



An Introduction to Business & Professional Ethics

With Nigeria Institute of Quantity Surveyors (NIQS)

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AGENDA

-  Exploring Our Context
-  Why Bother with ethics?
-  What are these Professional Ethics?
-  Character, Integrity & Morals
-  Conflicts of Interest & Ethical Dilemmas
-  Final Words

integrity

Exploring Our Context

What will drive our business & professional ethics?



What motivates us to do right?

- Why would people do right?
 - To avoid punishment?
 - To take advantage of rewards?
 - To impress their circle of friends?
 - To be seen as law abiding?
 - To the common good of the majority?
 - To ensure justice for all?

Kohlberg's Cognitive Moral Development Theory

WEAK INSTITUTIONS

WEAK ENFORCEMENT

NEGATIVE INCENTIVES



Which single statement best describes where you stand on the issue of corruption?

1. “I’m not concerned about corruption, I live by my own rules”
2. “Corruption isn’t really my responsibility. Everyone takes advantage of loopholes for their benefit.”
3. “Sometimes people don’t have an alternative to corruption. If you cant beat them, you might as well join them.”
4. “Corruption is a serious threat to everyone, but I don’t see what I can do about it.”
5. “Corruption must be stopped, and I have an individual responsibility to fight it.”



How Do You See Our Nigerian Context?

THE BARRIERS

- **Institutional:** How we win and retain business does not receive sufficient regulatory attention to warrant change
- **Situational:** Not enough buyers of our goods and services require integrity as condition for the engagement
- **Behavioural:** Acting with integrity is seen as a moral but impractical nice-to-have given the environment

POTENTIAL DRIVERS

- If it is required for us to practice then many of us might pay attention otherwise, *na* grammar! “Don’t push it in my face!”
- The day clients start to ask for Quantity Surveyors of proven integrity is “the day I can promote it to a business requirement”
- “When there is a clear advantage and separation in Nigerian society between those who have integrity and those who don’t, then I will make the investments in time and money to build our compliance”



Merton's Strains Theory

- What leads individuals to *deviant* acts like corruption, religious, ethnic, resource-based conflict?
 - The goals strongly emphasized by society?
 - The means society emphasizes?
 - Do we all have access to those means?
- Deviance then occurs as a result of dissonance between social reality and expectations
- How well does society manage the expectations of individuals in the face of rapid social change?

