Moral Courage:

Building the Bridge Between

What We Say and What We Do

CliftonLarsonAllen

CLAconnect.com

Objectives

At the end of this session you will be equipped to:

- **Identify** the disconnect between how we talk about ethics and what we often do about ethics.
- **Define** moral courage.
- **Exercise** your moral courage on a daily basis.

Ethics Defined by Webster's

Ethics-

- The discipline of dealing with what is good and bad and with moral duty and obligation (a set of moral principles, a theory or system of moral values);

- The principles of conduct governing an individual or group;

- A guiding philosophy;

- A consciousness of moral importance

What is our moral duty and obligation?

- Morality is defined as a conforming set of standards of right behavior
  - Now we need to define what a "standard of right behavior" is . . .

What are our Standards?

- Faith or inner moral beliefs
- Laws
- Regulatory Authorities
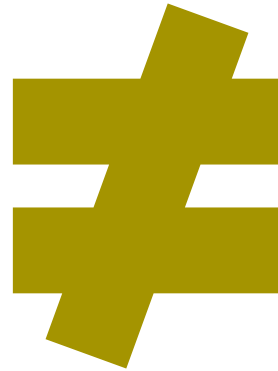- Public Awareness
- Social Norms???

How do we respond to ethics?

What do we SAY about ethics?

What do we DO about ethics?

How do we respond to ethics?

What do we SAY about ethics?

≠

What do we DO about ethics?

Ethical Disconnect

Which decision wins over?

What we <u>should</u> do or what we <u>want</u> to do?

Has Society Changed Our View on What is Ethical?

- What's legal vs. what's right

- The almighty dollar

- Social norms

- Religion

- Environmental Awareness
    - Recycling
    - Green House Gas

Ethical Disconnect

Milgram Experiments

1961, Yale University

What inhibits individuals from seeing an acting on an ethical dilemma?

Ethical Disconnect

"the trusted circle will have to grow…"
(What will be the end result of unethical behavior in the workplace?)
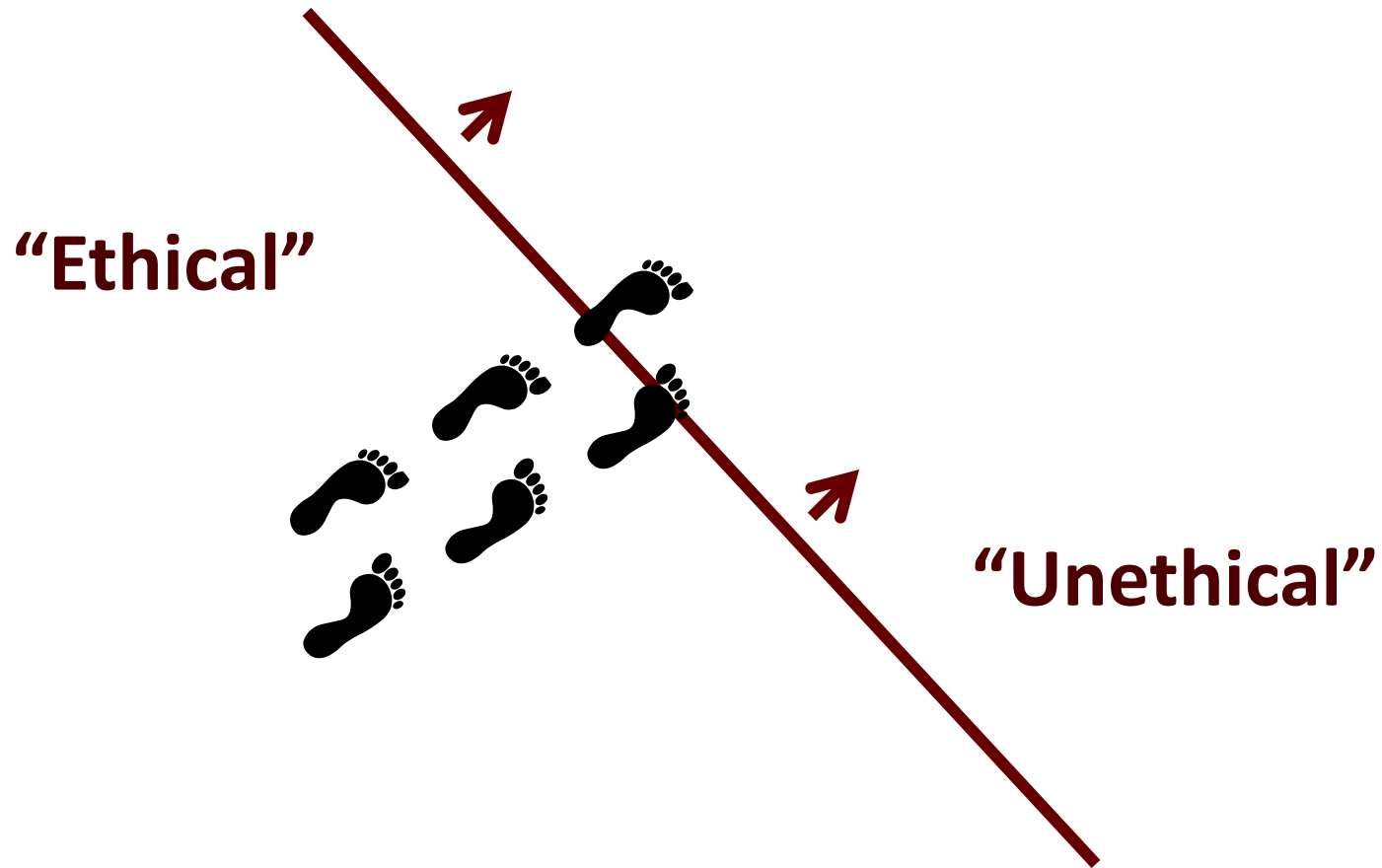
Ethical Disconnect

