: Compliance Test | Are there company rules in this case? Did he sign anything? If he works for a government agency, there may be legal violations since he is running his private business while collecting "public" money. His brother-in-law, an attorney, assures him that what he's doing is legal. This indicates that Lee was aware that there could be legal issues involved. |
|---|---|

| | |
|------------------------------------|---|
| Evaluate: Ripple Effect | <p>Colleagues could become jealous of Lee and wonder where his first loyalty is. Clients could confuse what their relationship to Lee is – is he a company employee or their consultant? Other employees could decide to start up their own businesses leaving Lee’s employer with an unfocussed and distracted workforce. If there are legal issues involved, this could reflect badly on the organization and lead to negative publicity. Also, if his boss has told him not to solicit clients at work and he disregards that instruction, he faces possible disciplinary action or termination.</p> |
| Reflect: Gut Check | <p>Lee needs to consider if he really wants to go into business for himself or stay with his employer. At some point he’s going to have to decide — or does he? If he wants to stay with his employer, he will probably have to comply with his employer’s request, and try to see it from the employer’s perspective. If complying begrudgingly creates a conflict of loyalty that affects his performance, he will have to face possible consequences.</p> |

▶ RESUME VIDEO

Engage the Experts

- We need to investigate what constitutes compliance in this case. Is Lee bound by any organizational policies or regulations? Did he sign an employment agreement?
- Does he work for the government? If so, he may not carry on a private business as well. If he is an independent contractor, he can legally do as he pleases, but may get fired.
- What are the Ripple Effects? What if he does a bad job for a client and that client complains to the company?
- What if others in the company wanted to start their own businesses too, using colleagues and clients as their customers?
- What does Lee really want to do? Which job does he really want?

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|---|
| What do you think? Are there other considerations? | Do you think that Lee has to decide between the two jobs? Is there another way? |

▶ RESUME VIDEO

2.3. PARANOID OR VIGILANT?

HANDOUT P

|| PAUSE VIDEO: What should Maria do?
What should John do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|---|--|
| 1. What is going on here? What does John want Maria to do, and why is Maria concerned? | John thinks his supervisor, Maria, should act on the information he has about a group of Arabic-speaking employees who, from his observations, may be terrorists. Maria thinks John is judging people by their nationality, race, and/or religion. She feels these are good employees and to report them could subject them and their families to terrible consequences. |
| 2. What is at issue? Is John being paranoid or vigilant? Is he racist or observant? | Racial/religious bias vs. security. If they are innocent, they could be hurt by an investigation; if they are guilty, many people could be hurt if there is no investigation. |
| 3. Why is this so difficult? | In the post September 11 th world, the dangers of discrimination or profiling must now be weighed against the dangers of looking the other way or explaining away suspicious behavior. |
| 4. Are there options for minimizing damage? | Maybe some kind of quiet investigation; there is no easy way, however, to resolve this dilemma. |

Employ the Process

| | |
|---|---|
| Investigate: Compliance Test | Have any laws been violated? Not that we know of. So is this any of John's business? Only if what he suspects turns out to be true. |
|---|---|

| | |
|------------------------------------|--|
| Evaluate: Ripple Effect | Innocent Arab employees could be hurt; their families could be hurt; the organization could get a reputation as racist or discriminatory; the targeted employees could take legal action against the organization or those who reported them. On the other hand, if the employees are terrorists, a lot of people could get hurt; the organization could be blamed for ignoring John’s warnings. John and Maria would likely feel terrible guilt and possibly face the anger of those who are harmed by the terrorists. |
| Reflect: Gut Check | Maria needs to weigh the possible consequences of reporting versus not reporting and ultimately trust her personal “inner voice” to tell her what is the right thing to do. John will have to decide if his evidence warrants reporting this himself if Maria refuses to do so. He will have to weigh the strength of his convictions that something is “not right” with these employees against the possibility that they are completely innocent and make a decision. |

▶ RESUME VIDEO

Engage the Experts

- This is once of those very difficult situations that in a post 9/11 world isn’t so clear.
- Would Baptists be targeted in this way? Probably not.
- It is difficult because you don’t know: there may be consequences either way, if you report or not.
- It’s none of John’s or Maria’s business as long as these employees are doing their jobs and not hurting the company.
- They both are struggling with similar values, but come down on different sides, following two different ripple effects. Yet they are probably both wrestling with the same concerns.
- It’s John’s call. If he feels passionately and strongly that these employees pose a danger, he has a responsibility to himself to report it.
- Someone will be upset, whatever you do, and you have to make a decision and live with it. The Gut Check — what feels right — is the arbiter.

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there other considerations? | Could there be a third way, other than reporting to the police? Can more information be collected? Do we need to know more about John to make a judgment? |

▶ RESUME VIDEO

2.4. THE PRICE OF PRINCIPLES

HANDOUT Q

|| PAUSE VIDEO: What should Renee do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|--|---|
| <p>1. What is the going on here?</p> <p>What does Rick want Renee to do?</p> | <p>Rick is asking Renee to authorize payment to an employee who has claimed an injury that she is certain never happened. He wants her to do so in order to make things easier for the organization, which is probably being fraudulently sued, but which doesn't want the nuisance — time and cost — of a legal process.</p> |
| <p>2. What is Rick's point of view?</p> | <p>Rick doesn't see it as lying, but expedience. He wants Renee, as supervisor of the claimant, to sign the document in order get the claimant and his lawyer off their back. To challenge the claim would cost more time and money than simply settling. This happens all the time; but is it right?</p> |
| <p>3. What is Renee's position?</p> | <p>She believes this is fraud and that fraud is wrong. She feels it's more important to do the right thing than the least expensive option. She believes signing would set a disastrous precedent.</p> |
| <p>4. What might the consequences be for Renee if she refuses to sign?</p> | <p>If she sticks with her principles she will have the satisfaction of knowing she did the "right" thing, and she will have avoided compromising herself. She may also have saved the organization from future fraudulent claims. However, she may lose her job.</p> |

Employ the Process

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| <p>Investigate: Compliance Test</p> | <p>Fraud is illegal. Is Renee perpetuating, or even participating in fraud if she signs? She needs to investigate the possible legal consequences of signing off on the payment. On the other hand, if her organization's legal department is requiring her to sign the payment authorization, she may violate company policy by refusing.</p> |
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| Evaluate: Ripple Effect | Since we must assume that her decision will become widely known, if she signs she may be paving the way for more cases of fraud in her organization. If the claimant is fraudulently collecting money from a third party (government fund or insurance company), she could also be doing something illegal and could face serious consequences. Once word gets out to other employees, it could have a negative impact on productivity and employee morale. If she doesn't sign, she could face termination or some other disciplinary action by her employer. |
| Reflect: Gut Check | Renee needs to determine if it's worth possibly losing her job to stand up for what she believes is right. In considering whether to compromise her principles, she needs to weigh the cost to her core values against the cost of defying her employer's wishes. |

▶ RESUME VIDEO

Engage the Experts

- Compliance issue: Is Renee perpetrating fraud herself if she signs? What is the Ripple Effect if she does or doesn't sign?
- If the government is paying part of the claim, not just a private company, then her signing something she doesn't believe is true could have serious legal implications.
- More people will think they can get away with fraud if Chuck does.
- Renee could go to the company attorney and explain her case — why she doesn't want to sign and thereby support fraud. Still, there could be consequences for her job.
- Renee needs to ask herself: Does this cross my line? Many people don't know where their line is until it's crossed.
- Acting on principles can have negative consequences – it can cost you your job. But it's critically important to stand up for principles, even if it's costly.