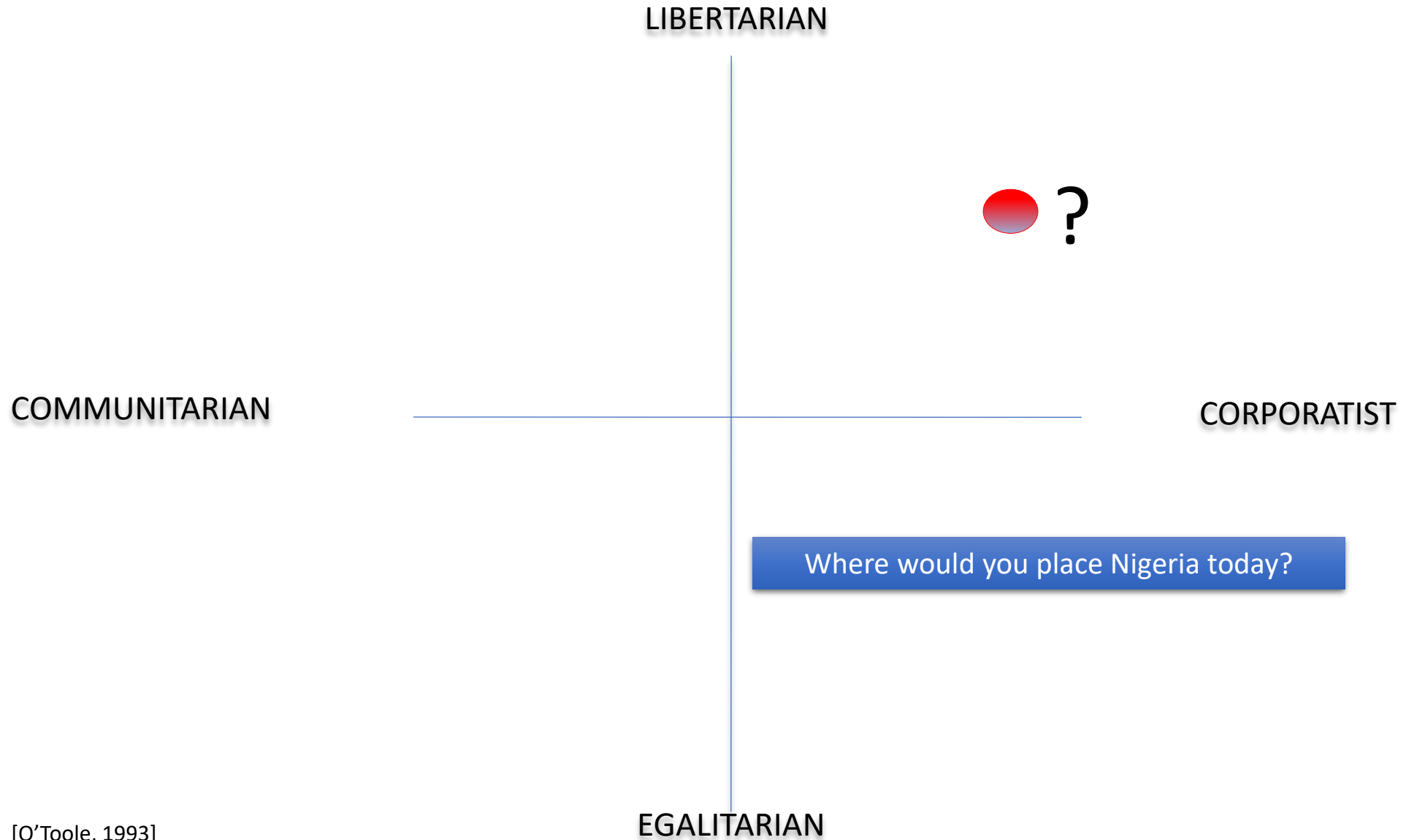


Strains Theory Adaptations

- Conformity – accept both goals and prescribed means
- Innovation – accept the goals but not necessarily the means – they strive to obtain success by taking advantage of illegal means available to them in place of less promising conventional means in order to attain success.
- Ritualism – abandon the goals but keep the means, people concentrate on retaining what little they possibly gained or still have in place of concentrating on a higher yield of success.
- Retreatism – abandon both the goals and the means - drug addicts, alcoholics, vagrants, and the severely mental ill function because their reactions to not being able to obtain success by legitimate means represses them from society.
- Rebellion – both/either goals and/or means are rejected and individuals create their own goals and/or means these people replace such ideas with irrational objectives to include the violent overthrow of the system altogether.



NIGERIAN SOCIETY?



integrity

Why bother?

Given our context, should business & professional ethics matter?



Agriculture without food



Food imports into many African countries has been growing



<http://www.leadership.ng/blogposts/558716/food-security-in-nigeria-is-biotechnology-the-panacea>



Shelter without homes



Nigeria has a housing gap of 18 million units growing at rate of 2million units annually.
What is it like in your country?

<http://www.nigerianbestforum.com/index.php?topic=304423.0;wap>



Clothing without warmth



Nigeria's textile industry grew at 67% p.a between 1985 and 1991. By 1991 it employed 25% of manufacturing sector workers. It was killed by smuggling and cheap imports from China.

<http://nationalmirroronline.net/new/nigerias-troubled-textile-industry/>



Schooling without learning



According to the British Council, about one fifth of the world's 60 million out-of-school children are in Nigeria. "Children that are able to access schools typically learn little"

http://tepcentre.com/wp-content/uploads/2015/03/PSIPSE_Learning-Outcomes-in-Nigeria-TEP.pdf



Medicine Without Healing



CROWDS AWAITING FREE MEDICAL CARE
EVENT



It is estimated that no more than 35% of Nigerians have access to modern healthcare services.

