

Economic Development Ethics Training

British Columbia Economic Development
Association



INTRODUCTION

Introduction

- Codes of conduct have become paramount to the long term viability of the economic development profession
- This session will:
 - Provide guidance on the importance of integrity in decision making,
 - Provide tools for making ethical decisions, and
 - Discuss the 10 tenets of the new BCEDA Code of Ethics
 - Use interactive case study examples to demonstrate ethical decision making in difficult situations

History of the Development of EDABC Code of Ethics

- Proposed by the President and CEO to the Board of Directors of BCEDA in September 2012. Adopted.
 - BCEDA membership needs to be educated about the code before enforcement
- Modeled after IEDC Code of Ethics (October 2008)
- First Canadian Economic Development Association to adopt a Code of Ethics
- Begin ethics curriculum and training in 2012



UNDERSTANDING ETHICS

Ethical Behavior

“Ethics is knowing the difference between what you have a right to do and what is right to do”

Potter Stewart



Ethical Behavior

- Ethics is about choices that people make about ordinary and extraordinary decisions in day-to-day life
- Ethics is about upholding higher standards of conduct than simply adhering to the rules or the law

Making Ethical Decisions

- Is it legal?
- Does it violate the spirit of the law?
- Does it comply with our rules and regulations?
- Is it consistent with our organizational values?
- Does it match our stated commitments?
- Am I the only or primary beneficiary?
- Will I feel okay and guilt free if I do this?
- Is bias or emotion clouding my judgment?
- Would I do it to my family and friends (or myself)?
- Would the most ethical person I know do this?

Focus on Strong Values

- Organizations need to:
 - Clearly establish organizational values
 - Integrate them into operations and provide support systems for upholding the values
 - Promote them through effective communication with the members, outside stakeholders, media, general public, etc.
 - Connect them with policies and decision making processes



PROMOTING AN ETHICAL CULTURE

Promoting an Ethical Culture

- Ethical behavior needs to be promoted from the top
- Policies should enable employees to make ethical decisions
- Tools that help support an ethical culture:
 - Established Code of Ethics
 - Education and training
 - A defined process for reviewing violations
- BCEDA Code of Ethics can be used as a model for organizations (will be encouraged)

Reasons for Unethical Behavior

- Pressure to perform (unrealistic business/organization goals, deadlines, etc.)
- Pressure from peers
- Lack of understanding of consequences for one's actions
- Uncharted territory
- Personal loyalties
- Lack of long term perspective or failure to see it at the time
- Personal costs for doing the right thing may be too high
- Poor judgment
- Lack of clear understanding of expected organizational/professional code of conduct
- Improper and/or inadequate training

Promoting Ethical Behavior

- An ethical culture starts from the top
- Organizations should provide ethics education programs for all employees (will be encouraged)
- Ethical programs should:
 - explain the underlying ethical principles
 - clarify proper ethical behavior
 - explain the difference between ethical behavior and legal/illegal actions
 - present practical ways of carrying out procedural guidelines

Three Components

- Code of Conduct
 - Written code of conduct
 - Written policies and procedures for investigation
- Ethics education
 - Involve the staff
 - Be a role model
 - Incentives for ethical behavior
- Performance assessment
 - Discussions and debates
 - Role play

7 Step Checklist for Ethical Dilemmas

1. Recognize and clarify the predicament.
2. Gather all essential facts.
3. List all of your options.
4. Analyze each option by asking yourself: "Is it legal? Is it right? Is it beneficial?"
5. Draw your conclusions, and make your decision.
6. Double check your decision by asking yourself: "How would I feel if my peers and superiors found out about this? How would I feel if my decision was made public by the media?"
7. Take action.



BCEDA CODE OF ETHICS

BCEDA Code of Ethics

1. Professional economic developers shall carry out their responsibilities in a manner to bring respect to the profession, the economic developer, and the economic developer's constituencies.