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there any other considerations? | Does society reward or ridicule people who sacrifice jobs for ethical principles? What would you do if you were in Renee's position? |

▶ RESUME VIDEO

2.5. COPYRIGHTS AND COPY WRONGS

HANDOUT R

|| PAUSE VIDEO: What should Jan do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|---|---|
| <p>1. What is going on here?</p> <p>What has Jan discovered? What is her supervisor's reaction?</p> | <p>Jan has discovered that her new employer has several illegal copies of software programs on the company's computers. The employer intends to upgrade the software and to pay for licenses for the all copies of the new versions. Her supervisor wants her to ignore this problem, believing that paying for the new versions will "fix" it.</p> |
| <p>2. Why is Jan concerned?</p> | <p>She knows using unlicensed software is illegal. And this was a big violation involving thousands of dollars worth of software.</p> |
| <p>3. Why should Jan feel responsible if all this happened before she came on board?</p> | <p>She has discovered the problem and was hired to oversee the company's IT department. Her new position makes her responsible for how the company handles software licensing. Now that she knows what has happened, it has become her problem.</p> |
| <p>4. Why is this hard for Jan?</p> | <p>Jan needs the job after having been unemployed for eight months. She has two children to support.</p> |

Employ the Process

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|--|---|
| <p>Investigate: Compliance Test</p> | <p>Copying software without a license is illegal. But what are the legal consequences if the employer pays for the new versions? Now that Jan knows about the illegal copies, what are the legal consequences for her if she doesn't report the piracy? There are licensing violations as well as copyright concerns. Jan has to investigate these issues and determine what the compliance issues are.</p> |
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| Evaluate: Ripple Effect | As we evaluate, we must assume this will become widely known. The results could be terrible for the reputation of the company. There could be serious financial impacts if legal action is taken. Employee morale could suffer. Senior managers could lose their jobs. However, if Jan insists that senior management take action and they knew of the violations, her job could be at risk. |
| Reflect: Gut Check | Jan is under financial pressure to keep her job after a long period of unemployment, and she has her children to think of. She likes Suzy and the company she is working for. On the other hand, Jan is clearly aware that these copyright violations are wrong. She has to reflect, and ask herself if it's worth losing her self-respect and possibly getting into legal trouble in order to comply with Suzy's request that she just "take care of" the software mess. |

▶ RESUME VIDEO

Engage the Experts

- Investigating the compliance issues is key. Will buying a license now be enough to fix the situation, or not? What about compliance under copyright law?
- This violation has to be fixed, but the whistle blowing can be done within the organization.
- Jan can say to Suzy, "This is bigger than both of us, and we need to take it up to senior management together and get it resolved."
- We have to decide what kind of culture we want to perpetuate. If we let one ethical violation go, it becomes easier to violate good ethics in another area. When it becomes known, the Ripple Effect will be huge. People will question the company's ethics in other areas as well.
- Ethical decisions are based on your ethics, your understanding of right and wrong. If you aren't risking your job once in a while, you aren't doing your job.
- You have to be able to live with yourself and know you did the right thing. That has to be an anesthetic to the pain that may be caused by that right decision.

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there any other considerations? | Ask what participants would do if they were in Jan's position? |

▶ RESUME VIDEO

2.6. BLOWING THE WHISTLE

HANDOUT S

|| PAUSE VIDEO: What should Mark do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|--|--|
| <p>1. What is going on here?</p> <p>What is Mark concerned about? What are Karl's objections to Mark's concerns?</p> | <p>Mark is a graduate student doing an internship with a drug company. He has discovered a negative clinical trial report from several years ago on a drug that a government evaluation committee is reviewing that very day. His supervisor, Karl, is angry that someone left that report in the file, but assures Mark that the drug under consideration today is a completely new version, extremely safe and can help thousands of people. He tells Mark that showing the committee the negative report would be morally wrong because it would delay the release of this valuable new drug.</p> |
| <p>2. What is Mark's position?</p> | <p>Mark feels the committee should decide if the negative report is relevant or not. He is concerned that the company may be violating the law by withholding this information.</p> |
| <p>3. Could Karl be right in his position?</p> | <p>It's possible that Karl is correct and that there is no requirement that this older data be included in the report to the evaluation committee. We don't know. One does wonder why Karl is so angry if the report is irrelevant.</p> |
| <p>4. Why is this so hard for Mark?</p> | <p>He's finishing grad school and hoped to work for this highly respected company, a prize job. If he challenges Karl on this, he fears it will have a very negative impact on his career.</p> |

Employ the Process

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|--|--|
| <p>Investigate: Compliance Test</p> | <p>Mark needs to do some investigating to determine if there are any compliance issues. Is it illegal to hide the results of the old clinical trials or is this data not required by the evaluation committee?</p> |
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|------------------------------------|---|
| Evaluate: Ripple Effect | <p>Whatever the compliance test reveals, the Ripple Effect analysis assumes that the results of the old study will become widely known. Even if the law does not require disclosure of these data, the company would enhance its reputation by disclosing to the evaluation committee the results of all studies. If there were to be a problem with the drug in the future, and this study (however irrelevant it may be) came to light, the impact could be devastating for the company, for Mark, and for Karl. On the other hand, if Mark reports what he’s found, he knows he may lose any chance of working for this company. He wonders if he would get a reputation as a “whistle blower” and not be able to find work in his chosen profession at all.</p> |
| Reflect: Gut Check | <p>Mark is clearly uncomfortable with this. He has to weigh the possible costs to himself, the company, and future patients if the drug gets approved and turns out to be dangerous, against the strong desire he has to work for this drug company. He has to examine his personal values and decide what feels like the right thing to do, even if it means losing this job opportunity.</p> |

▶ RESUME VIDEO

Engage the Experts

- What do the regulations require? If you have to include all research on all related drugs, then the right choice is clear.
- If Mark still wants to work for a company that would lie about clinical results, then that says something about his values.
- If Mark reveals the study to the committee, he’ll lose the prize job, but would he really want it? This company may not be all it’s cracked up to be.
- You have to assume this will eventually become public. The Ripple Effects are huge. How will people feel about working for a company that would hide results of clinical trials; how would their families feel? Or if a dangerous drug is approved as a result, and someone is hurt — how would the employees feel?
- He’s not a malcontent. Many companies would be glad to hire someone who has his values and ethics!