<https://www.unilorin.edu.ng/publications/yusufn/Traditional%20Medicine%20and%20Health%20Care%20Delivery%20System%20in%20Nigeria%20-%20Yusuf%20Noah.pdf>



Growing without maturing



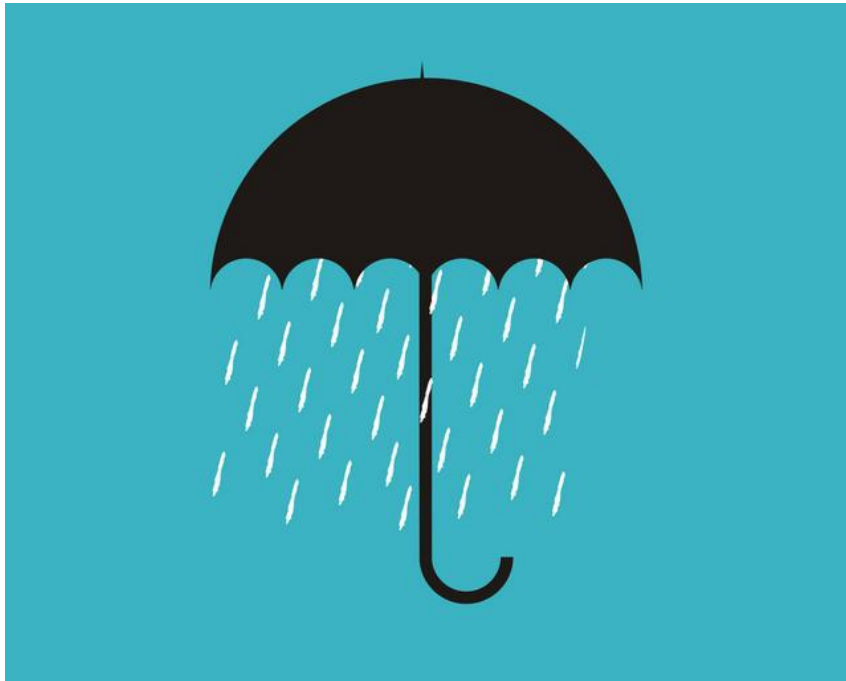
40% of the body's dry matter is protein.
intake of animal protein is at present
4.82g/caput/day as against 35g
recommended by FAO.

<https://www.unaab.edu.ng/attachments/Revolutionising%20the%20Feed%20Industry%20for%20Increased%20Poultry%20Production.pdf>





Democracy without choice



Is Nigeria an Elite “Aristocracy” or a popular “Democracy”? Have Nigerians consistently chosen poverty over development or how come regardless of what they “choose” they don’t seem to break free of the bonds that hold them captive?



Governance without peace



The Niger Delta insurgency; Boko Haram; Odua People's Congress; MASSOB; iPOB; The Shi'ite Movement; Rising Militancy of "Fulani Herdsmen," ISWAP, etc.— What do these groups tell us about governance?



Revenues without justice



There has been a concentration of wealth and economic power in the hands of a few, to the detriment of under privileged and common people in Africa

http://cprenet.com/uploads/archive/UJMSS_12-1254.pdf



Resource wealth without prosperity



Misplaced priorities and ineffective allocation of funds by political leaders coupled with inefficient mechanisms, systems and processes for spending by officials result in very poor development outcomes for Africans

<http://www.eajournals.org/wp-content/uploads/POOR-BUDGETARY-PERFORMANCE-CAUSES-AND-IMPLICATIONS-FOR-DEVELOPMENT.pdf>



Expenditures without service



In the period 1970-2010, there has been a steady decline in the quality and quantity of public services and expenditures in this area have yielded very poor returns.

[http://www.aessweb.com/pdf-files/ijass-2014-4\(4\)-480-491.pdf](http://www.aessweb.com/pdf-files/ijass-2014-4(4)-480-491.pdf)

integrity

What are these Professional
Ethics?



What is Ethics?

A system of moral principles; the rules of conduct that guide your actions. Ethics guide you with respect to what actions are **right** or **wrong**, and with respect to the **goodness** or **badness** of **your motives**.



Applying personal ethics
can be difficult



Applying ethics in an organisation can be even more difficult...





What is Business Ethics?

A system of moral business principles; the rules of conduct that guide people's actions in a business environment.

Business Ethics guides you with respect to what business actions are right or wrong, and with respect to the goodness or badness of your motives.

The fundamental principle of Business Ethics is **fair and honest business dealings.**



What is Professional Ethics in the Public Sector?

A system of moral principles for the public sector; the rules of conduct that guide people's actions in civil service. Public Sector Ethics guides you with respect to what public administration actions are right or wrong, and with respect to the goodness or badness of your motives.

