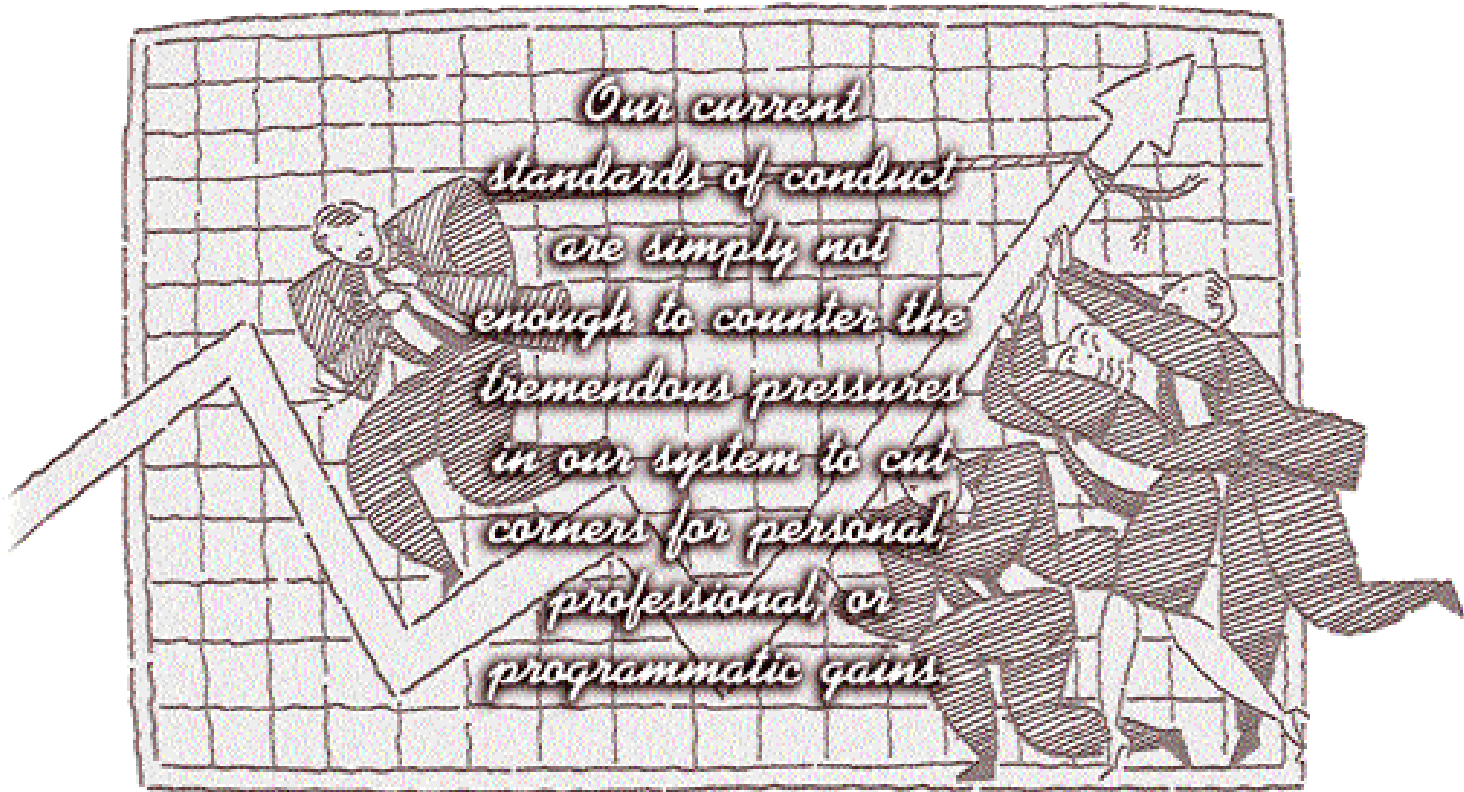


Ethics in Program Management

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It seems that every few years, the defense acquisition community is rocked by a highly visible ethics scandal. The latest involves Darleen Druyun, the senior Air Force procurement official who gave favorable treatment to a defense contractor on large defense programs then joined this same firm as a vice president soon after her retirement. Her tenure with the firm was short-lived, ending when it was discovered that she began negotiating for her job before she retired (working through her daughter who also worked for this same company) then tried—unsuccessfully—to cover it up. While we might be tempted to pass this off as the “one bad apple” example, it should be noted that up to that point in her career, Druyun had a distinguished record of public service and was very highly regarded by many senior defense officials.

