



ethical connections

Washington Speakers Bureau New Exclusive: Rushworth Kidder, Expert on Ethical Fitness®

Speech Topics:

- Ethics and the Bottom Line
- Making Tough Executive Decisions
- Global Ethics in the 21st Century
- Technology Leverages Our Ethics
- Trust
- Ethics in the Era of Enron and Al Qaeda
- Current Events through the Lens of Ethics
- The Guts of a Tough Decision: Moral Courage and How to Get It

New Washington Speakers Bureau exclusive Dr. Rushworth Kidder's message is an imperative for any organization looking to align their actions with their values. In a complicated age when things change at breakneck speed, each of us is presented with tough decisions every day. Kidder provides an ethical framework for helping people evaluate choices and untangle the dilemmas of daily life.

For over a decade, Rushworth Kidder has worked to refine guidelines for ethical decision making through the Institute for Global Ethics. The Institute has developed ethics training programs for international corporations, non-profits, government entities, even prisons. His books include *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living* and *Shared Values for a Troubled World*. Dr. Kidder is a spellbinding speaker who originated the highly interactive Ethical Fitness® Seminar. He illustrates the fact that our toughest choices are not matters of right versus wrong, but of right versus right, and offers a practical methodology for analyzing situations in which values are in conflict. His programs clearly show that ethics are increasingly a matter of survival; they teach us to think for ourselves rather than supplying easy, definitive answers. Look to Rushworth Kidder for:

- Clear evidence of the connection between ethics and the bottom line
- A clear, robust language for discussion of ethical questions
- Ways to shift the culture from "I'm-right-you're-wrong" to "What's-the-higher-right?"
- Protecting your organization from ethical lapses
- Values centered leadership ■



What's New?

■ IGE (Canada) Welcomes John McWilliams and Gordon Smith to Its Advisory Board

John McWilliams is senior vice president, general counsel, and secretary of Nexen Inc., a multinational energy and chemical corporation. He is a leading voice for ethics in business and a regular sponsor of ethics conferences.

Gordon Smith is the director of the Centre for Global Studies at the University of Victoria in Canada and the chair of the board of the Inter-

national Development Research Centre. Deeply concerned and involved in peace issues, Gordon participated in a consultation on Middle East Peace at Windsor Castle in 2002.

Doug Bryden, executive director of IGE Canada, welcomes "their ability to give us their broad perspective on a variety of issues that have far-reaching ethical import in our country and beyond." ■

■ Camden Ethics Symposium Announced

We are delighted to announce the first in a series of annual "Camden Ethics Symposia," opportunities for ethically-minded individuals to spend two days and an evening with Rushworth Kidder discussing the issue of communicating ethics effectively.

This is an interactive immersion course offered

to a wide variety of individuals. The symposia will help people develop a clear, persuasive language of ethics and values, and deal with challenges to ethical communication through lively dialogue and writing.

This summer's dates are listed on page 8. Please call 1-800-729-2615 for more information. ■

In Brief

Marty Taylor Travels to Singapore

Marty Taylor, VP of Organizational Services, recently returned from Singapore where he ran a Train the Trainer seminar for the BD (Becton Dickinson) Company. Attending the seminar were 13 representatives of the company's Asia Pacific branches including Australia, China, Hong Kong, India, Japan, Korea, Singapore, and Taiwan.

Interestingly for Marty, all participants, except two, spoke English as a second language. "We had a great session; it was highly interactive and very revealing about how things really are in the world and the fact that ethics in business is still a critical topic."

As evidence of the success of Marty's trip, participants will be leading 10 to 15 seminars in Asia Pacific by the end of this calendar year.

2002 Four Nations Conference

Judging by both the evaluations of last November's conference in England on Education for Citizenship in England, Northern Ireland, Scotland, and Wales, this year's event was gauged to be "the best yet!" Third in an annual series funded by the Gordon Cook Foundation and convened by the IGE UK Trust, this Four Nations conference aimed to identify, explore, and respond to the social, institutional, and professional challenges posed by education for citizenship across the United Kingdom. The participants included practitioners from schools, colleges, and universities as well as professionals from government and specialist organizations. The 2003 conference is planned to take place in Belfast, Northern Ireland.

A report of the conference is available at www.globalethics.org

IGE Master Trainer Alan Goodman

Alan Goodman, founder of Goodman Professional Development and a leader in the field of ethics in law enforcement, is an IGE Master Trainer who specializes in serving law enforcement, public safety, private security, and government personnel.

