Ethics and Governance in Project Management

Small Sins Allowed and the Line of Impunity

Eduardo V. Lopez PhD., PMP, PgMP.

26 April 2018

Despite all the attention devoted to governance over recent decades, project failures continue to shake the field, suggesting that further investigation is necessary.

The recurrence of project governance difficulties made me question the basics of what had until now taken to be unquestionable knowledge.

As a result of the underlying cognitive unrest, a revision of the approaches to ethics in the project world led to the introduction of new concepts as the **Small Sins Allowed**, the **Line of Impunity**, and the **Ethics Cube**.

The Beginning

The source of ethics can be found on the influences received from parental examples at home, socialization in school, religious teaching, and the legal system; all constituents of a complex construct of universals (the portion of ethics norms widely accepted), and local beliefs (principles confined to a particular culture).

Detachment between business and ethics

Relating the social values of a particular group with the ethical baggage of its individuals was a challenging task even before the concept of "rules of the game" was introduced by Milton Friedman.

He postulated that **"… In an ideal free market… There are no social values, no social responsibilities in any sense other than the shared values and responsibilities of individuals."**

He went further by saying that **"there is one and only one social responsibility of business… increase its profits."**

Contrasting Views (1)

This first view is shared by those who believe that it is necessary to have a moral imperative through ethical content embedded into project visions in order to win respect.

Some proposed that a company could benefit from adopting an ethical approach and that competitive advantage leading to increased returns could come from it.

This view suggests the notion that ethics has a trading value related with image and financials.

Contrasting Views (2)

Today, it is recognized that social expectations may not be exclusively related to legal compliance and that meeting society's expectations for conscientious and proper behavior are the project ethical responsibilities.

Public mindset changed from the old fashioned shareholder value creation, to going beyond the bottom line.

Conforming to social values is the moral imperative that legitimizes projects.

*The Unsatisfactory Equilibrium*

Public consciousness, attitudes, and opinions have evolved to a point where, in many instances, public values differ from those of the industry.

There are those who embrace the new set of public values and those who try to disguise their business with them.

Today, business engage in ethical practices for two reasons: to do the right thing or to diminish exposure to legal consequences.

Various Sets of Ethical Values

Some decisions are based on project considerations (job ethics), while others are based on a dissimilar private ethical code. People may have various sets of ethical values.
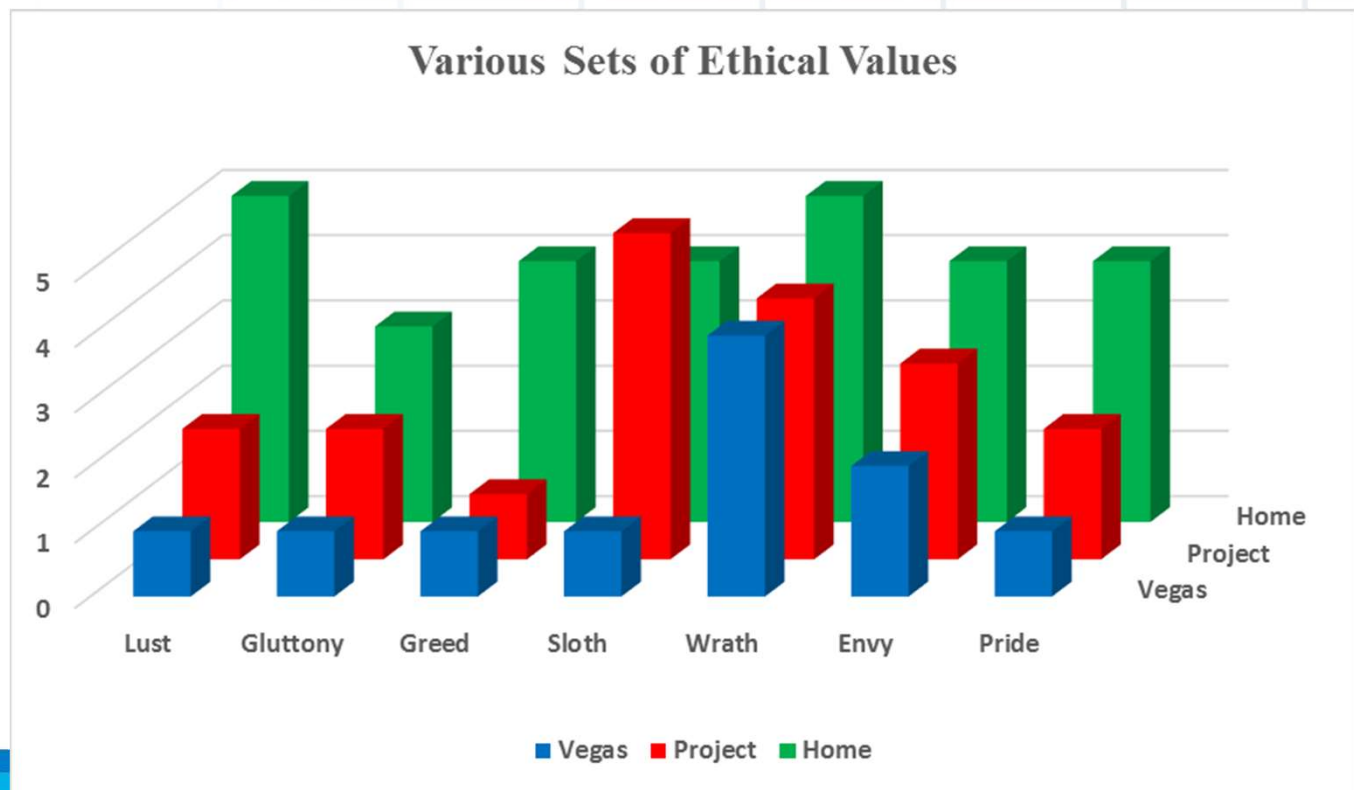
The Ethics' Cube

We can imagine a cube with one face for each of the following elements: professional ethics, family ethics, general ethics, personal interests, allegiances, and opportunity.

