

Return on Investment: How Ethics Affect Your Bottom Line

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The importance of managing the ethical environment of a company was the theme of this presentation, which included the why, what and how of managing ethics in a business environment. Discussion clarified that there is no difference between ethics and business ethics, but that the presentation's emphasis and use of the term "business ethics" was meant to narrow the focus of the ethics discussion to the workplace. The presentation explained the basic rationale for managing ethics in construction management: the public trust placed in CM professionals to protect public safety, health and welfare due to our unique education and position. The presentation explored the ethical environment that companies and company employees find themselves in by citing infamous, contemporary cases in the fields of politics, media, financial institutions, sports, corporations, judiciary, religion and construction management. The purpose was to demonstrate that low ethical standards pervade our everyday life experience and how that experience affects the ethical outlook of our employees. Results from a CM industry survey, and the experience of state boards for civil engineers were introduced to reinforce that ethical issues pervade our business of construction management.

The presentation differentiated between the terms "ethical" and "legal", explained how the slippery slope of ethical degradation could lead to violations of the law, how the huge cost of recent ethical violations in corporations and financial institutions has led to legislation (e.g. Sarbanes-Oxley) and what the legislation requires of some companies. The presentation differentiated between the responsibilities of individuals and that of companies, and explained how to fulfill the company responsibility of creating an ethical environment through the development and implementation of a code of ethics. The presentation made the points that the purpose of ethics programs is to manage values and conflict among values – not the alter people's values, and that since values are established in most people in their twenties that a company should recruit people with a strong set of values that fit the company's own values. Two relevant case studies were discussed in detail to again demonstrate the importance of ethics in our work. The cases studies were the Challenger explosion and the Kansas City Hyatt Regency walkway collapse.

The presentation provided several references that could be used to provide further information on ethics, and as well as assist in developing a code of ethics tailored to a specific company. Some useful references on ethics and their application to CM include:

Ethics Resource Center's "Workable Code" a "how to" that is available in both hard copy and in CD for \$25. Their website is: www.ethics.org/ercbooks_workablecode.html

"Complete Guide to Ethics Management" a free guide to ethics at: www.mapnp.org/library/ethics/ethxgde.html

"Creating an Ethical Environment" by Dr. Robert Cialdini (a lunch speaker at a previous CMAA conference) www.influenceatwork.com

Case Western Reserve University's: www.onlineethics.org fro engineers and scientists

"Ten Myths About Business Ethics" available at www.Tompkins-co.org/personnel/training/quicktips/ethics.html

Texas Tech's College of Engineering's "Ethics in Engineering Education and Practice"
www.niee.org

How to write a code of ethics www.ethicsweb.ca/codes

Business Ethics? Yes, But What Can it Do for the Bottom Line? (by Donaldson and Davis)

"Managing Values: A Systematic Approach to Business Ethics" (By Diane Kirrane – Training and Development Journal; November, 1996)

Josephson Institute of Ethics in Los Angeles, non-profit on ethics: www.jospehsoninstitute.org