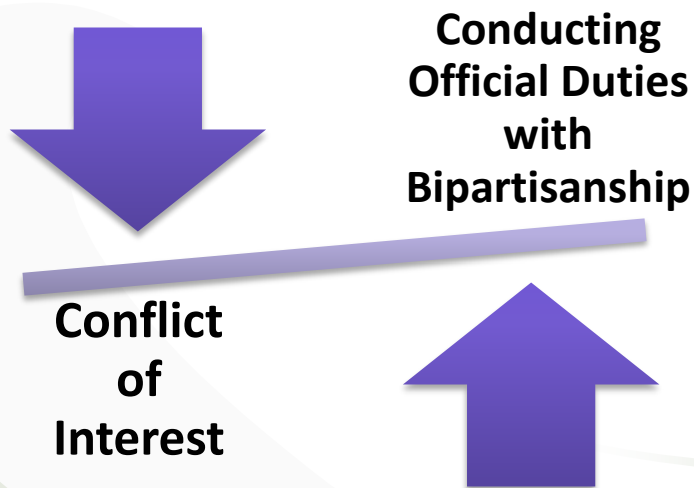
BCEDA Code of Ethics

2. Professional economic developers shall practice with integrity, honesty, and adherence to the trust placed in them both in fact and in appearance.



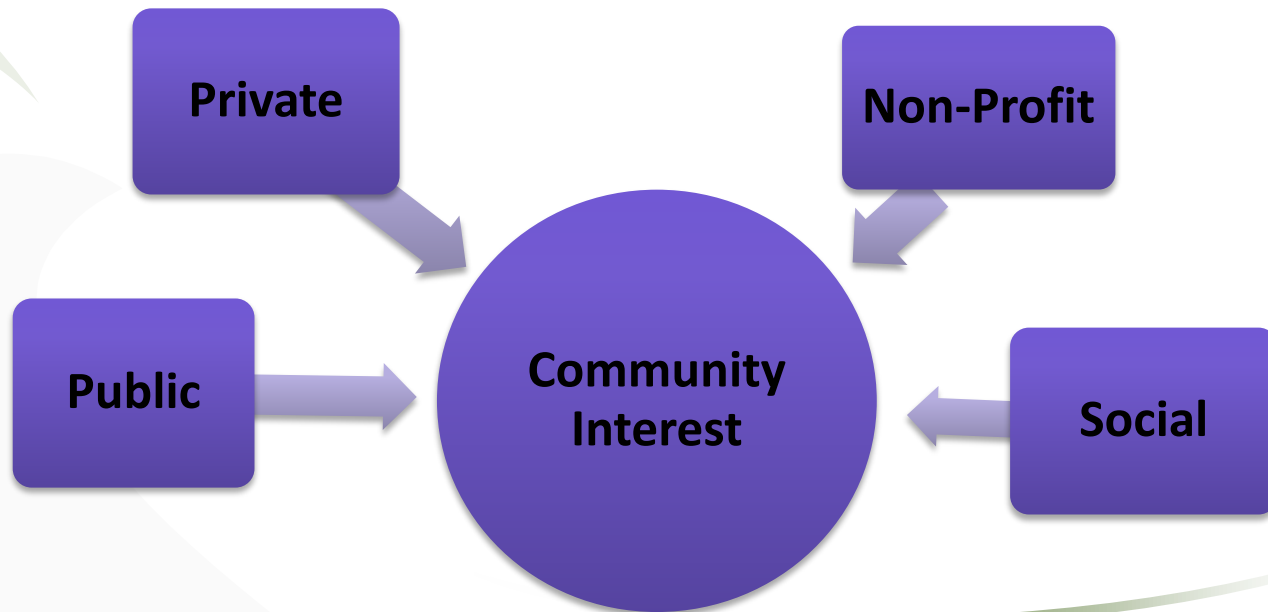
BCEDA Code of Ethics

3. Professional economic developers will hold themselves free of any interest, influence, or relationship in respect to any professional activity when dealing with clients which could impair professional judgment or objectivity.