The fundamental principle of the public sector as **a steward to the public.**



Ethics and Business

- The set of morals, standards, rules, laws, principles and so on that **actually control** your choices and behaviour in business are your ethics in business.
- If your behaviour and choices in business are **consistently bad**, your ethics must be bad.
- If your behaviour and choices in business are consistently **acceptable/good**, they must be emanating from a place of “good” ethics



Are Ethics Relative or Absolute?

- So, how do you determine what is good, acceptable or bad behaviour in business? When people are more likely to set standards in relation to their limitations and constraints to have any hope of achieving those standards.
- Therefore standards (and thus ethics) are neither **absolute** nor **universal**. People agree a minimum set of acceptable standards as a general guide to making an understanding of ethics more uniform



The Power of Context

	Good Apples	Bad Apples
Good Barrel	√	x
Bad Barrel	x	x

Deon Roussouw



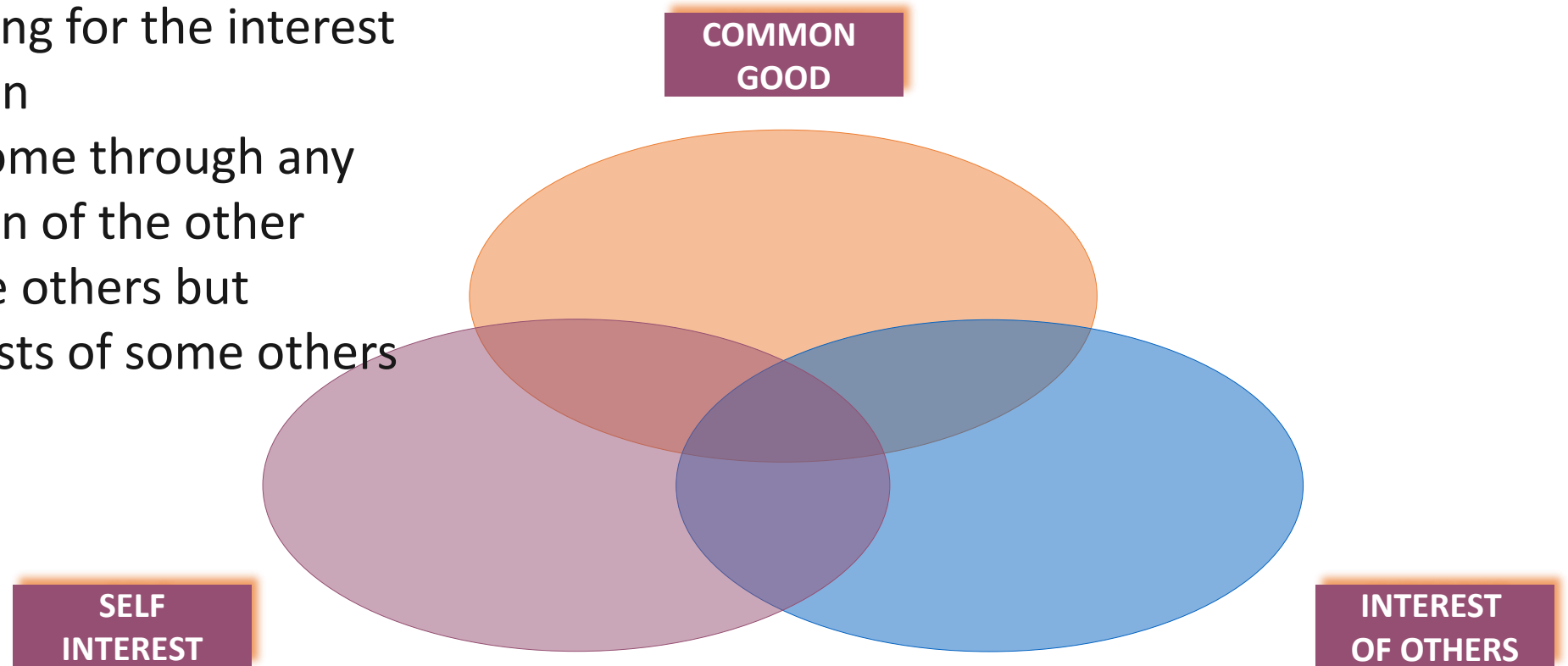
The Boiled Frog Syndrome





Ethical Choice Framework

- Selfish interest (self-interest alone) cannot be sustained any more than selflessness (working for the interest of others alone) can
- Profits must not come through any form of exploitation of the other
- Profits that include others but damage the interests of some others cannot be ethical





Framework – Ethical Decision Matrix

Legality is the starting point, but you want to go further

- Criminal or administrative liability – But you want to develop a culture where, staying out of fines or jail is not enough
- Matrix
 - Is it compliant?
 - Is it responsible?
 - Is it generally acceptable?