Looking beyond the defense acquisition community for a moment, it seems that the occurrence of ethical scandals has risen to a new high; they are appearing in virtually all areas of our society. We have the Martha Stewart

insider stock trading case and a plethora of large corporate scandals involving companies like Enron, Tyco, and WorldCom. Of more concern are the scandals that have emerged from the heart of our society: teachers providing answers on standardized tests to improve their schools’ performance, or the coach who altered his star pitcher’s birth certificate in the Little League World Series. Clearly, ethical behavior—or rather, lack of it—is an ongoing problem in our society and in our world. In spite of good intentions, the temptations are always there to cut corners to achieve desired personal or professional outcomes.

The common approach to ethics taken by both corporations and government organizations is to institute a set of rules (“standards of conduct”) to prevent or control ethical lapses by employees. These rules often become quite detailed in terms of specific actions and financial amounts—for example, government rules on accepting transportation, meals, or gifts from government contractors. But the high-profile examples cited above go well beyond simple standards of conduct.

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FIGURE 1. Value Conflicts



Back to Basics: The Six Pillars

To really understand the issue of ethics, we should go back to basics for a moment. According to Webster (the dictionary), ethics is defined as a set of moral principles or values that govern the conduct of an individual or group. Values are important because they underlie the concept of ethics. Again paraphrasing Webster, values are core beliefs that guide or motivate us. Relating the two terms, ethics is best understood as how we translate our values into action.

So to understand ethics, we must first understand what individuals and organizations share as common values. Michael Josephson, who founded and runs a non-profit institute for advancement of ethics in our society, differentiates between ethical and non-ethical values. Non-ethical values often relate to personal desires such as wealth, fame, happiness, health, fulfillment, or personal freedom. But ethical values are directly related to our beliefs about what is right and wrong. Josephson identifies six core ethical values as his "Six Pillars of Character." They are:

- **Trustworthiness** – honesty, integrity, reliability, and loyalty
- **Respect** – courtesy, dignity of the individual, and tolerance
- **Responsibility** – accountability, pursuit of excellence, and self-restraint
- **Fairness** – procedural fairness, impartiality, and equity
- **Caring** – concern for others and how they will be affected by your actions
- **Citizenship** – civic virtues and duties (giving back to your society).

Dealing with Value Conflicts

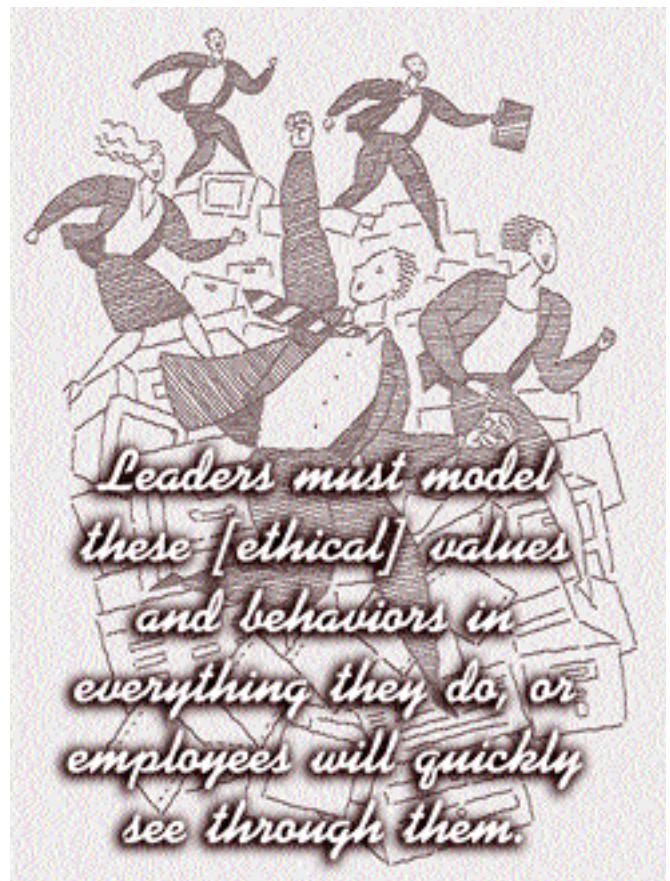
Ethical issues or dilemmas are most often interpreted as value conflicts. When non-ethical values conflict with ethical values, the issue is clear-cut, and the ethical values should dictate the solution. This often translates into a standards of conduct or even legal issue (Right vs. Wrong). For example, this type of conflict occurs when a corporate executive or senior government manager uses his or her official position for personal gain. Here, the senior of-