BCEDA Code of Ethics

- Professional economic developers are mindful that they are representatives of the community and shall represent the overall community interest.

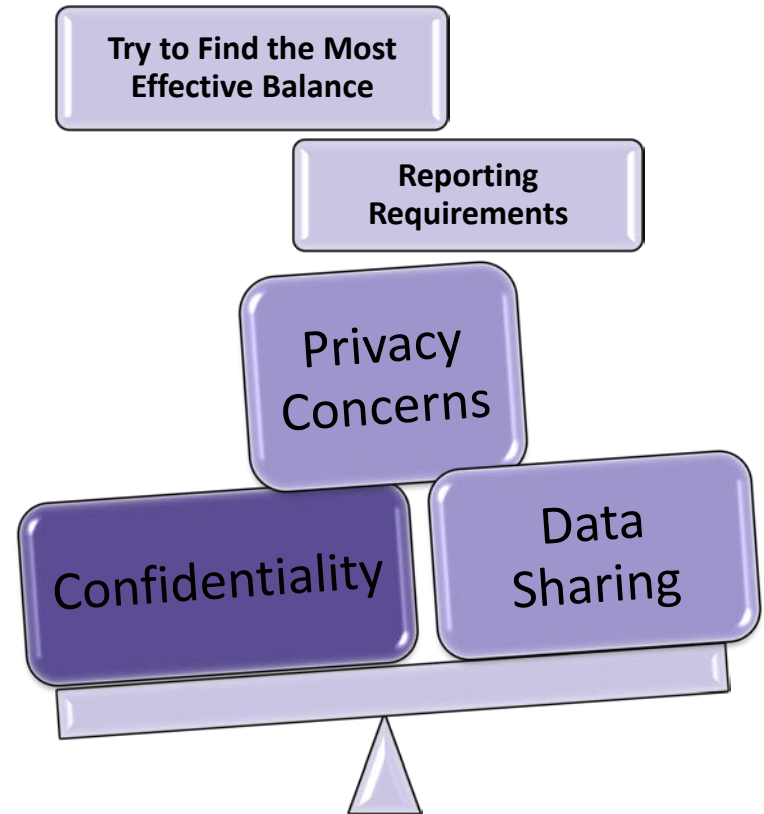


BCEDA Code of Ethics

5. Professional economic developers shall keep the community, elected officials, boards and other stakeholders informed about the progress and efforts of the area's economic development program in accordance to the protocols established by the governing body.