Ethical decision matrix

Is it compliant?

Is it legal?

Will I be breaking any
rules or regulations?

Is it against the
policy of my
organisation/company?

Is it responsible?

How will it affect
other parties?

What if everybody were
doing the same thing?

Is it against my
principles?

Is it generally
acceptable?

How will it look on the
newspaper front-page?
On YouTube? On
Facebook?

Will I be ashamed to tell
my peers?

What will my family
think if I tell them?



Ethics in Business Requires Effort

- Effort is required to identify and isolate the bad apples and to fix problems with the barrels. It is easy to make selfish choices. It is also easy to make selfless choices.
- But ethical choices require extra effort to preserve the self-interest and the interest of others, without damaging the common good.
- Doing nothing and going with the flow is not an option: ethics and standards slide and decay without effort to act in the common good



Incentives Reduce The Effort

- **Universal ethics** in business emanate from having the right ideology (a clear belief system with punishment and rewards for good or bad behaviour).
- An environment created by a Government (through institutions with strong reward and punishment systems) is another but relatively inferior example.
- Contracts between parties to a transaction that stipulates a code of conduct and aligns incentives between the parties concerned is another example





Characteristics of an Ethical Leader

- A visibly ethical person, who
- Sends a consistent message

Being a moral person alone is insufficient

- Employees are often far away from executives
- Employees look to their supervisors and executives for guidance – also on issues of ethics



So, to Be an Ethical Leader, you must

- Be a moral manager, **and**
- Be a moral person

Only when employees see and believe that you care about and believe what you say, and only if you practice as you preach you will earn legitimacy

Requires great care to create and sustain an ethical culture that sends a consistent message that is at least as powerful as the "bottom line" drumbeat (via real attention to ethics in multiple cultural systems)



