Ethics in Project Management
Ethical Terms & Dilemmas

THE GREATER THE PROJECT RISK, THE MORE IMPORTANT IT IS TO ESTABLISH AUTHORITY RELATIONSHIPS. Authority relationships reduce poor communication and misinformation as well as reduce incidents that encourage bribery, gifts, proprietary information leaks, and unsubstantiated whistleblowing and antagonism.

TIPS ARE BRIBES when they are paid to government officials. BRIBERY is a remuneration for performance of an act inconsistent with a work contract or nature of the work to be performed. Bribes are often tied to conflicts of interest.

KICKBACKS are percentage payments and gratuities that are outright gifts and money.

TRADE AND PROPRIETARY SECRETS AND TECHNICAL EXPERTISE, knowledge, and experience often overlap when an employee leaves the company to join a different one. Most states punish theft of trade secrets, and many organizations insist employees sign confidentiality agreements as part of their employment and out-processing. When there is no formal legal agreement, it is up to the individual's codes of loyalty and ethics not to disclose trade secrets.
WORKERS HAVE THREE BASIC OBLIGATIONS TO THIRD PARTIES:
  ✓ truthfulness
  ✓ non-injury
  ✓ fairness

Workers’ obligations to the firm, coworkers, and outside parties are based on:
  ✓ code violations
  ✓ injury
  ✓ legalities

WHISTLEBLOWING is an employee act of informing the public about an employee’s or organization’s illegal or immoral behavior

CONFLICT MANAGEMENT considers the manager as the intervening force. It is NOT the manager’s responsibility to resolve the conflict, only to be the referee and counselor in helping the participants reach an acceptable agreement.
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**PROJECT CONSTRAINTS** limit the project manager's options. They affect the project:

- scope
- staffing
- scheduling

When there are gaps in the scope statement, it is the sponsor and customer who created the scope statement that should address them. Tasks should not be added without the sponsors’ and customers’ approval, since they were involved in creating the scope statement.

Ignoring stakeholders’ concerns only compounds problems. The project manager must address issues, rather than expect management to begin costly and extensive lawsuits that delay the project. Discussing the issue is preferable to ignoring it and having it go unresolved.
PROBLEM–SOLVING, DECISION–MAKING, & MORAL JUDGMENTS

It is the responsibility of the project manager to make decisions, rather than pass them on or ignore them. **PROBLEM–SOLVING** and **DECISION–MAKING** are primary functions of the project manager. **BRAINSTORMING** generates a quantity of plausible solutions.

**BRAINSTORMING** is an information gathering technique that focuses on quantity. All ideas are valid and there should be no rush to judgment regarding feasibility or value. The more ideas are generated, the greater chance there is to come to an effective solution. Sessions are informal (no authority figure) and should not extend beyond sixty minutes, since typically by that time all the immediate and logical ideas have been documented.

**MORAL JUDGMENTS** should be logical, based on facts. They should appeal to valid moral principles. Open-minded and reflective discussion is paramount.

**A USEFUL APPROACH TO RESOLVING PRACTICAL MORAL PROBLEMS** is to identify the obligations (of the firm, to itself, its employees and its customers), ideals, and ethics in a given situation and then identify where the emphasis should lie among these considerations.
As organizations become more complex and add more jobs, their culture becomes more bureaucratic and formal. New structure elements and interrelationships are created.

**FORMALIZATION** addresses written rules and procedures deemed necessary to maintain organization control and coordination.

**DECENTRALIZED DECISION-MAKING** is that which is delegated down to subordinates. Centralized decision-making is that which comes from top-management.

**EGOISM** is the consequentialist theory that an action is right when it promotes the individual’s best interests. Views are based on the fact that humans are by nature selfish.

**UTILITARIANISM** states that the morally right action is the one that provides the greatest happiness for everyone affected (company, employees, customers).
KANT’S ETHICS stresses action based on a sense of moral duty.

TROUBLESHOOTING is usually part of a project’s requirements. The project manager should not release a product to the buyer, who will in turn release it to the public, that has not been fully tested and complete.