Alan began his career as a New York Police Department officer and served as a recruit instructor, commanding officer of the Police Cadet Corps, and deputy inspector. In addition to directing the Ethical Awareness Workshop program and other educational programs for the NYPD, Alan has created or co-developed training programs and seminars for the U.S. State Department. He has masters degrees in both criminal justice and training. Alan has incorporated the Ethical Fitness® Seminar into training offered nationwide to local, state, and federal auditors.

The Four Paradigms

Seminar Refresher: Occasionally we print nuggets from our seminars.

Let us know if this one is helpful.

Remember those paradigms?

- Truth vs loyalty
- Short term vs long term
- Individual vs community
- Justice vs mercy

How was the Paradigm System developed? Why are there only four paradigms?

The paradigm system developed out of our observation of the ways in which individuals actually address their dilemmas. It is therefore not so much a deductive approach—in which a particular proposition or assumption is extended into four subcategories—as an inductive one through which four categories have been discovered empirically.

The question nevertheless arises: Why are there only four? The short answer is: because that's all we could find. In fact, however, there may be a logical reason why no more are readily visible.

These four approaches can be explained by the dichotomy between scientific thinking and humanistic thinking.

Scientific thinking, on the one hand, involves:

- An inclination for observing and measuring physical objects
- A focus on objectivity: the truth, method, reality, thinking
- An effort to exclude the personal side of experience
- The use of numbers

To learn more about the process, consider attending one of our seminars. See page 8 for schedule.

Humanistic thinking, on the other hand, reflects:

- An impulse to use stories and discern an individual's mental state
- A desire to remain subjective: fiction, imagination, feeling
- Inquire into personal motives, responses, observations
- A focus on character

To explain the four dilemma paradigms, each of these two perspectives can be further dissected. Consider how, when we think scientifically, we tend to focus on the measurement of time or space, but when we think humanistically, we look more closely at the uniqueness of an individual's character or the culture of the larger group or organization.

Scientific Method—Counting

- Space (scale): self versus community
- Time: short term versus long term

Humanistic Method—Character

- Uniqueness: truth versus loyalty
- Organizations: justice (expectation) versus mercy (exception)

Self versus community requires us to consider space or scale. If the smaller group cannot be distinguished from the larger group, the dilemma ceases to matter.

Short term versus long term depends on an ability to measure time. Again, without the concept of time, there is no dilemma.

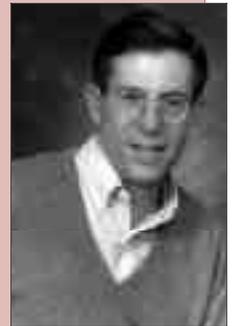
Truth versus loyalty pits truth—as perceived by the individual—against a kind of personal allegiance to others. ■

Staff Profile

■ Marty Taylor

VP, Organizational Services

Marty Taylor joined the IGE team in 1994 after 24 years with the Kodak corporation. At Kodak he worked variously in publishing, product development, and marketing. Eventually Marty felt the need for a change and a desire to move back to New England, the place of his childhood.



His years at a large corporation taught Marty the important role ethics plays in organizations. "I saw some people make very difficult decisions in a thoroughly admirable way and I saw some real questionable behavior that made me think that somebody has to set a standard."

So in the fall of 1994, when Marty found himself at the Institute helping to develop and market the Ethical Fitness® Seminar, the relevance of that project to the world of business was obvious. Now as vice president of the Organizational Services department, Marty is helping companies and organizations to set ethical standards and live by them. When asked what is the mission of Organizational Services, Marty says, "To give organizations tools and a structure to be able to align people's values with the organization's values and to have a similar disciplined way of making decisions based on those values."

Though the Ethical Fitness® Seminar has now taken place at companies all across the globe in several different languages, Marty is still looking ahead at ways to spread the word and work of ethics farther and deeper into the world's increasingly global business culture. He believes it's not enough for an organization to talk about ethics; he wants to help "create a real desire in those organizations to be ethically confident and competent."

Despite these lofty goals, as the temperature in Camden drops below zero degrees Fahrenheit, Marty can't help cite as his short-term goal: "Keeping warm!" ■

Dilemma

This area is devoted to the discussion and dissection of ethical dilemmas drawn from real life. Each issue, we focus on a tough choice faced by a member, reader, or friend of the Institute—putting into practice the methods and principles we’ve found helpful in navigating the often difficult waters of daily life.

Our Standards or Theirs?