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|--|
| What do you think? Are there other considerations? | Ask participants what they would do if they were in Mark’s position. |

▶ RESUME VIDEO

2.7. CONFLICT OF INTEREST

HANDOUT T

|| PAUSE VIDEO: What should Min do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|--|--|
| 1. What is going on here? Why does Carol want to be on the Certification Committee? Why is Min opposed? | Min is chair of a certification committee. Carol works with companies to help them earn certification. Since she knows the companies so well, Carol thinks she should be on the committee in order to help make its work more efficient. Min thinks having Carol on the committee would constitute a conflict of interest. |
| 2. What are Carol's motives? | Carol wants to improve the efficiency of the committee, thereby providing better service to her clients – the companies seeking certification. She may also see personal benefits in terms of her influence within the organization if she was to sit on the committee. |
| 3. What factors could be affecting Min's feelings about having Carol on the committee? | Carol, who is more senior in the organization than Min, thinks Min may see her as a threat to her authority on the committee. Carol does seem to have a more forceful personality. Min believes that having Carol on the committee will jeopardize the committee's credibility. |
| 4. Why is this decision difficult for Min? | Carol is well connected politically within the organization and Min feels considerable pressure to bring her onto the committee. Min fears that if she resists this pressure, it could have negative career consequences for her. |

Employ the Process

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|---|---|
| Investigate: Compliance Test | Min needs to investigate the rules and regulations that could affect her decision to allow Carol onto the committee. There may be specific "conflict of interest" statutes. There may be bylaws or other rules that govern who can serve on the committee. If this is a government agency, there could also be laws that would impact her decision. |
|---|---|

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| Evaluate: Ripple Effect | Evaluating the Ripple Effect, we must always assume the decision will become widely known. If Carol’s companies get certified and others do not, it could affect the authority of the committee and the validity of its approval process. Even the appearance of a conflict of interest on the committee could negatively impact its work. There could be a public perception that some companies have “bought” certification, and that could affect those companies negatively. On the other hand, with all the pressure Carol and her allies are bringing to bear, Min could suffer negative career consequences if she keeps Carol off the committee. |
| Reflect: Gut Check | It appears that Min has a clear sense of what she feels is the right thing to do in this situation. She needs the courage to stick by her convictions and be willing to accept that there may be some negative consequences. |

▶ RESUME VIDEO

Engage the Experts

- What are the rules here? The regulations?
- This doesn’t meet the Compliance Test because you can’t both advocate and evaluate.
- The appearance of a conflict of interest is most important — putting Carol on the committee would violate the appearance of an unbiased review.
- Putting Carol on the committee may taint the process, but not doing so could affect Min’s job.
- She’s being pressured, but her professional obligation is to resist this kind of pressure and do what she thinks is right.
- Carol needs to look at the dynamics she is creating and consider how else she could support the committee’s process, other than actually being on the committee. Perhaps she could be an advisor.
- If Min succumbs, the Ripple Effect will be great. If some companies get certified while others do not, the latter will point to bias on the committee. Keeping a certification process clean is critical – not just because it keeps you out of trouble, but because it’s the right thing to do.

|| PAUSE VIDEO

| Response/Comments | Facilitator Notes |
|---|---|
| What do you think? Are there any other considerations? | Ask participants what they would do if they were in Min’s position. |

▶ RESUME VIDEO

2.8. A TOKEN OF OUR APPRECIATION

HANDOUT U

|| PAUSE VIDEO: What should Lonny do?

Explore the Issues

| Discussion Questions | Facilitator Notes |
|---|---|
| <p>1. What is going on here?</p> <p>Who are Lonny and Allison and what is their relationship? What does Lonny have to decide?</p> | <p>Allison represents one of Lonny’s organization’s best suppliers. Allison invites Lonny to a golf resort for an all-expenses-paid weekend retreat. Lonny hesitates because taking this kind of gift is against company policy. Allison assures him that it’s also a business weekend, since they want to acquaint him with new products in development. Lonny asks for some time to think it over.</p> |
| <p>2. Lonny likes Allison’s product anyway, so how would this weekend affect his buying decisions?</p> | <p>This is exactly what Lonny needs to ask himself. Could going on this weekend put him in a compromising position?</p> |
| <p>3. How typical do you think this situation is?</p> | <p>In some industries it is very common for suppliers to offer preferred clients hospitality like this. This is true for clients in all sectors of the economy – both business and government. Does that make it ethical?</p> |
| <p>4. What if the “thank you” were not quite so extravagant? What if it was just a nice dinner?</p> | <p>A working dinner is a common occasion for building relationships of trust between organizations and their suppliers. Organizations and their employees, however, need to ask where the line is between legitimate social interaction in a business context and interaction that could be compromising. Allison probably would not have invited Lonny to this weekend unless she had some indication that he might accept such an invitation. What signals may Lonny have given that may have fostered that assumption? (See Optional Exercise Handout V)</p> |

| Discussion Questions | Facilitator Notes |
|---|---|
| <p>5. What could be the results of an enjoyable weekend at a supplier's hospitality condo?</p> | <p>A key question is how Lonny's decision regarding this offer may affect his decision-making at work. Both parties can benefit from strengthening the supplier/buyer relationship. Accepting extravagant hospitality, however, might lead a buyer to favor one supplier over another regardless of the quality and value of the products or services being offered. Or it might weaken the buyer in price negotiations with this supplier. In any case, it can hurt the buyer's organization. There's also the issue of appearance of impropriety.</p> |
| <p>6. What kinds of help should Lonny's organization provide in these cases?</p> | <p>Clear rules and modeling of ethical behavior by upper management. Most importantly, the organization should make clear the reason for its "gift" policies so that Lonny can ensure that he is complying with the spirit behind the rules.</p> |

Employ the Process

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|--|---|
| <p>Investigate: Compliance Test</p> | <p>Most organizations have rules regarding accepting such gifts. Are there legal issues as well? Lonny needs to investigate his organization's policies and the reasons why they exist. If he works for a public agency, there would likely also be legal considerations.</p> |
| <p>Evaluate: Ripple Effect</p> | <p>We have to assume Lonny's decision will become widely known. Even if nothing improper happens, people do have imaginations. They might believe that Lonny's integrity has been bought by Allison's company. There's also a hint of a sexual innuendo in Allison's invitation, and if that's the case, or if Lonny thinks that's the case, he faces serious ethical consequences if he accepts the trip. And, once his colleagues become aware of the trip, they may resent this "perk" and this may lead to negative effects on morale. Most importantly, if Lonny accepts the trip he may become truly corrupted and find himself making decisions based on his relationship with Allison and her company, rather than based on what's in the best interests of his organization.</p> |
| <p>Reflect: Gut Check</p> | <p>Lonny seems to have a "feeling" that this is something he should not accept. It is wise to listen to those inner voices that guide us in these difficult decisions.</p> |

▶ RESUME VIDEO

Engage the Experts

- When I'd tell my grandmother, "Everyone's doing it," she'd say: "That's not true. You aren't."
- Lonny needs to find out what the rules and policies are. He can probably ask someone in the organization what is acceptable. There's often a person with responsibility for determining whether or not a gift is appropriate.
- It's human nature that when someone is telling you how wonderful you are, it feels good. And that feeling can affect your judgment.
- Lonny may sense sexual innuendo, and if that's the case he just has to say no, here and now.
- What is the real purpose of this weekend? It *could* be educating Lonny about new products, or it could be to develop something beyond that, which will cause problems later on. The Gut Check is key here: just what is Allison's real purpose?
- Many company policies try to help by putting numbers on gifts – amounts, conditions, etc. But the numbers aren't the point. The problem is that these rules can get people to bypass the Gut Check, the real questions they need to ask themselves.
- Lonny should listen to his instincts, follow his organization's policies, thank Allison very much, and stay home.