The theory of ENTITLEMENT states that the distribution of goods, money, and property is just, if people are entitled to what they have and have acquired it without violating the rights of others.

The LIBERTARIAN THEORY identifies justice with liberty, or freedom. In this instance, the company feels employees should live and conduct their personal lives according to their own choices, free from the interference of others. Libertarians reject the concern for total social well-being.

DISTRIBUTIVE OR ECONOMIC JUSTICE assesses society's distribution of social benefits and burdens according to wealth, status, income, and power. Influential (wealthy) citizens can impact projects without minorities and others being aware of how the decision may impact them.
EMINENT DOMAIN (power) allows the government to condemn property they feel necessary for improvement projects. Compensation may be offered, but it is not a prerequisite.

COMMUNICATIONS

A RISK–TAKER TYPE MANAGER can suddenly, without warning, develop new solutions to old or existing problems. Due to their reactive style and their lack of communication, they provoke strong feelings and opinions among followers. It is important these managers learn not to begin communications without the formulation of goals and visions, and end by informing employees of them.

FEEDBACK is intended to change or alter messages so the intended thought or idea is understood. EVALUATIVE FEEDBACK involves judging the relevance, worth, goodness, or appropriateness of the received message.
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BIAS, STEREOTYPING, OR GENERALIZING people and their actions adds to a person’s filters, which prevents them from hearing the full message. One-way communication channels, which place the responsibility for the message entirely on the listener, may also contribute to narrow-minded views.

COMPONENTS OF ‘SOCIAL STRAIN’, which influence viewpoints impacting effective communication within the diverse workplace include:

- economic class (views on authority, politics, culture, etc.)
- residence (where one is from and lives, and where the organization is located)
- ethnic inheritances (racial, national, religious origins)
- gender and age (gaps, seniority and power roles)
- self-interest (personal beliefs)
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The typical email system is larger than the entire company database, since the email system stores all versions of documents created in the form of attachments. It has become a companies’ central filing catalogue. What goes on or through a company’s email system is filed nearly forever. Workplace emails are seldom entirely private. Never email anything you wouldn’t want the whole world to see and read publicly.

**NETWORK ETIQUETTE** typically involves “one-to-many” correspondence or communications such as mailing lists, Netnews, NewsGroups, newsletters. Netiquette also includes information services, such as postings on company intranets and websites. Newsgroups should be reviewed to know "culture." Messages and articles should be brief and subject lines should be relevant. Large audiences will read the postings.
THE ORGANIZATION

THE CORPORATE CULTURE is the company environment that encompasses a general belief, value system, set of behavioral norms, set of mores, and way of doing business. The culture is unique to each corporation. Different cultures affect organizational performance differently. Cultures are comprised of organizational elements such as:

- size
- external environment
- technology

The self-serving goals of an organization are known as the organization’s politics. A company's politics influence corporate culture relationships and behaviors.
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POLITICAL ELEMENTS include:

✓ relationships and interrelations between employees and the organization
✓ how each organization defines its self-interests or goals
✓ strategies each organization uses to generate support for its objectives and goals
✓ basic autonomy or dependency of each organization

BENEFITS: Rest, vacations and leisure used to be rewards for hard work, and not necessarily given for seniority or as part of an employment incentive package. Younger workers typically work to live, rather than live to work and save. Most employees (particularly those under forty-five) believe the psychology of entitlement. Entitlement states that individuals are entitled to a secure and “decent” job, dignified retirement, suitable housing, healthcare, and a clean and safe work environment.
DIVERSITY

SYSTEMIC BARRIERS INVOLVING DIVERSE INTERACTIONS common to organizations include:

✓ exclusion of minorities from networks
✓ limited mentoring relations
✓ “quotas” in the form of tokenism

DISCRIMINATION includes behaviors based on prejudice such as negative attitudes within work groups and delayed promotions.

TOKENISM favors diverse individuals or groups, and causes stressful workplace conditions. Tokenism often results in labor, union, and management conflicts. Individuals or groups who become actual “tokens” tend to suffer co-worker recourse from being too visible, in exaggerated contrast with others. They also have less of a role identity than their peers.
MANAGING & LEADERSHIP

The manager has a social responsibility (to employees and individuals) as well as a corporate responsibility. Policies and codes must be enforced, followed up with training, education, sufficient monitoring, and discipline with consequences for continued infractions.