A dilemma from real life

Mike Flaherty could not believe his ears—the health and safety official had refused his company’s request to build a state-of-the-art containment facility for ethylene oxide (ETO), a highly explosive gas. In the shabby ministry office of this subcontinent nation emerging from third-world status, the presiding national expert had declared Mike’s plans insufficient. The national standard was completely different. Whereas Mike’s engineers had designed a \$300,000 building with thick walls, roofed with deflagration panels to direct the force of a blast upward, the national standard called for the gas containers to be stored in the open, surrounded with netting, and located at least fifteen feet from the nearest building. The cost—only \$30,000. If the ETO were to explode, it would dig a crater more than one hundred yards wide, demolishing any building within fifteen feet.

Mike knew that the design he had presented to the ministry was based on extensive testing and surpassed the most rigid worldwide standards—the standards that Mike’s company applied in every country where they had a manufacturing plant. But the national health and safety officials wouldn’t budge—their declared opinion was that explosive gases must

be stored out in the open where they could safely diffuse.

The uncomfortable dilemma belonged to Mike. Time was pressing to break ground for the new factory. Product should be rolling off the line in months, and completing the design for certification was necessary to begin construction. Mike’s management was hard to pin down. One group declared, “By all means, stick to our standards. We might be sorry later if we don’t!” Others waffled: “Let’s not knock ourselves out imposing our standards on theirs; that’s probably Yankee imperialism—and we’ll save \$270,000.”

If the ETO were to explode, it would dig a crater more than 100 yards wide.

What should Mike do? On one hand, he could spend precious time and money trying to convince the government to accept his design and, in effect, completely change their national standard for storing explosive gases. What a pain in the neck! And worse yet, there was no guarantee that he’d be successful—then what? On the other hand, he could convince his company’s management (it wouldn’t take a lot of convincing, probably) to make an exception to the company’s design protocols in deference to the host country and build to a lesser, but locally legal standard, saving time and lowering costs for the project.



For analyses of this dilemma, please see page 5. To learn how Mike resolved his dilemma, please see page 7.

Dilemma Analysis: What Should Mike Do?

Two friends of the Institute take a look at this real-life dilemma

Analysis No. 1

Mike might reason that it would be right to honor the host country's standards, thus allowing the overall project to stay on schedule and avoiding a squabble with the health and safety officials. It would also be right to prevent the construction of a substandard facility, thereby arguably avoiding the potential harm that could be caused by an explosion.

Following the local standard has real potential to cause significant harm to a lot of people. Were Mike to choose to honor the short term, his company would stay on schedule, the health and safety ministry people would be appeased, and his company would save a lot of money. These are good things—but how good are they against the dangers of a substandard facility? It would be wrong, under any circumstances, to support the construction of a substandard containment facility given the scope of the harm it could cause.

If constructing the facility according to local standards would mean choosing wrong over right, perhaps there are other alternatives worth consideration. It would be right to build a facility that would create value—both for his company and for the host country. It would also be right to follow the law and support his company's time schedule.

Perhaps it is time for Mike to bring this mix to a broader set of authorities. For example, has the health ministry overlooked important technical factors in reaching its determination? How might the perspective of the health ministry fare against the perspective of the treasury min-

istry or the economic development ministry? Maybe instead of trying to convince the health ministry to change its decision, Mike should look for a group that can overrule the decision.

The pursuit of this angle will take time but it could lead to a safer facility. It might also throw Mike's company off schedule and scale costs upward. Mike should nevertheless pursue this point as it represents perhaps the only way to construct a safe facility. In the end, if a safe facility just can't be built, Mike should support a "no go" decision. ■

—Matt Souza, senior vice president, Irwin Financial Corporation, Columbus, Indiana

Analysis No. 2

I will first declare a personal interest in resolving this problem. Most of my work as a management consultant involves balancing cost against risk to find an alignment to satisfy stakeholders involved. It is "a moveable feast" that requires at the outset a clear identification of the stakeholders and who is the intended main beneficiary. I have also found that rules that are initially made for people can become an end in their own right.

In the ETO case, the health and safety official is duty-bound by local rules. However, although his task is to promote compliance, his purpose is to protect the well-being of the community. It can therefore be argued that the ends-based decision criteria (the greatest good for the greatest

number) has priority over the rule-based decision. This point has some interesting links to current debates over the role of corporate auditors who may "tick the boxes" for an organization that is profoundly unethical. They may do their job but they may forget their purpose.

The principal dilemma in this case is short term versus long term. The safest route may appear to be spending more on long-term safety, but this could be at the expense of other local community health and safety investments that could have significant short-term benefits. The savings could be put to good use elsewhere and it is difficult to balance the benefits without knowing more about these other potential options. There is a lesser dilemma of self versus community, the "self" being representatives of the government and the manufacturer. It can be argued that the higher stakeholder is government, which is supposed to act on behalf of the community. This suggests "community" is the higher right.