■ VIDEO ENDS

| Response/Comments | Facilitator Notes |
|---|---|
| What do you think? Are there other considerations? | Ask participants what they would do if they were in Lonny's position. |

OPTIONAL EXERCISE: ONE THING LEADS TO ANOTHER**HANDOUT V**

You may use Handout V for a Breakout or Whole Group discussion. Ask the participants if they agree that Lonny has likely arrived at his current ethical situation because of a series of prior decisions. Can they think of other examples of how “one thing leads to another?” How can an organization create an environment where this is less likely to happen? What role does management play in modeling ethical behavior?

OPTIONAL EXERCISE: REVISE & PUBLICIZE YOUR ORGANIZATION’S ETHICAL GUIDELINES**HANDOUT W**

This is a good Breakout Activity. It can be used in a longer training program or as a supplemental exercise at a later point. The goal is to make a more articulate and useful document than your organization may currently have, or to publicize the current document. At the beginning of the training session you may have found that your organization’s “code of conduct” is too long for most people to read. The task would be to shorten it effectively. Or you may have a short statement which could be formatted and made into a poster that could be placed in prominent places around the organization.

**OPTIONAL EXERCISE: DAMAGE CONTROL & MISSION CONTROL
IN ETHICAL DECISION MAKING** **HANDOUT X**

| Discussion Questions | Facilitator Notes |
|--|--|
| 1. What do you think the term “damage control” is trying to express? | The negative side of right decisions. Ethical decisions that keep us in compliance, minimize negative ripple effects, and avoid negative gut checks. Damage control is intended to keep an organization out of trouble. |
| 2. What do you think the term “mission control” is trying to express? | The positive side of right decisions. Ethical decisions that exceed compliance generate far-reaching, deep, resounding ripple effects and elicit stellar gut checks. Mission Control builds the “hundred best organizations to work for.” Mission control fosters pride in developing and delivering creative, quality products and services that communicate honesty and integrity. It respects and nurtures employees so that they are allowed to become the best they can be. It treats customers and clients fairly and seeks ways to serve as well as to profit. It makes organizations exciting places to be. |
| 3. What is the place of Damage Control? Is it sufficient for ethical behavior? | If we focus on Damage Control, just to “stay of out trouble,” we lose the time, energy, and creative resources needed to build a great organization. It is important, but not enough. |
| 4. How can Mission Control build a better organization? | If we focus on Mission Control, we are less likely to have to engage in Damage Control, because we will have put in place core values that foster a respectful workplace, where honesty, integrity, and fairness are ingrained in the culture and where people want to be. |
| 5. Some people suggest that ethical behavior is easier to understand if guidelines are expressed as imperatives (positive actions) rather than prohibitions. Can you give examples? | <ul style="list-style-type: none"> • If you cannot offer or accept bribes, what can you do? You can work hard to develop and nurture a prosperous workplace where people are treated fairly, where honesty, integrity, and respect are so clearly a part of the culture that a supplier wouldn’t even think of offering a bribe. • If you cannot play with the numbers, what can you do? You can nurture a culture where short-term profits are never more important than quality products, and long-term profitability is measured not only by numbers, but also by happy, fulfilled employees and satisfied customers. • If you cannot misrepresent your product or service to the public, what can you do? You can build a culture where every employee understands his or her contribution to producing honest products and services that keep their promises, where transparency is the norm, and where everyone takes pride and pleasure in being the best they can be. |

Merriam-Webster Online Dictionary: To plagiarize = “to steal and pass off (the ideas or words of another) as one’s own: use (another’s production) without crediting the source.”

| Situations for Discussion | Facilitator Notes |
|--|--|
| <p>1. You have been asked to prepare a background handbook for your organization on Ukraine. You find extensive materials on the Internet. When you copy sections into your document, you lose track of the URLs. You wonder if it really matters if you cite the sources. If it’s on the Web, isn’t it public domain?</p> | <p>Plagiarism is illegal. It is very important to get in the habit of printing at least one whole page from an Internet source so you have the URL. Manuals of style have agreed upon ways to cite Internet sources. Even though it’s on the Web, most material is still copyrighted, unless specifically stated otherwise.</p> |
| <p>2. You have been asked to write a book review for your organization’s newsletter, with a deadline of only two days. To see what others have thought about the book, you look at online reviews and copy them into your document so you can look at them later. You find yourself piecing together sentences and paragraphs from reviews you agree with. You haven’t copied anyone’s entire review.</p> | <p>Even one sentence copied exactly is plagiarism. But copying someone’s ideas also qualifies as plagiarism, even if you put them into your own words. You may write a similar review, of course, but it is essential to write it from scratch rather than to string modified sentences together from works by other people. Plagiarism of ideas is harder to prove, but it does violate the spirit and can violate the letter of the law.</p> |
| <p>3. You are developing a training program on equipment maintenance, for internal use only. A friend from another organization offers to lend you the CDs from a commercial training program her organization recently purchased. It is excellent, and you wonder if it makes sense for you to waste time developing your own program when this is available. You can easily copy the CDs and use them. You do not intend to distribute them and certainly not to sell them.</p> | <p>Even though it’s not for profit and is for one-time internal use, copying and benefiting from copyrighted material is illegal. There could be significant penalties for your organization and you personally for making illegal copies of copyrighted materials.</p> |
| <p>4. You decide not to copy the CDs, but to develop your own slide presentation using the ideas from the CD. This will save you a lot of time.</p> | <p>If you develop a program that follows the program of the commercial training CDs almost exactly, without attribution, then that’s plagiarism. If you attribute all the ideas to the sources, and are not using the program for resale, you might be within the law. If you develop a program that is inspired by the CDs, that may be okay as well, but you still need to cite the source of your ideas.</p> |

BEYOND THE WORKSHOP: SUPPLEMENTARY ACTIVITIES

The *3 Steps* are a clear, straightforward approach to ethical decision-making. The objective is to *equip* employees at all levels with an effective *process* for making tough choices. Because ethics is seldom a “black & white” area for judgment, organizations need to encourage employees to *own* the process, and that requires systematic support over more than the few hours covered in this workshop.

