

## **Exploring the Role of Professional Codes of Ethics as Applied to Project Management in Helping to Fix the Global Financial Crisis**

*By Paul D. Giammalvo, PhD*

In a recent article published on the PM Hub Forum, <http://pmhub.net/index.php?id=column.display&columnid=CL498665605c8f5>, Cornelius Fichtner wrote an infomercial using PMI and the PMI Code of Ethics to tout his latest podcast. In it, Cornelius summed up the PMI Code of Ethics as saying “Don’t steal, cheat and don’t lie”. Now, my question to you, as professional practitioners, is this enough? Is simply not stealing, cheating or lying sufficient to differentiate the true professional from everyone else in the crowd?

Let’s explore the PMI Code of Ethics by comparing it against other professional Codes of Ethics. The first benchmark is the grandfather of all codes of ethics, Hippocrates’s and his “Hippocratic Oath” taken by all doctors. [http://www.nlm.nih.gov/hmd/greek/greek\\_oath.html](http://www.nlm.nih.gov/hmd/greek/greek_oath.html) This Code of Ethics exemplifies something that PMI (and at least some other professional organizations) seems to have missed, and that is, “do no harm”. PMI advocates that we do what is “right and honorable” but is that the same as doing no harm?

Intuitively, I think not. Practically speaking, if we adopt the philosophy of “doing no harm” what does that mean in the context of project management? Shouldn’t it mean that if we are assigned a “Death March” project, (a project that is doomed to failure from the moment it is conceived [Yourdon, Edward, 2003]) that we have a moral if not a legal obligation (under SoX or BASILII) to “push back” by rejecting it? Isn’t that what a true professional should do? <http://www.delttek.com/specialoffers/poorpm.asp> or [http://www.iacis.org/iis/2006\\_iis/PDFs/Holmes\\_Neubecker.pdf](http://www.iacis.org/iis/2006_iis/PDFs/Holmes_Neubecker.pdf) or [http://www.tax-news.com/archive/story/Basel\\_II\\_Explained\\_xxxx16924.html](http://www.tax-news.com/archive/story/Basel_II_Explained_xxxx16924.html) or <http://www.citigroup.com/transactionservices/home/region/weur/baselii.jsp> .

And the follow on question is, do our professional organizations and societies advocate and support practitioners in doing this? Surely, given the global financial crisis, and the fact that many of the more recent adopters of “project management” as a delivery system have come from the financial and business consulting sectors, there should have been, is or should be some legal, ethical and moral obligation on the part of project managers from these sectors (and any related) to stop their organizations from doing harm? But Global Finance is not alone. What about the rather abysmal performance of International Development Project Management, which continues to allow “leakage” of 20% to 30% (or more!!) of all funding from providing benefit to the intended recipients? Isn’t this a moral outrage? Shouldn’t we, as

project management practitioners be able to do something about it? And more importantly, getting the active support from our professional organizations in doing so?

Another interesting paradox between PMI's Code of Ethics and the Hippocratic Oath pertains to the obligation to teach others "without fee or contract". How is it that PMI, as a 501(c)(3) "Not for Profit" professional organization

<http://www.irs.gov/charities/charitable/article/0,,id=96099,00.html> has amassed in excess of 100 million dollars in liquid assets? Having spoken over the years to many of the original founders of PMI, the intent was, consistent with the philosophy of Hippocrates, that the member/owners of PMI would pool our collective knowledge and make it available to those who wanted to learn project management, for free or at nominal cost. I seem to recall that prior to 1998, the PMBOK cost \$10.00, which reflected the cost of production plus administrative costs, whereas, now the PMBOK sells for \$65.00. Is this consistent with what the Hippocratic Oath is telling us we should be doing? This is especially relevant given the policies of some professional organizations do exemplify the intent outlined by Hippocrates.

The two examples I am most familiar with, INCOSE <http://g2sebok.incose.org/> and AACE <http://www.aacei.org/tcm/> ; <http://www.aacei.org/technical/rp.shtml> have put the collective knowledge donated by the member/owners and compiled by these respective professional organizations, on the internet at no cost. Yet, in what can only be characterized as crass commercialism, PMI not only tries to own the copyright to all knowledge pertaining to project management and sell it back to those who developed it at a profit, but also not only allowed but encouraged what some have estimated to be a 1 billion dollar a year business to evolve around the PMP Certification. Do we see the same thing happening in other occupational specialties which are generally recognized as being professions? Engineering? Medicine? Teaching? Why doesn't this feel right? What is wrong with this picture? Have we allowed greed and personal gain to permeate and rule every aspect of our lives?