Safety issues of this kind require solid and quantified risk assessment. The manufacturer should return to first principles, review options, and compare risks with costs and benefits. They may not need a solution that "surpassed the most rigid worldwide standards." They should resubmit their case to include other options that meet world standards and surpass local standards. I have no doubt that those living nearby would want the decision to be care-based. Important decisions should not be rushed. ■

—Clive Bonny, CEO, Sales Management Partnerships, Sussex, UK

The Institute is very grateful for recent support from the following:

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The Nathan Cummings Foundation
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The Wallace Alexander Gerbode Foundation

Featuring

Special people and projects – all about ethics. The individuals we write about here have all made special contributions to ethical thinking – moral exemplars who can inspire us into greater action and endeavor. The projects, from grassroot to global, will focus on applied ethics – how people are bringing about ethical change in the world. Read on!

“Ethics are not only the ‘right’ thing to do, but also a smart thing.”

IGE board member Cole Wilbur has firsthand knowledge of the importance of ethical decision making in the field of philanthropy. For twenty-three years, as CEO of The David and Lucile Packard Foundation, he oversaw the distribution of grants in the fields of population, conservation, science, and children. By the end of his tenure, the foundation had assets totaling approximately \$9 billion and a projected grants budget of \$400 million—one of the nation’s largest foundations.

After earning his MBA from Stanford, Cole worked for five years in international banking and then for a time at a computer service bureau, ultimately as managing director. In 1969, when he became CEO of The Sierra Club Foundation, he brought his expertise on business to bear in the field of philanthropy.

David Packard hired Cole in 1976 as the first professional staff person of his budding family foundation. They were a good match. In David Packard, Cole found a man with whom ethics was more than a passing interest—and who, like himself, had a strong commitment to working towards the welfare of the environment and communities both locally and globally.

Perhaps because of Cole’s extensive experience as a grantmaker, he has long understood the power and responsibility inherent in this field. According to The Foundation Center, an organization that monitors U.S. philanthropy, charitable foundations granted over \$27 billion in the United States in 2000, and had assets nearing \$500 billion. Realizing the scale of this potential to facilitate change, Cole has for years been actively involved with organizations dedicated to the education and support of philanthropists. “Ethics and values are very important to foundation trustees and staff, yet too few of them realize this,” he says. “I want to help foundation representatives realize that values and ethics

are not only the ‘right’ thing to do, but also a smart thing.”

Cole currently serves as a board member for several organizations in addition to the Institute for Global Ethics, including The David and Lucile Packard Foundation, Colorado College, and the Philanthropic Ventures Foundation. He sits on the advisory boards of The Sierra Club Foundation, the Entrepreneurs Foundation, and the American Land Conservancy. His past board affiliations include The Council on Foundations, The Foundation Center, Northern California Grantmakers, Peninsula Grantmakers, and the University of San Francisco Institute for Nonprofit Management. Cole can also be found at various times giving lectures and conducting workshops on ethics in grantmaking.

In recognition for his extensive experience and commitment to the field of philanthropy, Cole received the Distinguished Grantmaker Award from the Council on Foundations in 1999. From 1999 to 2000, he was a Senior Fellow at the Council. Commenting on this much-deserved honor, Rushworth Kidder observed that Cole “has long had a reputation for being the most prominent person in the field of philanthropy to be visibly associated with ethics.”

Cole first came into contact with IGE through a grant from the Packard Foundation to develop Cornerstones for Ethical Foundations, a CD-ROM ethics training module for philanthropy. In 1999, the same year that he had received the Distinguished Grantmaker award, he co-presented the Institute’s newly unveiled program at the Council on Foundations annual meeting. After that, Cole remained involved with IGE’s Cornerstones project, which grew to include a CD-ROM for family foundations and a similar product for nonprofits. He has also helped IGE design its new ethics workshop geared toward the consultants to foundations. With nearly three-and-a-half decades of experience, Cole Wilbur brings to the Institute not only extensive knowledge of what qualities make a successful nonprofit, but also a deep appreciation for the importance of ethics in the hands of those striving to make changes in the world. ■



Cole Wilbur

Snapshots from the Institute...



Louise Greeley, Rushworth Kidder, and Lyn Kendrick (development committee chair) take a break from the ethics reception at the Upper Newport Bay Muth Interpretive Center, CA.



BD's Jordan Perlin surveys the scene in Singapore, both old and new, as he takes a break from a Train the Trainer seminar (see page 2).