Compliance requires *investigation* into pertinent laws and regulations, but also into the organization’s own code of conduct, values, and rules. It’s often too late to do this if a situation arises that needs a quick decision. How can the organization make it feasible for employees to be well-grounded in what compliance means?

- **Activity 1: Talk about the legal frameworks that impact your organization.** Simplify the important ones into an accessible one page document. Discuss relevant cases that come up in the community, formally or informally. Make sure that all employees know that **the organization intends to exceed these requirements.**
- Make sure your employees **understand the spirit behind the rules.** Talk about the organization’s values, code of conduct, and rules, and then walk the talk. Management needs to model what they require of others. **Discuss what-if scenarios** as part of on-going employee training. Use humor where appropriate, but never leave anyone in doubt that this is a serious matter, and **everyone in the organization is expected to exceed these requirements.**
- **Activity 2:** Condense your **code of conduct** to a concise, one-page document that can be easily circulated and posted. **Make it an issue of pride** in the organization and its people. If appropriate, reward people who make hard decisions. **Tell the stories** of people who risked something to do the right thing.

To predict the **Ripple Effect** requires *evaluation*. In this workshop you have had opportunity to practice *thinking* about the ripple effect. The objective is to make this kind of thinking a natural, *automatic* part of the way people make decisions. How can the organization promote this kind of thinking? The following exercises can be incorporated into the above training or can be used as follow-up reinforcement. In larger organizations they might be done by the HR department to spawn new, indigenous materials for ethics training.

- **Activity 3:** Hold a little contest for who can invent the best “Ripple Effect” exercise. Humor can help here too. This can involve both bad and good ripples!
- **Activity 4:** Hold a contest for the best illustration of the “Ripple Effect.” It might be a graphic, a drawing, a poem, or something else. Empower your employees to be creative! And then be sure to circulate and post the winning entries!
- **Activity 5:** “No one will ever know.” Collect historical (to the present) accounts of people who apparently actually believed this. Make a rogue’s gallery – in cartoons or photographs or newspaper clippings (be sure not to make illegal copies).

- **Activity 6:** On the *positive* side: look at the Ripple Effect from a *good* decision! Encourage employees to tell stories about fellow-employees who made a difficult decision — at home, at work, in the community — and what the ripple effects were. If that is awkward within the organization’s culture, make a hero’s gallery of people in the community, state, or nation – through photographs, newspaper clippings, etc.

The **Gut Check** requires *reflection*, sometimes with time enough, other times with little or no time before the decision has to be made. Often, as we saw in the video, people haven’t thought much about their *core values*, their own sense of right and wrong, and so when “the crunch comes”, they don’t know what to do. Even their “gut” fails them. How can an organization encourage employees to reflect on their core values so they can “check” them when they are faced with a difficult decision?

- **Promote something like the four values in this program** – Fairness, Honesty, Integrity, Respect – as a standard for your community/company. Model these qualities. Many organizations state values and do not operate by them; this is called hypocrisy. **Make sure that the incentive system in your organization rewards those who abide by these values.** If you receive compliments from customers related to employees who treat customers according to these values, **celebrate** this feedback as a community.
- **Activity 7: Promote a “value of the month”** and collect stories from your organization that illustrate it. These values have no meaning if they aren’t lived.
- Encourage employees to **develop their own set of core values** and make it comfortable for them to articulate these values. Devote some training time to small group discussions of core values.

COMPLIANCE IS JUST THE BEGINNING – RECOMMENDED RESOURCES

Ethical Decision Making in Everyday Work Situations by Mary E. Guy. Quorum Books. 1990

Ethics in Marketing, by N. Craig Smith and John A. Quelch, Boston: Irwin, 1993. 800+ pages of case studies for discussion in classroom and training environments.

Ethics 4 Everyone – The Handbook for Integrity-Based Business Practices. The Walk the Talk Company. 2002

Ethics by Mel Thompson. NTC Publishing Group. 2000

Ethix - the Bulletin of the Institute on Business, Technology, and Ethics. Also online: www.ethix.org Al Erisman, one of the experts in the training video, is Executive Director of the Institute.

How Good People Make Tough Choices - Resolving the Dilemmas of Ethical Living by Rushworth M. Kidder. William Morrow and Company, 1995

If Aristotle Ran General Motors – The New Soul of Business by Tom Morris. Henry Holt and Company. 1997

Leadership is an Art, by Max DePree. New York: Dell, 1988. Short classic on ethical leadership in business by the chairman and CEO of Herman Miller, Inc.

Managing Business Ethics; Straight Talk About How to Do it Right by Linda K. Treviño, Katherine A. Nelson. John Wiley & Sons. 2003

Selling it Right! – Getting Results with Integrity by Michelle Correia Templin. The Walk the Talk Company. 2004

The Good, the Bad, and Your Business – choosing right when ethical dilemmas pull you apart by Jeffrey L. Seglin. John Wiley & Sons. 2000

The Right Thing – Conscience, Profit and Personal Responsibility in Today's Business by Jeffrey L. Seglin. Spiro Press. 2002

The Spirit of Leadership – Optimizing Creativity and Change in Organizations by Robert J. Spitzer. Executive Excellence Publishing. 2000

Websites: Partial list of available sites of interest.

<http://www.ethix.org/>. The Institute for Business, Technology & Ethics

<http://www.globalethics.org/>. The Institute for Global Ethics

<http://www.ethics.org/>. Ethics Resource Center.

<http://www.business-ethics.com/>. Business Ethics Online – The Magazine of Corporate Responsibility.

<http://www.business-ethics.org/>. International Business Ethics Institute

WHO'S WHO IN "COMPLIANCE IS JUST THE BEGINNING"

LYNN BREWER

Lynn Brewer is a former Enron executive and author of *Confessions of an Enron Executive: A Whistleblower's Story*. In her nearly three years at Enron, she was responsible for Risk Management in Energy Operations, the e-Commerce initiatives for Enron's water subsidiary, and Competitive Intelligence for Enron Broadband Services. During her tenure she witnessed numerous instances of illegal and corrupt dealings, including bank fraud, espionage, power price manipulation and the gross overstatements to the press, public and financial world.

Prior to joining the energy giant, Lynn worked in forensic accounting and spent 18 years as a legal professional in private practice, until she joined Ralston Purina where she worked in Corporate Development for the General Counsel and Chief Financial Officer.

Since leaving Enron, Lynn has become an internationally recognized speaker providing compelling details into Enron's rise and fall, leaving audiences shocked when they realize how vulnerable they are to becoming the next Enron. In 2003 she was nominated for the Women of Influence award.

Lynn is the Founder and President of The Integrity Institute, Inc., which independently assesses and certifies corporate integrity at the request of organizations for the benefit of their stakeholders. She holds a Certification in Business Ethics from Colorado State University. Lynn currently serves on the Steering Committee for the Open Compliance and Ethics Group.

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LueRachelle Brim-Atkins is principal of Brim-Donahoe & Associates, an organization consulting and training firm she founded in 1988. She is an internationally known consultant, trainer, inspirational speaker and community volunteer. Known for her work in improving organizational cultures, she helps people in organizations realize the connection between work and the human spirit.

