

# Economic Development Ethics Training

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# Introduction

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



# History of the Development of IEDC Code of Ethics

- Proposed by the Board of Directors of IEDC
- IEDC adopted the Code of Ethics in October 2008 as an **aspirational** statement
  - IEDC membership needs to be educated about the code before enforcement
- Studied policies and procedures
  - International City Managers Association (ICMA)
  - American Planning Association (APA)
- Evaluate insurance costs for enforcement
- Begin ethics curriculum and training in 2010
- Begin enforcement in 2011 – discussed later



# UNDERSTANDING ETHICS



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# 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



THE POWER OF KNOWLEDGE AND LEADERSHIP

# 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
- IEDC Code of Ethics can be used as a model for organizations

# 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
- 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.



# **IEDC CODE OF ETHICS (10 STEPS IN THE BOOK)**



# WORKING WITH VIOLATIONS



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# Ethics Violations

- Chances of violations can never be eliminated
- In addition to promoting ethical cultures and training, establish procedures that make it simple to file a complain, enable review and sanctions, if proved.
- People need to know the process and potential outcomes.