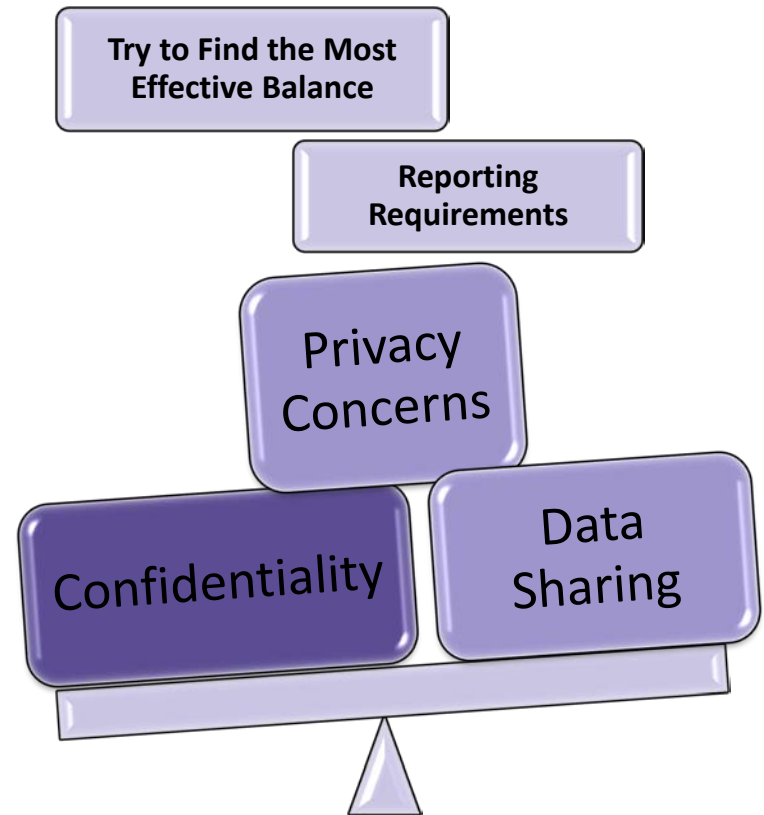
BCEDA Code of Ethics

6. Professional economic developers shall maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities.



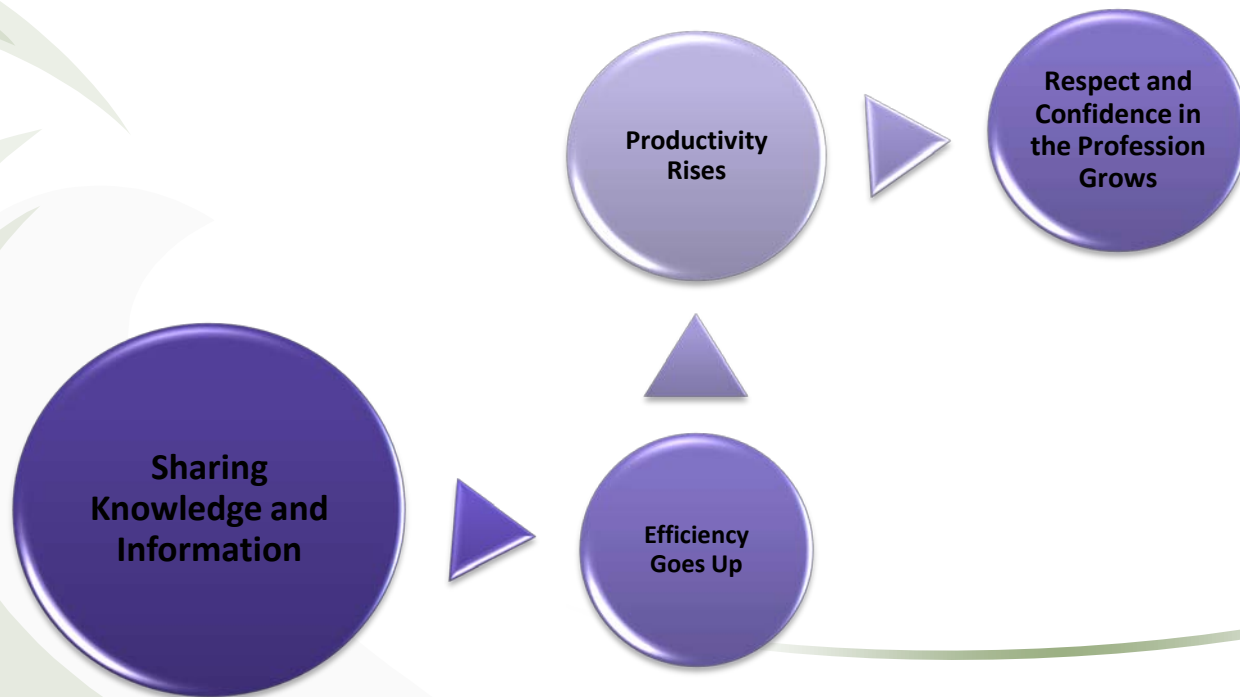
BCEDA Code of Ethics

7. Professional economic developers shall openly share information with the governing body according to protocols established by that body. Such protocols shall be disclosed to clients and the public.