ENFORCING CORPORATE MORAL CODES is part of following up on social responsibilities. There is an emphasis on the importance of monitoring and managing corporate culture to prevent dysfunctional behaviors.

SITUATION CONTROL is the amount of control and influence the manager has in his or her immediate work environment.
**POWER** is part of leadership, and is neither good nor “evil.” Power is simply the capacity one has to influence others’ behaviors. It is very important to know how, when and what kind of power to exert to get the best results. **POSITION POWER** refers to the amount of power and authority the leader has in determining rewards and punishment. Position power is used in an effort to obtain compliance from subordinates.

Managers and leaders obtain their power similarly to how they obtain their authority. Some individuals assume it, while others have it bestowed upon them either by the organization, higher-ups, or by their followers. **LEADERSHIP POWER** may come from a personal or a positional source.
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**COERCIVE POWER** is based on fear, and employees do what is required to avoid consequences of discipline, punishment, or other negative outcome. Punishment must be viewed negatively by the subordinate to have the desired effect. An organization’s regulatory and disciplinary procedures are based on coercive power, which are expected to be executed by the manager. The key to constructive use of coercive power is to reprimand the behavior, coupling it with praise of the employee as a valuable asset to the organization.

**MANAGEMENT & LEADERSHIP STYLES**

**MCGREGOR’S THEORY ‘X’ STYLE OF MANAGEMENT** assumes that workers inherently dislike and avoid work, forcing the manager to threaten, coerce, or use various means of control to get workers to perform to meet objectives.

**MCGREGOR’S THEORY ‘Y’ STYLE OF MANAGEMENT** assumes that workers do not dislike work, but rather consider it as a natural life process. They are motivated by satisfaction of esteem and the self actualization of having basic needs met.
**THEORY ‘Y’ MANAGERS’ ATTITUDES** tend more toward human nature, which largely influences how they behave and lead. They believe more in assumptions and management by objective.

Managers and/or leaders who have a strong **EXTERNAL LOCUS OF CONTROL** act to make the workplace into a more productive environment and also make employees' attitudes and behaviors more positive. They begin by responsibly taking charge of situations, changing the environment and employees, and interjecting new methods and practices. They establish their sub code of norms, mores, and values.

**CHANGE SUCCESS** is very dependent upon leadership, but (poor) performance is NOT indicative of a change or leadership problem. Managers/leaders must be recognize, before it is obvious, that the status quo is not sustainable or scalable. This is difficult if current metrics appear conceptually and practically solid.
LEADERSHIP STYLES may be based on the leader’s:
- personality
- personal traits
- effectiveness
- environment present at the time

COACHING LEADERS are participative, and encourage input, serious consultation and ideas from employees. They are highly directive-oriented, but they also are highly supportive.

Coaching teaches critical thinking about ideas and behaviors regarding a subject. Problem-solving techniques allow the individual latitude to decide which method is personally the best for them. The greatest benefits of coaching are that the subordinate can see the results of the decisions they make almost immediately. Coaching stresses that all managers become responsible for developing subordinates, and for increasing their knowledge. It is extremely important that the coach does not pass along false or incorrect information, or neglect the training program altogether.
Leadership can be ‘overplayed’ when it is evaluated according to performance, since positive or negative outcomes generate strong reactions. This can be avoided if the leader becomes the focal-point. Roles of individuals involved, the task to be performed, available technology, the environment and organizational constraints on behavior, are all downplayed.

**MOTIVATING EMPLOYEES**

**MANAGEMENT MOTIVATORS** include:
- recognition
- responsibility
- achievement
- advancement and promotion
- job satisfaction
HERZBERG’S MOTIVATION THEORY addresses stimuli for growth and advancement needs in accordance with MASLOW’S HIERARCHY OF NEEDS.