We don't care?

We don't know right from wrong?

We don't know that we're doing wrong?

We know but we rationalize?

We know but we're overcome by temptation?

Unethical Creep
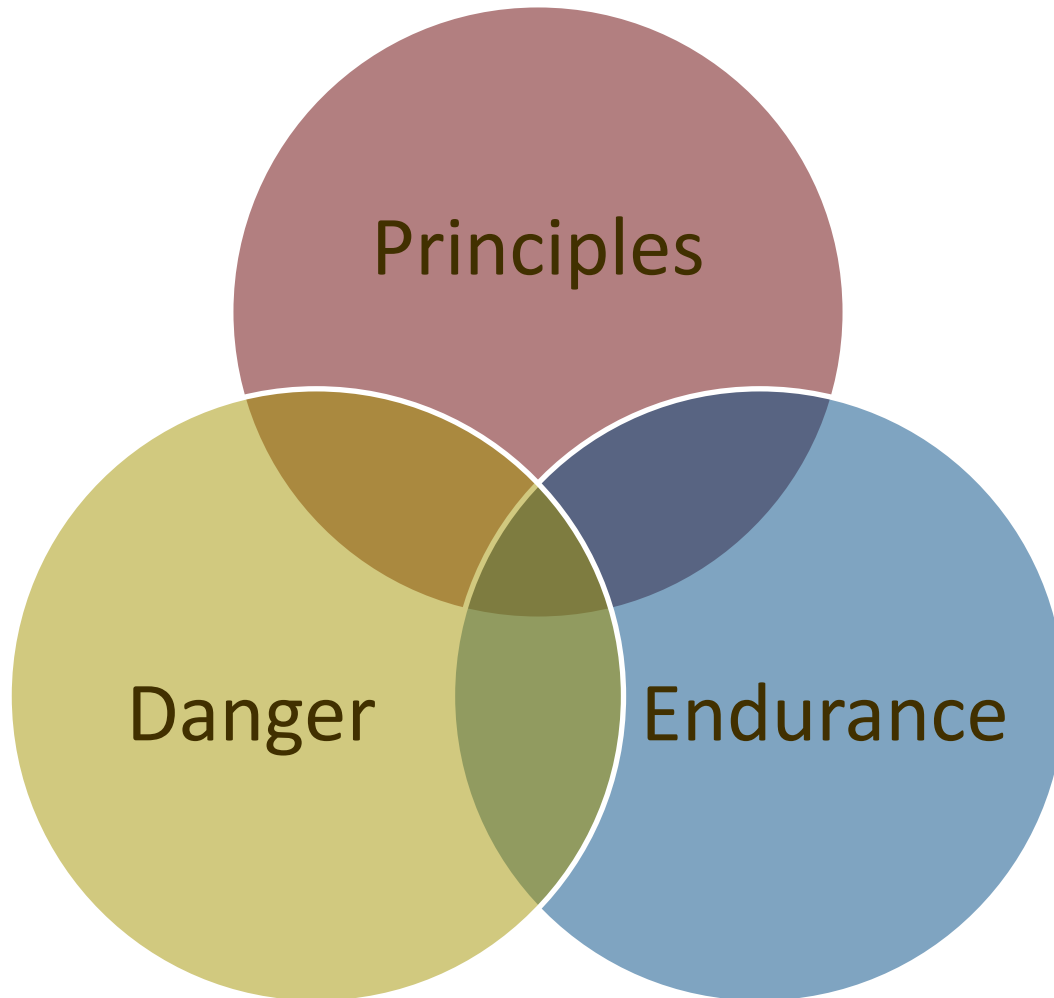
"Ethical"

"Unethical"

What is

moral courage?