LueRachelle has focused her practice on strategic consulting and training, executive coaching, organizational improvement and healing, cross-cultural communication, and conflict management. Much of her work includes strategic diversity analysis/ planning and implementation, effective team building, prevention of workplace harassment and cultural competency.

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AL ERISMAN, PH.D.

Albert M. Erisman worked for The Boeing Company for thirty-two years, the last twelve as Director of Mathematics and Computing Technology. In this role he managed a staff of 250 scientists, mathematicians and engineers with the goal of delivering value to The Boeing Company through technology deployment. He was named one of the inaugural Boeing Senior Technical Fellows in 1990.

Erisman earned the Ph.D. in Applied Mathematics and is the co-author of two books and many articles in scientific and technical journals and books. He is Chair of the Information Technology Review Panel for NIST (National Institute for Standards and Technology), sponsored by the National Research Council, and a member of the board of the Washington Technology Center.

Dr. Erisman is Executive Director of the Institute for Business, Technology & Ethics and is a frequent speaker and consultant on issues of ethics and technology to corporations and trade associations around the world.

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MICKEY FEARN

Mickey Fearn is Senior Policy Advisor to the Mayor of Seattle and is currently leading the Mayor's Race and Social Justice Initiative. He is working specifically to align City policies, processes, programs and services with the Mayor's race and social justice goals. Additionally, Mickey is working on executive leadership development and on aligning the City's training and development activities.

Mickey has been a public servant for over 35 years. He has worked in the administration of six elected officials. Mickey headed a consulting firm for five years that specialized in facilitation, leadership development, strategic planning and conflict resolution for public agencies, non-profit organizations and neighborhood groups.

Mickey previous positions with the City of Seattle include: Organizational Development Specialist, Director of the City of Seattle's Innovation Project and Director of the Neighborhood Leadership Program. He was awarded an SMA Award for Innovation in 1995. Mickey has a Bachelor's and Master's Degree in Public Administration. He also has 20 years of university-level teaching experience.

Mickey serves on the Boards of Directors of City Year Seattle/King County and Big Brothers Big Sisters of King County. He is currently the Chair of the State of Washington Parks and Recreation Commission.

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KAREN FREEZE, PH.D.

Instructional Designer/Facilitation Materials

Karen Johnson Freeze is passionate about the potential of the case study method in management education, broadly conceived, and was therefore delighted to participate in QMR's project, "Compliance is Just the Beginning." Dr. Freeze learned the art of field-based case study development as a research associate at the Harvard Business School, specializing in the management of technology and innovation. From there she became Director of Research at the Design Management Institute in Boston, where she developed a research program focused on case studies of best practices in the management of design resources. Her most recent project (2004) in this field explored Umpqua Bank's unique culture and design's role in sustaining it. Currently, her research interests are heading towards the role of design in sustainable development, both in the US and in the developing world, and the management of technology in the arts.

Dr. Freeze is currently Senior Researcher and Coordinator for Central and Eastern Europe for *Tensions of Europe: Technology and the Making of Europe*, a European Science Foundation Network based at the Technical University of Eindhoven, in the Netherlands. In Seattle she is Visiting Scholar and Adjunct Lecturer in the Russian, East European and Central Asian Studies program of the Jackson School of International Studies at the University of Washington. She has also taught at the UW Business School and in the History department. She holds a Ph.D. in East European history from Columbia University.

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STEVEN GONZÁLEZ

Steven González is a Judge of the King County Superior Court and was the Washington State Hispanic Bar Association's 2001 Outstanding Lawyer of the Year.

Before his elevation to the bench, Judge González served as an Assistant U.S. Attorney, winning the Department of Justice's Superior Performance Award, and the Attorney General's Award for Distinguished Service.

He also served the City of Seattle as a prosecutor and he spent several years practicing in major law firms in Seattle. Judge González has lived and studied overseas and speaks four languages.

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KEITH J. GREENE, SPHR

Keith Greene, SPHR, joined the Society for Human Resource Management (SHRM) in January 1993 and is the Vice President of Member Relations. He is responsible for providing leadership to the SHRM regional staff, developing and managing programs for the SHRM Volunteer Leadership structure, and overseeing the SHRM Chapter Relations program. He is also the staff leader for the SHRM Workplace Diversity Panel.

Prior to joining the staff of SHRM, Keith was a human resources practitioner for thirteen years. He holds a BBA Degree in Personnel Management from the George Washington University in Washington, DC (1979) and in 1995 he received his certification as a Senior Professional in Human Resources (SPHR).

He is a member of the Board of the Business and Labor Responds to AIDS for the Centers for Disease Control (CDC) and the Friends of the National Zoo.

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Candy Marshall is the Chief Human Resource Officer for the Bill and Melinda Gates Foundation. Before joining the Gates Foundation, Candy worked at software firm WRQ as Executive Vice President, Corporate Development and General Counsel. Previously, Candy was a partner at Sebris Busto and Marshall, a management employment law firm. Candy has consulted with Northwest employers for over 23 years, helping companies develop and implement innovative human resources programs.

ROBERT ROSELL

Writer/Director

Robert Rosell has worked as a high school teacher, a theater and video director, a university instructor, a writer, and has served as president of 3 media production companies. Since Robert and his wife Patricia founded QMR in 1992 the company has produced over 40 workplace-related training programs. These have won numerous national and international awards and have been used by over 15,000 major public and private sector organizations in 14 countries. Robert has served as president of the Board of Directors of the Training Media Association (TMA), the Digital Learning Organization (DLO) and the International Youth Hall of Fame, and has served on the Board of the Instructional Systems Association (ISA). Robert also appears as a speaker on issues related to developing respectful workplace relationships in today's organizations.

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Compliance is Just the Beginning

Handout A

Pre-screening Activity: What is Ethics?

Discussion Questions

1. What is ethics?
2. What's an ethical dilemma?
3. What do we mean by an ethical or unethical decision?
4. What do we mean by ethical behavior?
5. Are social and cultural norms sufficient guidelines to ethical behavior?
6. What role do laws play in ethical behavior?

Compliance is Just the Beginning

Handout B

Pre-screening Activity: Our Code of Conduct

Discussion Questions

1. Have you ever seen this document? If so, when and where?
2. When, why, and by whom do you think it was written?
3. Do you think it is a clear, realistic set of values or guidelines for ethical behavior?
4. Are these guidelines part of our organization's culture? Does everyone know them?
5. Have you used these guidelines in making a difficult ethical decision?
6. If they are unrealistic or too complicated, what would you propose instead?

Compliance is Just the Beginning

Handout C

From the Mouths of Babes: Children on Cheating

Discussion Questions

1. What question were the children asked?
2. What did the younger children have to say about this kind of cheating? Did they come to a consensus?
3. What do you think about these responses from young children?
4. What did the older children say about it?
5. What do you think about these responses? How do they differ from those of the younger children?
6. Where do you think the children get these views?
7. What do you think they would say when they are older? What might have changed in their lives that would lead them to different answers?
8. Plagiarism (copying words or ideas into your own work without attributing them to their authors) is a huge problem in universities and even in newspaper and book publishing. Does this surprise you after hearing these children?