ficial lets the desire for wealth—a non-ethical value—negate the entire set of ethical values listed above. (And beyond the values conflict, this behavior is also illegal, of course.) But these clearly discernible issues are only the tip of the ethical iceberg.

A more difficult values decision occurs in situations where ethical values conflict with each other. An example would be when a manager's concern (Caring) for a problem employee who is not meeting standards and may be terminated conflicts with obligations (Trustworthiness and Responsibility) to meet work-related deadlines. It can be quite difficult to make decisions in these situations, since any decision will negatively impact one or more core ethical values.

The two types of value conflicts are illustrated in Figure 1. In reality, program management is full of such value conflicts. We face these issues on a weekly or even daily basis. The value conflicts are sometimes subtle and not fully apparent until we find ourselves in the midst of an ethical dilemma.

I was in such a situation on a research project I was managing shortly after I joined the DAU faculty. We were in the middle of what I thought would be a simple source selection of a contractor to design a new team exercise



for one of our courses. The competitive field had narrowed to a very experienced company who had done excellent work for us in the past and a newly created small business. Our evaluation panel was all set to select the experienced firm when the contracting officer informed us that the cost proposals, which we had not yet seen, were quite different. The small business proposed a fixed price that was less than half that of the experienced firm. Several members of the team were convinced that the risk of going with the small business was too great.

I found myself right in the middle on an ethical dilemma. The core ethical value of Responsibility for delivering a quality product favored the experienced company, while the core value of Fairness argued for selecting the small business since they had met the minimum criteria spelled out in our proposal. Either choice would at least partially negate one of the core ethical values. I finally convinced the evaluation team that we must go with the small business because we had put them in our competitive range, meaning we thought they could do the work with acceptable risk. The small business got the contract, struggled a bit, but did deliver a product we were able to use.

The point of this story is that a little planning (more carefully selected evaluation criteria for a “best value” approach) can go a long way in helping to avoid ethical dilemmas down the road.