To help me grapple with this gnawing feeling that "something is just not right" in the practice of project management, and that PMI, for no other reason that it is the largest organization representing practitioners, has an obligation to help us fix this, I also looked to the Code of Ethics of professional ethicists. <http://www.corporatecompliance.org> . For benchmarking purposes, I was very curious to see what standards people who are responsible for ensuring compliance to business ethics hold their own members to. What struck me as particularly important, and something that I think PMI (and other organizations purporting to represent the practice of project management) should consider embracing is Paragraph 1.4, taken from the Code of Ethics for Compliance and Ethics Professionals (CEP) [http://www.corporatecompliance.org/Content/NavigationMenu/Resources/ProfessionalCode/SCCECodeOfEthics\\_English.pdf](http://www.corporatecompliance.org/Content/NavigationMenu/Resources/ProfessionalCode/SCCECodeOfEthics_English.pdf) .

“If, in the course of their work, CEPs (Compliance and Ethics Professionals) become aware of any decision by their employing organization which, if implemented, would constitute misconduct, the professional shall: (a) refuse to consent to the decision; (b) escalate the matter, including to the highest governing body, as appropriate; **(c) if serious issues remain unresolved after exercising “a” and “b”, consider resignation; and** (d) report the decision to public officials when required by law.”

“Commentary: The duty of a compliance and ethics professional **goes beyond a duty to the employing organization**, inasmuch as his/her duty to the public and to the profession includes **prevention of organizational misconduct**. The CEP should exhaust all internal means available to deter his/her employing organization, its employees and agents from engaging in misconduct. The CEP should escalate matters to the highest governing body as appropriate, including whenever: a) directed to do so by that body, e.g., by a board resolution; b) escalation to management has proved ineffective; or c) the CEP believes escalation to management would be futile. **CEPs should consider resignation only as a last resort, since CEPs may be the only remaining barrier to misconduct.** A letter of resignation should set forth to senior management and the highest governing body of the employing organization in full detail and with complete candor all of the conditions that necessitate his/her action. In complex organizations, the highest governing body may be the highest governing body of a parent corporation.

What do you think? If we, as project managers substitute Project Manager for CEP, would we be much better positioned to professionalize the work we do as project managers? Is this something we should be DEMANDING and EXPECTING from those professional organizations who want to win our hearts, minds, loyalty and money?

A recent video on YouTube by Barry Schwartz

[http://www.ted.com/talks/barry\\_schwartz\\_on\\_our\\_loss\\_of\\_wisdom.html](http://www.ted.com/talks/barry_schwartz_on_our_loss_of_wisdom.html) sums up rather nicely why I think the Code of Ethics being used by most professional organizations wanting to earn our respect and loyalty is sorely lacking. IF we are to professionalize the practice of project management, those organizations who want to earn the right to represent us need to be more proactive in supporting us in standing up against managers who want or expect us to do the impossible. To correct what I believe is “wrong” with the practice of project management lies with recognizing that instead of supporting practitioners to be “wise and moral”, they are trying to bind us to rules, few of which are meaningful or relevant in making day to day decisions. More specifically, would PMI (or any other professional organization) be willing to spend part of their 100 million dollar “war chest” to defend a project manager who stood up to a manager who wanted the impossible and got fired because of having done so?

## About the Author



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He has spent 18 of the last 45 years working on large, highly complex international projects, including such prestigious projects as the Alyeska Pipeline and the Distant Early Warning Site (DEW Line) upgrades in Alaska. Most recently, he worked as a Senior Project Cost and Scheduling Consultant for Caltex Minas Field in Sumatra and Project Manager for the Taman Rasuna Apartment Complex for Bakrie Brothers in Jakarta. His current client list includes AT&T, Ericsson, Nokia, Lucent, General Motors, Siemens, Chevron, Conoco-Philips, BP, Dames and Moore, SNC Lavalin, Freeport McMoran, Petronas, Pertamina, UN Projects Office, World Bank Institute and many other Fortune 500 companies and NGO organizations.

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