

## Honesty as the Basis of Ethics in an Organization: Why Ethics Are That Important<sup>1</sup>

By Angelica Larios, MBA, PMP

**“The time is always right to do what is right.”**

**— Martin Luther King, Jr.**

Nowadays, more and more articles, books, and guides to ethics and codes of conduct are high on the agenda of every organization, enterprise, business unit, and projects. The concern is evolving and growing; and it is now necessary to have a model that directs behavior inside organizations. But where does this anxiety come from?

Recent headlines report several financial corruption scandals, conflicts of interest, and collusion in different spheres, among many other events—revealing a moral crisis. This crisis of values, morals, and ethics in business is present not only in the United States, but other countries as well. It is advisable to revisit some crucial aspects of ethics to maintain the integrity of organizations and keep them from ethical threats.

Ethics is a concept commonly used to refer to the morality of an individual or an organization, and if well applied, ethics can become a principle that improves decision-making processes. However, ethics does not describe a specific norm or conduct ethics is related to an intimate way of reflection, and it helps to determine what the correct path is and how individuals should act. According to Mahatma Gandhi, it is more important to obey the inner voice of conscience than the highest law of courts or governments.

Ethics must be expressed as a policy within the organization that defines the way a person should behave. Ethics should help to identify behaviors that are correct and accepted. On the other hand, ethics are a mechanism to teach others what those values are, and what an organization stands for. Ultimately, ethics should delineate the acceptable from the unacceptable with no ambiguity.

At the bottom line of ethics, there is *honesty*, which should be part of every transaction, interaction, decision, or action that an organization and its employees take. Langlois says, “Ethics will play a paramount role in allowing leaders to turn towards organizational or professional values in order to justify their decisions.”

PMI recalls the importance of ethics in the decision-making process, “like all leaders, project managers build trust by the way they make decisions.” (PMI, n.d.) PMI also states, “Ethics is the

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discipline of 'how to do it best'. To guide behavior and help with tough decisions, we have crafted a Code of Ethics and Professional Conduct and an Ethical Decision-Making Framework. To deepen your knowledge and perspective, we provide numerous articles, papers, and webinars" (PMI, n.d.). This shows concern for addressing the importance of ethical aspects in day-to-day actions and decisions.

"When unethical behaviors arise, take action. Use our ethics complaint and review process and see the specialized resources available. In practicing ethics, honesty plays an essential role in helping to maintain ethical aspects since it offers the foundation of moral behavior," (PMI, n.d.).

In this article, I propose implementing a policy of honesty within an organization as a way to face current challenges that organizations encounter regarding ethics. I am providing six steps to help improve relationships between organizations and the employees, orienting the application of ethics through steps of honesty.

### **Policy No. 1 – Construct a Program of Ethics**

Leadership is only conceived and understood when ethics come along. In other words, leadership without ethics is not leadership. Project managers have to understand and live by this principle. To build a culture of ethics requires leaders to have clarity of the organization's vision based on values and passion for that idea, as well as possess an ability to articulate and communicate that vision. Leading by example, leaders need to demonstrate integrity—people who walk the talk and lead a life of character, standing up for what is essential. Nelson Mandela and Martin Luther King, Jr. are well-known leaders, recognized for their values and how they were willing to face death or go to prison for the integrity of their beliefs.

To create a culture of complete honesty, straight talk, and integrity requires establishing a culture that focuses on it as much as other topics such as quality, customer service, scope, time and cost management, resources, procurement, or the pursuit of market dominance.

### **Policy No. 2 - Tell the Truth**

Abraham Lincoln once said, "No man has a good enough memory to be a successful liar." With that in mind, I want to say that no man in this world can keep lying successfully for a long time. A person will eventually be trapped in his/her lies and lose all trust. Telling the truth is a requirement on which to build ethical behavior.

There are many instances where executives, leaders, or the people responsible for making decisions inside an organization or project face the fact that their subordinates do not tell them the truth in all relevant situations. They keep the reality from themselves, denying the circumstances or essential aspects of the case in question. Telling the truth every time, no matter the consequences, is a significant first step that can be implemented inside organizations to

support ethical behavior—starting with the leader. Being a living example of always telling the truth sets a reference for the expected ethical behaviors of all other staff.

In order to support this policy, it is mandatory to create an environment free of fear. Fear is the primary cause of keeping the truth to ourselves—fears of being punished, losing our job, losing our reputation, hurting others, change, losing support, or paying a price when something goes wrong.

Posner and Kouzes (2012) start with an awkward question, "Who are you?" This step is the first question your constituents want you to answer. To help employees interested in applying this policy, it is vital for leaders and executives to create trust by doing the right thing, establishing consequences for not telling the truth, and helping others to keep things simple. It is relevant to acknowledge that listening to the absolute truth requires an open mind and the ability to admit things we might not want to hear, as well as to be mature enough not to take things personally.

Whether you believe in religion or not, Pope Francis is a great example of an open-minded and humble person who is willing to listen, and who has been recognized by both *Time* and *Forbes* as a leader of great influence.

### Policy No. 3 – Receive the Truth

As important as it is to tell the truth, it is equally important to receive it. What people are saying to us is an essential part of the message, but nonverbal communication is equally important—or even more important—than the message itself. As human beings, we hold an inherited tendency to respond to criticism defensively, because that is the way we develop our character—by defending ourselves. When we are working in a business environment, organizations often challenge and criticize us. The typical reaction is to be defensive, but defensiveness is the enemy of honesty.