Strong

Moral Manager

Weak

Hypocritical Leader

Ethical Leader

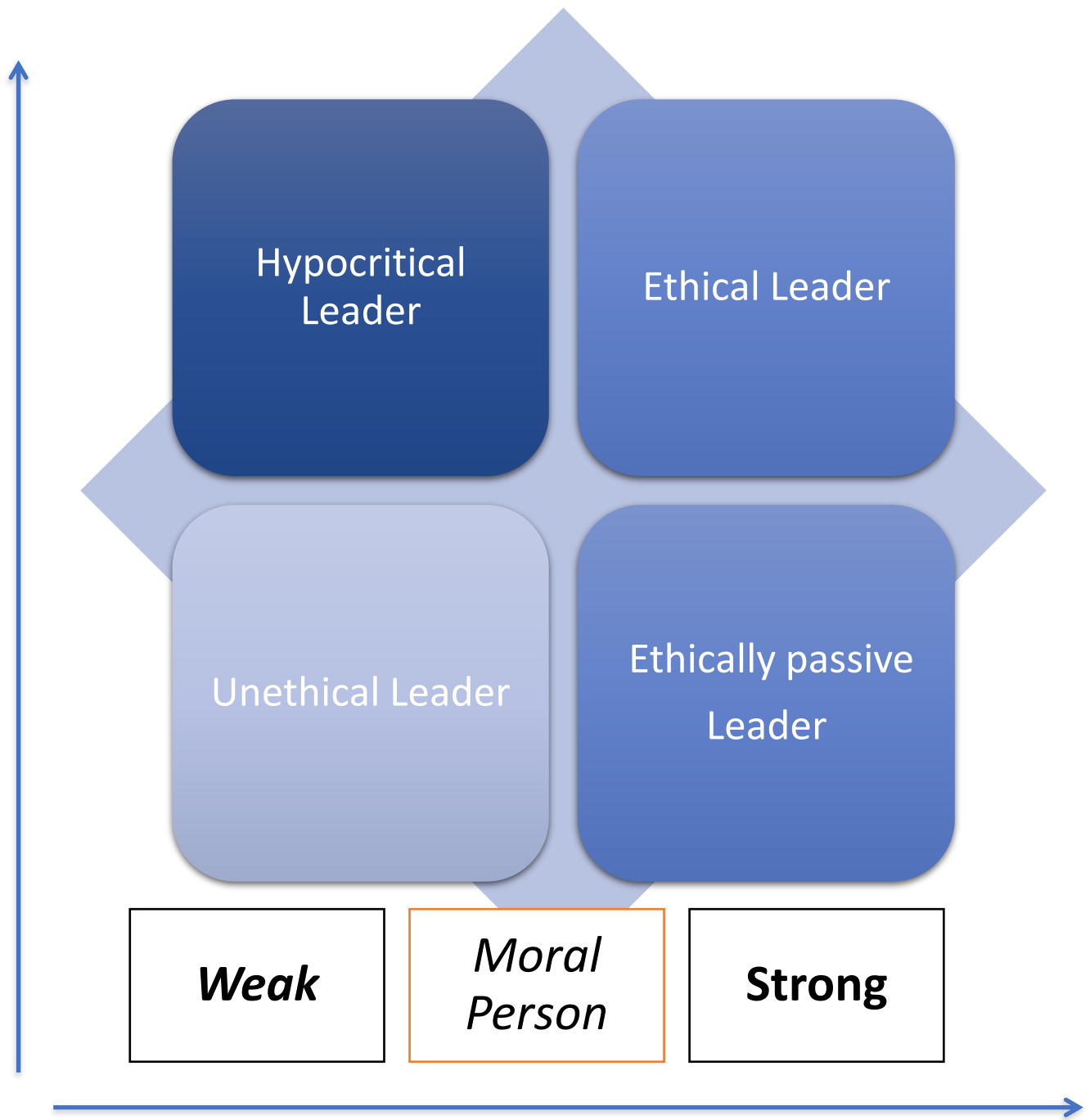
Unethical Leader