Compliance is Just the Beginning

Handout D

The Road to Rationalization

Discussion Questions

1. “I deserve it.” “No one will get hurt.” As pressures grow, so does our ability to rationalize and excuse a ‘wrong’ choice. Have you ever experienced or watched something like this happen?

2. “No one will ever know.” Why do people believe this? What would happen if everyone acted as though they knew someone was watching? Think of occasions when history might have been different had the persons involved assumed someone was watching or someone would surely find out?

3. “Everyone does it.” Why is this so powerful a statement? Peer pressure is common among teens and young adults, and commonly succumbed to. Why is that? Do people outgrow the tendency to be influenced by peer pressure? Do you have experience with active or passive peer pressure?

Compliance is Just the Beginning

Handout E

Game Show: “YOU NEVER KNOW!”

Discussion Questions

1. Surely no one would do such blatantly wrong things as “lie to auditors” (not remembering to mention a few things) or “cheat your customers” (what they don’t know won’t hurt them) or “steal from your organization” (to double his money). Or would they? What evidence do you have from the recent past?
2. Why do you think people make this kind of bad decision?
3. How do you think people become good at and comfortable with lying? What are their motives?
4. What do you think could prevent such behavior or at least make it less frequent?

Compliance is Just the Beginning

Handout F

FOUR CORE WORKPLACE VALUES

| | |
|-------------------|--|
| Fairness: | Play by the rules. |
| Honesty: | Tell the truth. |
| Integrity: | Keep your promises. |
| Respect: | Treat others with dignity, respecting their person and property. |

Discussion Questions

1. Have you thought about values that guide your decision making, implicitly, if not explicitly? If you have, what prompted you to do so?
2. Do you think people should be explicit about their core values? Why or why not?
3. What do you think about the four core workplace values presented here? Should they apply in any workplace?
4. How do you interpret “Fairness”? Can you give an example of this value in action at work?
5. How do you interpret “Honesty”? Can you give an example of this value in action at work?
6. How do you interpret “Integrity”? Can you give an example of this value in action at work?
7. How do you interpret “Respect”? Can you give an example of this value in action at work?
8. What workplace values would you add? Or subtract?

Compliance is Just the Beginning

Handout G

The 3-Step PROCESS

1. The Compliance Test: *Are the choices you face legal? Do they comply with regulatory expectations? Do they meet your organization's standards and values?*

THIS IS A PROCESS OF INVESTIGATION.

2. The Ripple Effect: *Does the decision reflect well on me and my organization? What are the likely effects, good and bad, on my organization, my colleagues, my family, my community, and the wider world once the decision becomes widely known?*

THIS IS A PROCESS OF EVALUATION.

3. The Gut Check. *Is the decision consistent with my core values? Does it feel like the right thing to do? Is this a decision I will be proud of? Will I be able to sleep at night?*

THIS IS A PROCESS OF REFLECTION.

Compliance is Just the Beginning

Handout H

THE PROCESS: Step 1

TEST YOUR COMPLIANCE: INVESTIGATE

Discussion Questions

1. Where would you find the rules for appropriate behavior for your organization?
2. If a legal question comes up at work and you aren't sure what the regulations are, how do you find out?
3. If the internal resources of the organization can't answer your question, where would you look next?
4. How can the organization help?
5. What is the "legal limit"? Why should we take care not to get too close to it?
6. What is meant by "the spirit of the law"? One of the narrators says that we need to know the spirit of the law so that we never come too close to the legal limit. Can you give examples?

Compliance is Just the Beginning

Handout I

THE PROCESS: Step 2

EVALUATE THE RIPPLE EFFECT

Discussion Questions

1. Can you give an illustration of the Ripple Effect, positive or negative, from your own experience?
2. How do we figure out what the likely Ripple Effects will be?
3. Can you think of examples of decisions in your organization or community that had unintended or unexpected Ripple Effects?
4. How far does the Ripple Effect extend? For example, who were the people behind the mirror in the dramatization “No One Will Ever Know”? Are they the end of the ripple or is there likely to be more?
5. What would happen if people quit thinking that “no one will ever know” and started assuming that the ethical decisions they make will eventually be widely known?

Compliance is Just the Beginning

Handout J

No One Will Ever Know

In the dramatization where the man assumes his actions are invisible, only to find the world watching from behind a two-way mirror, we see an example of why it's so important to always assume that your ethical decisions will become widely known.

Discussion Questions

1. What was his primary assumption?
2. Why do you think he emptied the chocolate bowl into his briefcase?
3. He then took the silver tray. This feels like he's stepped over the line from greed to theft. Why do you think he did this?
4. Draw several concentric circles to form a "Ripple Chart" and label them with "Ripple Effects" that have already begun to take place because of this man's behavior. Use different sides of the circle to represent different "constituencies" affected by his actions.
5. Do you think that if he had considered the Ripple Effect, he might have made different choices?

Compliance is Just the Beginning

Handout K

THE PROCESS: Step 3

DO THE GUT CHECK: REFLECT ON YOUR VALUES

Discussion Questions

1. Isn't the "Gut Check" too subjective? What if your "gut" is telling you to do the wrong thing?
2. Some people would call the "gut check" "listening to your conscience." Does the terminology matter?
3. How does one do a Gut Check? Why is it sometimes so difficult?
4. Do you trust your own instincts? Do you tend to follow them or ignore them? Why do you think this is?
5. What do you observe in other people, in this regard? Do you have a role model who appears to do what he or she *feels* is the right thing to do?

Compliance is Just the Beginning

Handout L

The Story of Elena, Maria and Victor: What Should Elena Do?

Explore the Issues

1. What is going on in this story?
2. What is Elena's dilemma?
3. What are the issues?
4. What are the choices?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD ELENA DO?

Compliance is Just the Beginning

Handout M

The Story of Elena, Maria and Victor: Now what Should Elena Do?

Explore the Issues

1. What has changed?
2. Now what does Elena need to consider?
3. How can she know if this is in fact retaliation or merely a coincidence?
4. What is Elena's time frame?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

Now what should Elena Do?

Compliance is Just the Beginning

Handout N

Scene 1: Playing With the Numbers What Should Phil Do?

Explore the Issues

1. What is going on here? What has Phil discovered that Joanne has been doing? Why is he shocked?
2. Do you believe what Joanne says? Did she have good intentions?
3. If so, why didn't she know that you can't "cook the books," even if it doesn't involve stealing or tax evasion?
4. What responsibility does her supervisor Phil have? Should he have sensed something was wrong earlier?
5. What are Phil's choices?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD PHIL DO?

Compliance is Just the Beginning

Handout O

Scene 2: A Little Business On the Side What Should Lee Do?