Larry Johnson, in his book, *Absolute Honesty*, says that the typical reactions that interfere with honesty and, in consequence, with ethical behavior in an organization, are verbal aggression, sarcasm, rationalization, compensation, regression, avoidance, repression, apathy, and displacement. Whether we are team members or leaders, it is vital to recognize and limit this type of attitude. It is essential to understand that it is different to attack when we are open to the truth; there is a chance to do the right thing.

Examples of receiving the truth could be as simple as feedback about our performance in a daily meeting, or as complicated as criticism of the way we speak to our customers, the way we think, how we conduct the project or company business, or our partner questioning why we have another activity that is competing with our core business. If we are more receptive to what others are trying to say, it opens up opportunities for ethical behavior.

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## **Policy No. 4 - Challenge the Problem**

Many ethical issues that businesses and organizations are facing in the contemporary arena are derived from not considering a problem's causes. When a situation arises—either within a team or with external stakeholders such as providers, government, or customers—there are always problems to solve. When there is incorrect and/or hidden information, people can act unethically out of fear.

Project managers, like any other leaders, must seek solutions every time circumstances are being debated, and keep their ears, eyes, mind, and mouth open in order to have a productive dialogue. During a discussion, confrontation and communication are essential elements to challenge the problem—whatever it is—to find out about the exact circumstances, and to establish what actions to take.

Opening dialogue with others and trying to understand where they are coming from will model the way for the entire organization, setting the correct values. In my career, I have been challenged to face ethical decisions—either for the good of the project or the good of the company. For example, in order to be assigned a project, it is common practice to offer a bribe (at least in Latin America, where corruption problems are quite widespread). In other cases, one of our team members could be solicited to do something against his or her values or those of the company. I have recently faced the fact that for initiating business with my company, no women were allowed to participate in the initial meeting to meet the customer. I have challenged this practice, identifying it as possible gender discrimination, figuring out what the consequences or possible outcomes in every situation could be, and discussing it with my partners and teams to make the best possible decisions. In doing so, I reaffirm the values my company stands for.

## **Policy No. 5 - Oppose and Execute**

In Latin America-based companies, it is common to disagree with the leader, but say nothing; that is part of the culture of respecting the leader. However, this is not good practice. If good and ethical behaviors and policies are in place, employees and collaborators should be encouraged to express their ideas. When some decisions or actions are made, if employees do not agree with what they are told, the best way to proceed is to say what is on their minds, disagree, and provide arguments and examples of the possible consequences. Once ideas are expressed and our opinions have been voiced, it is established that our thoughts and opinions are important. I remember the case of a company's CEO I used to work for who explained his decisions and the rationale behind them. Afterward, he used to ask how others felt or if they had another idea. Once the decision was made, no more discussion or gossiping was allowed.

It is quite difficult to express disagreement, but once it is said, action needs to take place. When leaders or project managers decide and execute, they need full support from their followers and team members. Execution does not necessarily mean to agree, but it shows discipline, loyalty, and being part of the organization. Doing and saying things behind the back of a leader is unconstructive, and a common cause of further unethical actions.

Leaders are responsible for setting ethical standards and leading accordingly, furthering the principles and values that the company holds. They need to establish guidelines that allow others to express their ideas and commit, even if their opinions do not influence the decision or the actions taken. There are ways to help people to contribute and communicate, even if they are in opposition, such as effective listening and rewarding people for telling the truth and playing devil's advocate. For example, if a member of the project opposes the leader's decision, the leader can always establish a dialogue and try to see the other side of the coin.

### **Policy No. 6 – Reward the Messenger**

To accept what we are about to hear requires a lot of trust and a talent for listening. Leaders are role models, and the way they listen and speak should model the right way to behave.

Receiving the truth requires more than just accepting it; it also requires using effective customer service skills, looking at the other person and trying to understand their point of view, and making them feel comfortable and appreciated in an environment free of judgment. This step sounds easier to do than it is, but it represents the best chance of becoming a great listener and leading by example.

When we receive a message that holds meaningful communication, it is essential to reward the messenger, such as thanking them, and being open-minded and receptive to the message. Responses can come in two fashions, positive and negative. To keep open-channel feedback with the person that is telling us something that we might not like to hear, the feedback should be positive (not responding with criticism or being cynical). There should be an opportunity for feedback on both ends.

### **Conclusion**

As was discussed, the 21st century represents an exciting time, where ethics have been challenged and are supposed to be improved. There have been many failures in an age where technology and modernity have arrived and made things more comfortable, but where morals, values, and ethics are often left behind, impacting the current world of business.

There are some who would say that ethics is an obsolete term, especially in business, and that ethics are only a matter of personal life, and are not relevant in the marketplace. However, according to an analysis in *The Economist*, "companies that publish and practice a commitment to ethical practices tend to perform better." Ethical salespeople tend to sell more over the long haul than wrong ones (Johnson, 2003).

Without ethics, there is no way to do business, there is no way to be a leader, and there is no way to call yourself a project manager. Leadership implies the principles and values needed to do the right thing. But how can you do it in a world that has come more cynical? It has been said that in the business arena, there are people who like to eat well and people who want to sleep

well. In other words, people that prefer to eat well tend to do business unethically. On the other hand, people that do the right thing can sleep well because they have a quiet conscience, but they might go hungry.

Ethics is the heart and soul of leadership and any organization!

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## About the Author



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