THE MOST EFFECTIVE WAYS TO MOTIVATE EMPLOYEES are to:

- give assignments that provide challenges and have realistic timelines and deadlines
- clearly define performance expectations
- give proper criticism as well as credit and honest appraisals

Motivating employees is difficult to do during a project that has a finite lifetime. The manager can create a secure project environment by placing individuals in positions in which they have been properly trained. It also requires informing employees about how they contribute to the overall project.
Moral issues that arise during interviewing generally have to do with how the interview was conducted. Personnel management cautions interviewers against being rude, hostile, coarse, or condescending. Interviewers tend to gravitate to those they identify with and develop bias toward those they do not.

**Testing** is an integral part of the hiring process, especially with large firms. To be successful, however, a test must be valid and reliable. It must measure the consistent quality of the candidate.

Typically, the more women who work in a particular occupation (i.e.: nursing, childcare, office administration, etc.) the less it pays. **Comparable Worth** advocates contend that traditionally women's occupations have demonstrated a bias and discriminatory wage system, keeping their pay considerably lower than that of male occupations which require comparable education, skills, and responsibilities.
MANDATORY RETIREMENT can cause problems for older workers who can still work and need health insurance coverage. It also takes experience out of the workforce. The company's argument is typically to keep a rotation of fresh talent and current methods and expertise, rationalizing that older workers increasingly have difficulty performing their jobs due to aging eyesight, hearing, motor skills, etc. Some organizations have a mandatory retirement age (70 yrs.)

DRUG TESTING AND RANDOM DRUG TESTING are commonly performed in conjunction with the Drug–Free Workplace Act of 1988 (P.L. 100–690, Title V, Subtitle D). The Act also mandates employers establish a drug–free awareness program and notify employees about the hazards of substance abuse and consequences of usage. Employees found in violation of the drug–free program must attend a prescribed rehabilitation or drug abuse assistance program.

(Title I) of the Americans with Disabilities Act of 1990 (ADA) provides employment provisions for "reasonable accommodations". Reasonable accommodations for physically handicapped employees may be ramps, workstation height, and restroom spaces. For those with HIV/AIDS it may mean flextime, unpaid leave, and large print.
The Occupational Safety and Health Act of 1970 created the Occupational Safety and Health Administration (OSHA) within the Department of Labor. Its primary function is to reduce workplace hazards and to implement safety and health programs. Employees have rights to refuse to perform in unsafe areas without retribution. They can review company and OSHA standards and rules and request employer information on safety and health hazards, and also request an OSHA director inspect the workplace.

CONFLICT MANAGEMENT is a general term used to describe a variety of ways people handle grievances. Negative, less productive, methods include gossip, ridicule, feuding, terrorism, and, avoidance.

CONFRONTATION involves problem-solving by directly confronting the conflict, and making the parties work through their differences.

WITHDRAWAL is handling conflict by retreating or withdrawing from a potential disagreement.
CONFLICT RESOLUTION & NEGOTIATIONS

Typically, conflicts between and among stakeholders should be resolved in the best interest of the customer.

The best solution is to positively find commonalities among the stakeholders' objectives. **SMOOTHING** de-emphasizes or avoids areas of differences and emphasizes areas of agreement.

**NEGOTIATIONS** should take place at the lowest level of intentions. Higher-level authority should be used only if agreement cannot be reached.

When each side is determined to defeat the other, negotiations deteriorate into a **WIN–LOSE STRATEGY**, and negotiations predictably fail. Third-party mediators are called in when negotiations break down.

It is necessary to call in **A THIRD–PARTY MEDIATOR** when relationships deteriorate to the point where there is enduring negativity, the parties become suspicious and refuse to cooperate with each other, and attitudes and minds are closed.
The primary purpose of the third-party mediator is to separate people from the problem and reestablish clear communication. The mediator sets results criteria and works toward altering attitudes, acting as interpreter of messages between the parties, exposing stereotypes, and, raising awareness of each group’s positive intentions.

Stress is most effectively minimized, and control is maintained by time management. Employees have stress when they are not sure how long an activity will, or should, take. Stress results when workers are rushed, and quality suffers.

TIME MANAGEMENT is especially important during change processes, and maintenance of the change situation. Time management should be incorporated into the environment for those who micromanage simple situations.