Explore the Issues

1. What is going on here? Who is Lee and what is his situation?
2. Is there a conflict of interest here?
3. Could anyone get hurt if Lee continues his business as it naturally grows?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD LEE DO?

Compliance is Just the Beginning

Handout P

Scene 3: Paranoid or Vigilant What Should Maria Do? What Should John Do?

Explore the Issues

1. What is going on here? What does John want Maria to do, and why is Maria concerned?
2. What is at issue? Is John being paranoid or vigilant? Is he racist or observant?
3. Why is this so difficult?
4. Are there options for minimizing damage?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD MARIA DO? WHAT SHOULD JOHN DO?

Compliance is Just the Beginning

Handout Q

Scene 4: The Price of Principles What Should Renee Do?

Explore the Issues

1. What is the going on here? What does Rick want Renee to do?
2. What is Rick's point of view?
3. What is Renee's position?
4. What might the consequences be for Renee if she refuses to sign?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD RENEE DO?

Compliance is Just the Beginning

Handout R

Scene 5: Copyrights and Copy Wrongs What Should Jan Do?

Explore the Issues.

1. What is going on here? What has Jan discovered? What is her supervisor's reaction?
2. Why is Jan concerned?
3. Why should Jan feel responsible if all this happened before she came on board?
4. Why is this hard for Jan?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD JAN DO?

Compliance is Just the Beginning

Handout S

Scene 6: Blowing the Whistle What Should Mark Do?

Explore the Issues

1. What is going on here? What is Mark concerned about?
What are Karl's objections to Mark's concerns?
2. What is Mark's position?
3. Could Karl be right in his position?
4. Why is this so hard for Mark?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD MARK DO?

Compliance is Just the Beginning

Handout T

Scene 7: Conflict of Interest What Should Min Do?

Explore the Issues

1. What is going on here? Why does Carol want to be on the Certification Committee? Why is Min opposed?
2. What are Carol's motives?
3. What factors could be affecting Min's feelings about having Carol on the committee?
4. Why is this decision difficult for Min?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD MIN DO?

Compliance is Just the Beginning

Handout U

Scene 8: A Token of Our Appreciation What Should Lonny Do?

Explore the Issues

1. What is going on here? Who are Lonny and Allison and what is their relationship? What does Lonny have to decide?
2. Lonny likes Allison's product anyway, so how would this weekend affect his buying decisions?
3. How typical do you think this situation is?
4. What if the "thank you" was not quite so extravagant? What if it was just a nice dinner?
5. What could be the results of an enjoyable weekend at a supplier's hospitality condo?
6. What kinds of help should Lonny's organization provide in these cases?

Employ the Process

The Compliance Test

TEST YOUR COMPLIANCE: INVESTIGATE LAWS AND RULES

The Ripple Effect

THINK ABOUT THE RIPPLE EFFECT: EVALUATE THE IMPACT OF YOUR DECISION

The Gut Check

DO THE GUT CHECK: REFLECT ON YOUR VALUES

WHAT SHOULD LONNY DO?

Compliance is Just the Beginning

Handout V

One Thing Leads to Another* or How Lonny got himself into an awkward situation because he never paused to reflect....

1. Lonny has worked for “Atlas Home Appliance Manufacturers” for nearly eight years. Two years ago, Lonny called for bids to supply a critical part of his company’s washing machines. Allison’s company, “Acme”, came in with the best offer, and soon became a reliable supplier of the part. In fact, over the next couple of years, Acme consistently proved to be one of Atlas’s best suppliers.
2. About six months after the initial contract, Allison, the supplier’s representative to Atlas, invited Lonny to a working dinner at a nice four-star restaurant. Allison’s company’s R&D and manufacturing managers also attended. Lonny found this an excellent opportunity to explain his company’s needs in greater depth.
3. At Christmastime Allison’s company sent Lonny a large gift box of gourmet jams and jellies. Lonny felt that accepting this was well within the company’s policy on gifts. He did not feel that he needed to ask his HR manager about it.
4. A few months later, Allison invited Lonny to another working dinner, at the best five-star restaurant in town. Lonny had never been there, and thoroughly enjoyed the food and atmosphere. He and Allison discussed industry trends and requirements in depth. Lonny felt it had been a very worthwhile event.
5. A few months later, Allison asked Lonny to give a seminar presentation to her industry representatives on the perspective of a home appliance manufacturer in today’s economy. He worked very hard on his presentation and was happy to find an honorarium check in the mail for \$700.
6. Two years after the initial contract, Allison called Lonny to invite him to an all-expense paid weekend retreat at Atlas’s condo in an exclusive resort area. The weekend could be “whenever he wanted” but Allison assured him that it would be partly a working event, during which she would acquaint him with their forthcoming products, and partly a “thank you.”
7. Lonny wonders what Allison really wants and why he has been put in this awkward position.

* Inspired by “Marketing Dilemmas” in N.C. Smith & J.A. Quelch, *Ethics in Marketing*, Boston, 1993, pp. 806-807.

Compliance is Just the Beginning

Handout W

Supplementary Activity:

Review Your Organization's Ethical Guidelines

1. In light of the workshop you have just completed, how would you rank your organization's ethical guidelines? Are they clear? Are they practical? Can they be easily implemented?
2. How could they be improved? How could they be publicized to better integrate them into your organization's culture?
3. Do you feel that you can commit to this document and the values it presents?

Compliance is Just the Beginning

Handout X

Supplementary Exercise:

Damage Control & Mission Control In Ethical Decision Making

Discussion Questions

1. What do you think the term “Damage Control” is trying to express when applied to ethical decisions?
2. What do you think the term “Mission Control” is trying to express when applied to ethical decisions?
3. What is the place of Damage Control? Is it sufficient for ethical behavior?
4. How can Mission Control build a better organization?
5. Some people suggest that ethical behavior is easier to understand if guidelines are expressed as imperatives (positive actions) rather than prohibitions. Can you think of examples?

Compliance is Just the Beginning

Handout Y

Supplementary Exercise: When is it Plagiarism?

Situations for Discussion:

1. You have been asked to prepare a background handbook for your organization on Ukraine. You find extensive materials on the Internet. When you copy sections into your document, you lose track of the URLs. You wonder if it really matters if you cite the sources. If it's on the Web, isn't it public domain?
2. You have been asked to write a book review for your organization's newsletter, with a deadline of only two days. To see what others have thought about the book, you look at online reviews and copy them into your document so you can read them later. You find yourself piecing together sentences and paragraphs from reviews you agree with. You haven't copied anyone's entire review.
3. You are developing a training program on equipment maintenance for internal use only by your organization. A friend from another organization offers to lend you the CDs from a commercial training program her organization recently purchased. It is excellent, and you wonder if it makes sense for you to waste time developing your own program when this is available. You can easily copy the CDs and use them. You do not intend to distribute them and certainly not to sell them.
4. You decide not to copy the CDs, but to develop your own slide presentation using the ideas from the CD. This will save you a lot of time.