Scottish educators meet Maine's Governor Angus King for talks on character education during a weeklong ethics forum hosted by the Institute.

Dilemma Resolution *Decision Time*

Mike received a late-night telephone call in New York from his engineers and architects on the subcontinent. "The government just won't buy it. We've tried every angle and the Ministry refuses to budge," they told him.

Mike's experience and knowledge of safety convinced him that his company must try every means of building the plant according to their own worldwide standards. He boarded a flight the next day, and two days later arrived at the Ministry office accompanied by his local team of engineers and the architect. When they entered the office, the secretary formally introduced Mike to the minister's assistant. Beyond the assistant's desk, however, Mike was struck by the vast stacks of file folders reaching to the ceiling and extending across the entire length of the office wall, all bound with red tape! "I kept my laughter to myself until after the

meeting," Mike said. "I had a tough job to do!"

Mike's team talked for several hours with the assistant. Mike took the assistant aside for another long discussion about the company's worldwide safety standards and about their experience with this specific three-tier plan for an ETO installation. Mike was also careful to mention the additional costs his company would incur. Finally, with the day almost gone, the assistant reluctantly agreed to ask the minister one more time for an exception. He was gone for almost two hours, but he returned with agreement to Mike's specifications and with a bonus—the government requested a set of the new safety specifications to apply immediately to any new ETO installations. Mike's company would not have to compete against other manufacturers who chose to build to the less-expensive local standard! ■

Don't Push

What are they so afraid of
I wonder to myself?
Let's tackle those tough choices!
Let's take them off the shelf.

Let's look at them the hard way,
scrape off the rust and test them.
Test them for what's right or wrong,
test them for the best one.

Best for all? Best for none?
Best on principle where no one can run?
Best for me if I was in your shoes?
Do the right thing based on values?

It doesn't seem so tough to me to
go for the higher right.
Sure it takes guts on some occasions
sometimes you have to fight.

Fight for what you believe in,
Easy for you some say.
You don't have your world at stake,
you won't have to pay.

The real world doesn't work that way
you can't survive by dreaming.
You can't check each tough choice
for right,
you'll wake up each night
screaming.

Listen folks, all I ask in offering
this information,
is to try this tool, try it once
for truth and reconciliation.

I know it's scary all around to look
at where we've been.
It's scary looking forward too and
sticking out your chin.

Ethics is for all of us and
also for yourself.
Problems don't resolve themselves
if you keep them on the shelf.

Okay, I'm backing off the hard sell now
and away from sounding brave.
I'm accepting the fear that is for real
when we step outside the cave.

We do our best and take a shot
at improving our situations.
That's all we can do when rights
collide, just think and make good decisions.

—Alan Goodman
IGE Master Trainer
EthicsGood@aol.com
(see page 2)

Open Ethical Fitness® Seminars

2003

May 16	Camden, Maine, U.S.A.
June 13	Camden, Maine, U.S.A.
July 13-14*	Camden, Maine, U.S.A.
July 15-16*	Camden, Maine, U.S.A.
August 21-22*	Camden, Maine, U.S.A.
September 12	Camden, Maine, U.S.A.
October 15	Camden, Maine, U.S.A.

Camden Ethics Symposium

May 18-20*	Camden, Maine, U.S.A.
June 15-17*	Camden, Maine, U.S.A.
July 16-18*	Camden, Maine, U.S.A.
August 24-26*	Camden, Maine, U.S.A.
October 15-17*	Camden, Maine, U.S.A.

* These seminars and symposia will be led by Institute president Rushworth Kidder.

For seminar and symposium information in the U.S., call 800-729-2615 (toll free); in the U.K., call 020-7486-1954; and in Canada, call 877-843-8315 (toll free).

Friends of the Institute

Did you know we have over 10,000 "friends" and the number is growing! IGE friends hear from us regularly. If you would like to sign up someone at no charge, send contact information to Linda Muth at the Institute or email: lmuth@globalethics.org.

Thank You

Our sincere thanks to the following foundations for their support of our foundation consultants project:

- The David and Lucile Packard Foundation
- The Ewing Marion Kauffman Foundation
- The Ford Foundation
- The Wallace Alexander Gerbode Foundation

Ethics Newsline™

Topical ethics articles delivered electronically to your email inbox each week, including top-line commentary by Rushworth Kidder. To sign up, call the Institute or go to www.globalethics.org.



Estate Planning

Our Pinnacle Society is comprised of donors dedicated to the long-term stability of the Institute. We will shortly be sending you a copy of the society's brochure featuring information about gifts through estate planning. Please give this your careful attention when it arrives in your mailbox.

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