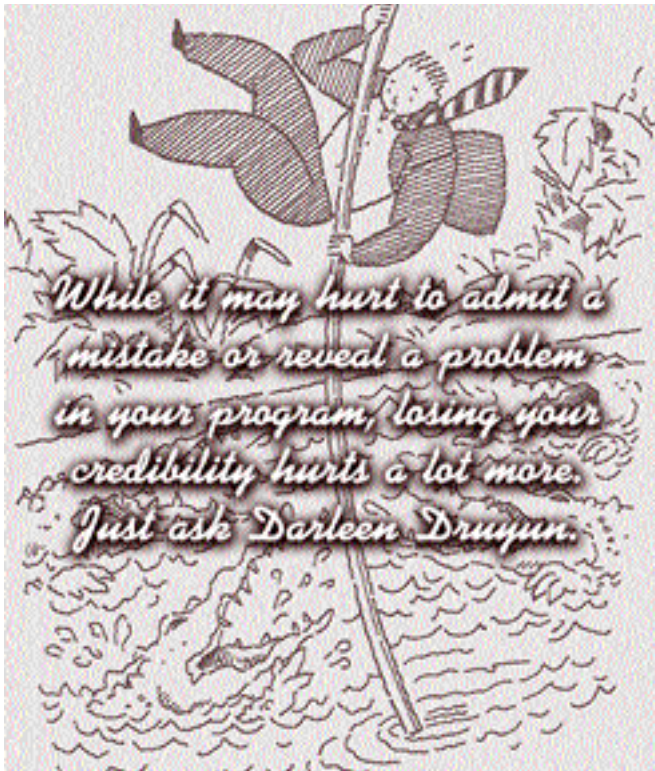
Program Management Dilemmas

In program management, the ethical dilemmas often center on the two important variables related to the program that every program manager strives to control: information and funding. These are important assets in achieving program success, but they can also be manipulated to achieve other ends. No matter the program or its priority, funding always seems to be less than what’s needed to do the full job. That leads to constant squabbles between programs and organizations in an effort to stretch the funding to do the most good for the most programs. Opportunities exist at all levels to apply the funding inappropriately, based on personal agendas rather than service priorities and mission needs.

Since government program offices do not actually build anything themselves, you might say their most important product is the information that allows our selected

FIGURE 2. **Ethical Congruence**





industry partners to do the hands-on work. Program offices strive to have the best and most current information on all aspects of their programs, but that information can also be manipulated to achieve other outcomes. Some program managers can get caught up in thinking that their career success is directly related to their programs' success. Instead of reporting program status with complete objectivity, they begin to slant the story to accentuate the positive and slight or hide the negative. On the Navy's A-12 stealth fighter program, such behavior escalated into hiding the program's poor cost performance and potential for a large cost overrun. When the full story came to light, then Secretary of Defense Dick Cheney fired the entire Navy chain of command, from the program manager up to the three-star admiral, for their lack of integrity in reporting the true program status.

It should be clear by now that our current standards of conduct are simply not enough to counter the tremendous pressures in our system to cut corners for personal, professional, or programmatic gain. This isn't surprising based on the often-quoted axiom "you can't legislate morality." While we should give consideration to beefing up the standards, we should also assess other approaches.

It Starts at the Top

As stated earlier, ethics in any organization are determined by the common values shared by its members. While individuals come to an organization with a set of values developed over time, the most influential factor affecting their ethical behavior after they arrive is the way they are led. Leadership is what determines the organi-

zational climate or culture, and it has a major impact on the way all the organization's members do their work.

One of the most important tasks of any leader is to create an environment where ethical behavior and decision making is standard operating procedure. This can be achieved through alignment of the personal ethical values of the individual employees with those of the organization. The leader can develop this organizational climate by:

- Clarifying the organization's core ethical values so all employees know what is expected of them
- Making values alignment a key part of the hiring decision for new employees
- Developing policies so employees know how to deal with foreseeable ethical issues
- Providing training and support systems to help employees build a more ethical organization.

Taking those steps will increase the degree of ethical alignment or congruence in the organization. Organizations with high ethical congruence "walk their talk," meaning their day-to-day behavior matches their stated values. The concept of ethical congruence is displayed in Figure 2 on the previous page.

More Than a Set of Rules

To summarize, ethics in program management is much more than a set of rules. There can never be enough rules to cover all the situations where ethical dilemmas may arise. And ethics programs cannot be forced on employees by those in authority; that works only as long as someone is looking over employees' shoulders.

An organization's best approach to ethics relies on its leaders' creating a positive culture that encourages ethical behavior at all levels. The success of this approach depends on the leader's ability to influence the entire organization to adopt a common set of ethical values and behaviors—and leaders must model these values and behaviors in everything they do, or employees will quickly see through them. Effective leaders exhibit a strong sense of personal integrity and credibility, which acts as a beacon to the organization as it moves toward an uncertain future. In the words of one experienced DoD program manager, "Credibility. It's all really that we have as an attribute we can bring to our position. We need to go to great lengths, all of us in this business, to maintain our credibility, even when it hurts."

While it may hurt to admit a mistake or reveal a problem in your program, it's worth remembering that losing your credibility hurts a lot more. Just ask Darleen Druyun.

The author welcomes comments and questions. Contact him at owen.gadeken@dau.mil.