BCEDA Code of Ethics

8. Professional economic developers shall cooperate with peers to the betterment of economic development technique, ability, and practice, and to strive to perfect themselves in their professional abilities through training and educational opportunities.



BCEDA Code of Ethics

9. Professional economic developers shall assure that all economic development activities are conducted with equality of opportunity for all segments of the community without regard to race, religion, sex, sexual orientation, national origin, political affiliation, disability, age, marital status or socioeconomic status.

BCEDA Code of Ethics



10. Professional economic developers shall abide by the principles established in this code and comply with the rules of professional conduct as promulgated by BCEDA.



CASE STUDIES

Case Studies

- Groups of 8-10 attendees
- Identify a spokesperson for the group
- Discuss the case study scenario(s) and question(s) as a group
- Report back discussion to the entire audience

Case Study 1: Travel Expense Fraud and Confidentiality

- Is this an ethical dilemma?
- If you were Jane's employer what would be your next step?
- Does Jane have a right to seek legal counsel in regards to breach of confidentiality?

Case Study 1: Travel Expense Fraud and Confidentiality

- Travel and related expenses represent one of the largest expenditures for many organizations
- Weak expense reporting controls and manual processes make a company vulnerable to fraud and errors related to cost and budget allocations

Case Study 3: Investing in Cities where you Work

- Is there a potential conflict of interest here?
- What should Johns next step be, disclosure or concealment of his investments?

Case Study 3: Accepting Gifts

- Is there an ethical dilemma here?
- If you were Jane what course of action would you take if any?

Case Study 4: Sexual Harassment

- Part I:
 - If you were the department supervisor given responsibility for dealing with Jane's complaint, what would you do?
 - What, if any, would be appropriate remedy for Jane?
What, if any, would be appropriate action to take against John?
 - If you were Jane, what would you have done differently?
 - What might this organization do to prevent a recurrence of the problem?

Case Study 4: Sexual Harassment

- Part II:
 - If you were an economic development professional who witnessed this event, how would you react?
 - Should John's place of work be notified by this event?
 - What repercussions will this bring to John back at his local place of work?

Case Study 5: Bribe or Finders Fee?

- Is this a bribe or just creative marketing?
- What ethical principles should be adhered to in economic development marketing?

Case Study 6: Padding your Resume

- Should Jane be fired on the spot for being dishonest?
- Because she has proven to be a good employee, should the incident be overlooked and kept between John and Jane?
- Is a reprimand in order, and if so to what extent?
- What should John do? What are his options?

Case Study 6: Padding your Resume

- Consequences of padding
 - Cause damage to your reputation
 - Humiliation when caught
 - Assignment to lower skill projects
 - Can set into motion a series of lies to cover up the initial lie
 - Termination from job without the ability to sue for wrongful termination or discrimination

Case Study 6: Padding your Resume

- Consider adding a “Statement of Accuracy” to your job application process

Case Study 7: Managing Conflicts of Interest

- Is there a conflict of interest here?
- Was the lawsuit filed by historic preservation groups appropriate or was it extreme?
- The planning commission member sought legal counsel before partaking in the vote. What else could he have done to further avoid the appearance of a conflict of interest?

Case Study 8: Respecting Roles and Responsibilities

- Should the manager have remained in order to hear the comments and perhaps offer his input?

Case Study 9: Acceptance & Withdrawal

- Did John commit an ethical violation?
- Should the city of Vermont take action against John? If so what?



WORKING WITH VIOLATIONS

Working with Ethics Violations

- Chances of violations can never be eliminated
- In addition to promoting ethical cultures and training, establish procedures that enable review and sanctions, if proved.

Reviewing Ethical Violations

- Main components of reviewing ethics violations:
 - Initial review of the complaint to determine violation or not
 - If yes, conduct an independent and detailed investigation of the case
 - If violation found, the organization may impose sanctions of the person(s)
- Important to engage all parties in an impartial environment, maintain written documentation, and allow for an appeals process

Thank you