Each face consists of a number of squares, with each one representing an attribute of this element.

The ethics' cube is shuffled when not all its six faces are in the original ideal state where each square of the faces represents an attribute of the corresponding element. Instead, elements of different faces are mixed up providing an ununiformed distribution of attributes.

Small Sins Allowed

It is defined as a subjective mental model that establishes the level of a certain behaviors above which adherence to ethical standards is expected. It can also be thought of as the ethical tolerance level that splits any dimension into two domains; above this level there are ethical standards to comply with and abide by, whereas below it there are no ethical concerns.

No evil in the sense of morally objectionable behavior such as immorality, iniquity, malevolence, or viciousness is perceived below this level, where actions may be perceived by some as insignificant, minimized, understated, or belonging to the domain of permissiveness.

The Line of Impunity

The *Line of Impunity* refers to the idea that certain ranks or positions in the social hierarchy entitle prerogatives or advantages, and that the power granted at those levels transcends the limits of control or law enforcement (such as in a tyranny).

Overcoming the *Line of Impunity* consequently implies a rise in the ethical tolerance level (Small Sins Allowed), and hence a detachment from the customary ethical behaviors still demanded for lower ranks

How to improve governance in projects?

People have various sets of ethical values, and those sets evolve over time as changes in the perception of social issues do.

To be reassured about the project manager's capability to handle ethical issues within the project, two aspects must be addressed: staffing the project team with sound ethical personnel and avoiding any possible conflict of interest.

Project policies, processes, and procedures must provide a coherent, updated, and easy to follow set of tools. Abundant and overlapping policies only add to confusion.

How to improve governance in projects?

When the Small Sins Allowed increase in magnitude or number, the quality of project governance decreases, and vice versa.

The recurrence of Small Sins Allowed acts in detriment of the project's ethical standards as the confrontation attitude of the project manager is exhausted, the objectives definition becomes blurred, and the monitoring and control capability fades away.

In a project where work deviance, mild abuse, and disregard for the rules are systematically tolerated, the steering capacity dissipates, ultimately affecting the chances of project success.
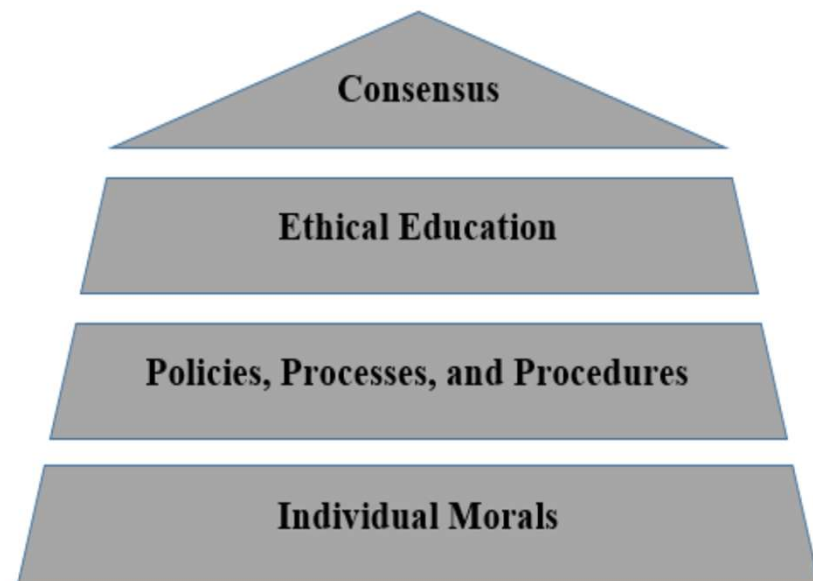
Governance Tools

The reaction to ethical issues of low moral intensity (work deviance or unprofessional conduct) comes from the individual morals.

The response to ethical issues of medium-low moral intensity (favoritism or disrespect) comes from policies, processes, and procedures.

The answer to ethical issues of medium-high moral intensity (harassment or discrimination) comes from ethical education.

The reply to ethical issues of high moral intensity (corruption) comes from consultation, deliberation, and consensus.

Consensus

Ethical Education

Policies, Processes, and Procedures

Individual Morals

Dr. Eduardo V. Lopez is Assistant Professor of Business Ethics at The Jack C. Massey School of Business at Belmont University, dedicated to the advancement of Project and Corporate Ethics and Governance.

The material presented is part of his book (co-authored with Dr. Alicia Medina): *"Ethics and Governance in Project Management: Small Sins Allowed and the Line of Impunity"*