Ethically passive Leader

Weak

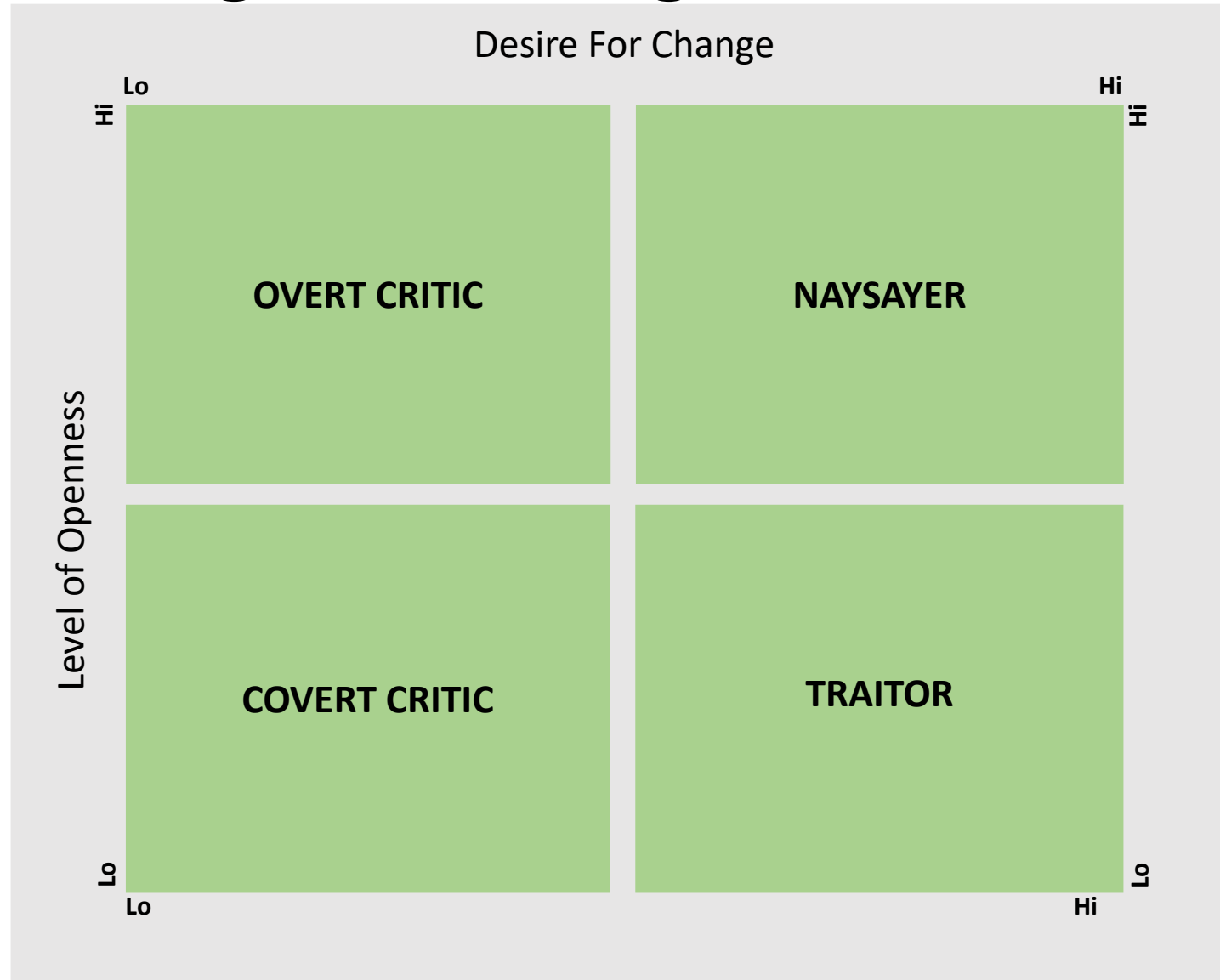
Moral Person

Strong





Distinguishing the "Disagreeers"