Moral Courage

Defined:

The courage to take action for moral reasons despite risk of adverse consequences.

*(or, simply put, **the courage to be moral**)*

Elements of Moral Courage

Model developed by Rushworth M. Kidder in Moral Courage.

Myths of Moral Courage

- Moral courage always produces an immediate benefit.

- When exercising moral courage, things always turn out right.

- Moral courage can only be expressed by individuals of impeccable character.

What is "The Right Thing"?

- Who decides what is the *"right thing"* to do?

- If you are a leader, do you want people who work in your organization to do the *"right thing"* from your perspective?

- Can you and/or governance define what is the *"right thing"*?

Moral Courage in Practice

Examples:

"While the **consequences** won't be part of your legacy, the **principle** upon which you stood will be."

- Rushworth Kidder

Exercising Moral Courage

What small decisions can we make on a daily basis to prepare us for more difficult situations?

"Standing up for what we think is right is not easy, but it may well get easier if we cultivate the habit of doing so."

- William Ian Miller

ABC's of Moral Courage

1. **A**dmit that you are capable of making wrong decisions.

2. **B**e consistent. Don't live in silos.

3. **C**onsult those you trust.

4. **D**etach yourself from temptations.

5. **E**xercise on the small things.

6. **F**ocus on where you have drawn your line.

Making Morally Courageous Decisions

"Make sure you know what you really believe in, what you live and die by. And be clear on the **mission** of your life and the **values** you want to have guide it."

- John Pepper, former P&G CEO

Question-Based Decision Making

What is my line between right and wrong?

Would I act the same way if I knew my decision would be a headline?

How would I feel if my superior made this choice? My subordinate?

Who will be affected by this decision? How would I respond if I were them?

Will this decision contradict who I want to be?

Creating a Culture of Moral Courage

"Suddenly and surprisingly **we can become an example to others – and those others to us**: they hand us along, become a source of moral encouragement to us…"

- Robert Coles

Creating a Culture of Moral Courage

How can we create a culture of moral courage that inspires others?

Formal
- Corporate code of ethics
- Training sessions

Informal
- Consistency
- Discussions & dialogue
- Modeling
- Mentoring & coaching

Creating a Culture of Moral Courage

"…Is it any wonder that each one of us – expressing our highest sense of moral courage, living it to the fullest, and passing it along to others – **really can change the world**?"

- Rushworth Kidder

Moral Courage in the Workplace

What happens when moral courage conflicts with the workplace?

Moral Courage in the Workplace

Ethics is doing the right thing, not just what is legal

- **42%** of employees did not report *observed* misconduct.

- **33%** did not report *observed* misconduct at companies with a comprehensive ethics program in place.

What are the odds of employees reporting *suspicious* or *questionable* behavior?

Moral Courage in the Workplace

How do we make

ethical decisions?

Moral Courage in the Workplace

Case Study: Siena/Francis House

Siena/Francis House

Fostering Moral Ethics in the Workplace

- Leadership & character of management

- Climate of transparency

- Direct & honest communication

- Culture & values

- Employees are encouraged to speak up

- Questions are appreciated

Fostering Moral Ethics in the Workplace

- Allow all employees to communicate concerns

  - Anonymous channels of communication

  - Assume positive intent in concerns communicated to management

  - Keep careful records

  - Consistently follow policies

For further reading…

- Ariely, Dan: **The (Honest) Truth About Dishonesty**
- Bazerman, Max and Tenbrunsel, Ann: **Blind Spots**
- Cooper, Cynthia: **Extraordinary Circumstances**
- Kidder, Rushworth M.: **Moral Courage**

Contact Us

DENNIS J. OSUCH, CPA

Principal

602-604-3630

Dennis.Osuch@CLAconnect.com

CHRIS ABELL, CPA

Principal

602-604-3697

Christine.Abell@CLAconnect.com