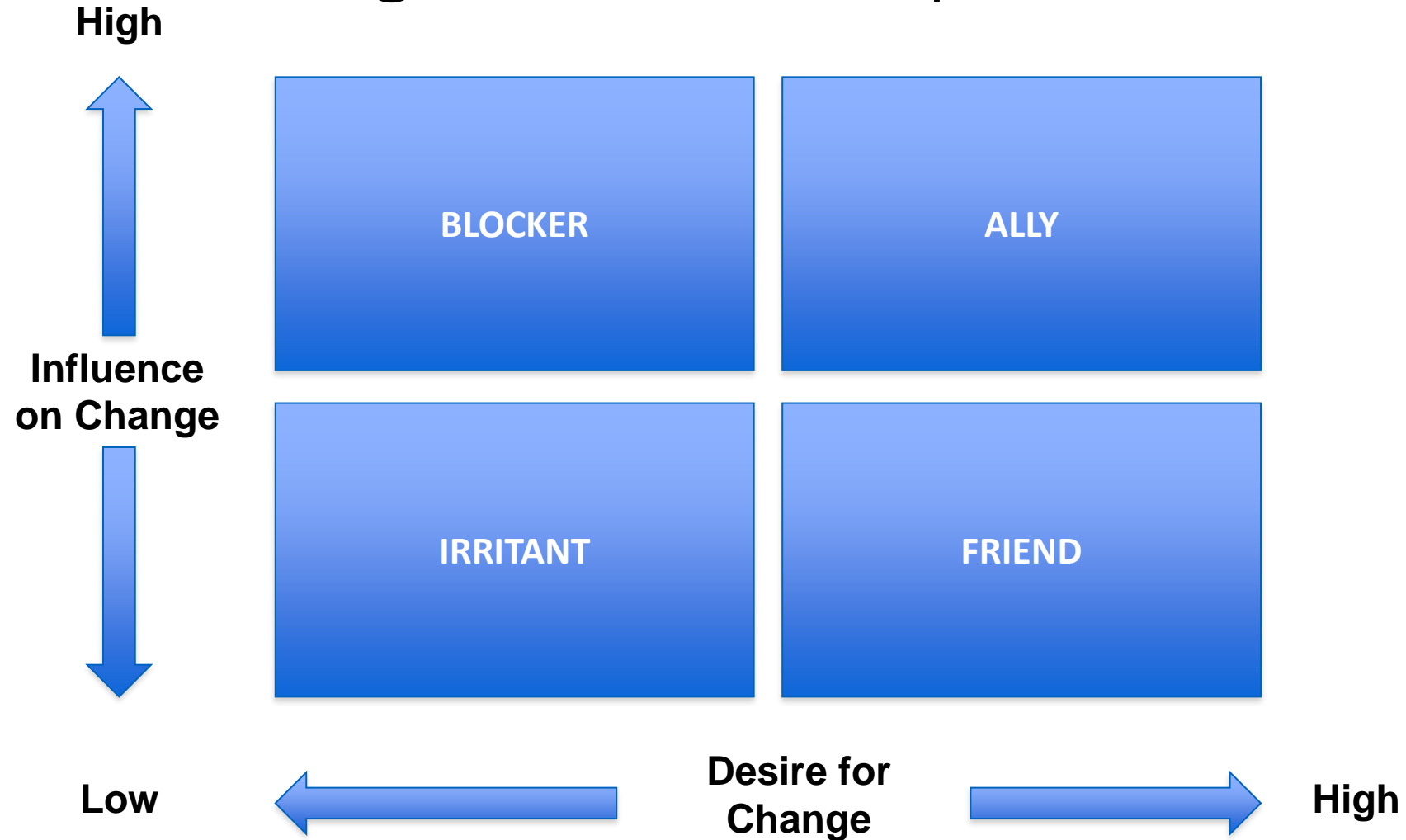


The “Dis-agreers”

- **NAYSAYERS** – Listen to them
 - Are they OVERT/OBVIOUS it might be driven from **Jealousy**
- **CRITICS** – Ignore or Silence
 - Are they COVERT/SUBTLE it might be driven from Envy
- **TRAITORS** – Move them on or out!



Levels of Change Followership



integrity

Character, Integrity & Morals



Integrity is...

- Freedom from deceit, duplicity, self-delusions, adulteration, corruption
- Being morally right, following the right precepts, doctrines, etiquette
- Being complete, whole, skilled and polished
- Consistently doing the right things & Doing things right



What Does a Life of Integrity Look Like?

- You are who you say you are. Confirmed!
- You do the right things and do things right even when no one is looking
- You do what you say, as & when promised
- You are answerable to people in appropriate ways
- You act ethically, and to safeguard credibility
- You aim at distinction in quality & efficiency

“There are two building blocks
for a life of Integrity -

1. Consistently making moral/ethical choices
2. Consistently managing to keep a moral/ethical environment”



Character and Ethics

Facts about character...

- Your character is your core nature. It is who you REALLY are.
- Your character reflects your moral values. You use it for making moral and ethical choices.
- Although some parts of your character are ingrained, it can also be influenced by your beliefs, attitudes, abilities, thought patterns, lifestyle, and experiences.



Understanding Your Character

- Character is demonstrated by your actions and displayed in the choices you make.
- Character is who you are when nobody is looking.
- Character follows you everywhere you go. It is not left at the doorstep when you leave for work.
- You can't fake character...*at least not for long.*
- You are not stuck with your present or past character but can change it over time by developing new habits and attitudes.
- There will always be moral, ethical, emotional struggles that will test your character.



Maintaining Your Character and Integrity

- Think about your character often...not only in a crisis.
- Know the values and principles you hold dear.
- Listen to your conscience.
- Know your moral and ethical boundaries.
- Watch what kinds of influences come into your life.
- Set moral, ethical, and spiritual goals that strengthen your character.
- Strive to achieve balance in your life.



Has Your Character Been Tested?

Time

Pressure

Environment

Your basic drives

Your sense of self-
importance

Voice of society in your
head

Inertia

Capacity/Ignorance

Congruence

Authenticity

integrity

Conflicts of Interest & Ethical
Dilemmas



Conflicts Of Interest & Ethical Dilemmas

- A conflict of interest happens when your personal interests influence (or appear to influence) your ability to act in the best interest of your company, group, unit etc. or society
- Professional ethics dilemmas are often conflict between values
 - “Truth versus loyalty”
 - “Individual versus community”
 - “Short term versus long term”
 - “Justice versus mercy”.



Let's explore a few instances

- Employment
- Investment
- Competition
- Family & Friends
- Significant Financial Interest
- Side Hustle
- Using Company Time & Resources
- Selling in the workplace
- Gifts & Entertainment
- Accepting Gifts

integrity

Final Words



Observations

1. It may not at first be so clear that only by choosing to act with professional ethics and morals can Nigeria be turned around
2. It may also not have been so clear that sustainable change can only start from the individual
3. The actions of us all combine to create the norms in our societies.
 - We believe everyone is doing it
 - We believe everyone expects us to do it too
4. Living a life of integrity requires moral courage for us to act as ethical leaders
5. At the core of it, Excellence, Morality, Integrity, Professionalism and sustainability require the same core values
 - Doing the right things and doing things right



*Thank
you*