Military & Business Ethics: Strange Bedfellows or the Perfect Pair?

Association of Government Accounts
Professional Development Seminar

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Sources Used in this Presentation:

Indiana University, Kelly School of Business
Pepperdine University, School of Business
Dr. David L. Perry, Professor of Ethics, U.S. Army War College
The Nature of Ethics in the Work Place

Definition of Ethics: Rules of behavior based on ideas about what is morally good and bad.

Ethics & Attitudes drive behavior. Values exert influence over our attitudes. Values = How we respond to people and to situations.

Purpose of the Military: Protect society from grave external threats, whether foreign or domestic.

Purpose of Business: To make efficient use of capital, labor and materials to produce goods and services that meet society’s wants and needs.

A Common Thread: Both business and military affairs are highly important to society and both require a certain amount of public trust. Trust, values, and ethics are paramount. The manifestation of ethics are highly important.
### 7 Causes of Unethical Behavior in the US Military

1. The pressure of achieving results, to look good, to secure a promotion or a better position.
2. Fear of failure, fear of losing our job, fear of disappointing the boss.
3. Greed for more prestige, higher rank or a better evaluation. Personal or sexual pleasure.
4. Laziness or convenience.
5. An intense desire to over control, micromanage, berate and dominate subordinates (toxic leadership).
6. Lack of accountability. 1 to 2% of any organization are opportunists.
7. Rationalization (everyone does it).

### 7 Causes of Unethical Behavior in Business

1. “Cooking the books” to look good, to secure a promotion or keep investors happy (short term). Achieving results.
2. Fear of failure, fear of losing a job, fear of disappointing the boss.
3. Greed for more prestige, profit, a better position with better pay. Personal or sexual pleasure.
4. Laziness or convenience.
5. Endanger employees or not paying the wages they deserve. Withholding benefits or poor work conditions.
6. Knowingly market dangerous products or making false and misleading claims.
7. Rationalization (everyone does it).
--Let’s Get Practical--
In the Field of Government Accounting, Where Are Ethical Lapses Most Prevalent?
Ethics – Seldom Ever Cut and Dry Ethical Dilemmas

Individual vs Organization
Short Term vs Long Term
The Long, Hard Way vs the Short, Easy Way
Absolutes vs Shades of Gray
Enemies of Good Ethical Decision Making

- Fear
- Time pressure
- Emotion
- Alcohol or substance abuse
- Frustration
- Fatigue
- Weak or permissive leadership
- Lack of trust in the chain of command
- Arrogance/ego/character flaws
- Poor Training
- Unclear policies or rules of engagement (ROE)
Ethical Tips for Organizations

- Develop a code of ethics. The U.S. Army takes the 7 Army Values very seriously.
- Must be a team effort involving both supervisory and non-supervisory employees.
- Create open lines of communication, create psychological safety.
- Good examples must start at the top.
- Don’t let 40 pound monkeys become 800 pound gorillas.
- Value forgiveness.
- Build an atmosphere of psychological safety.
- Punish overt wrong doing.
- 1 or 2% of any organization are opportunists waiting to take advantage. Who will keep them in check?
Army Values

- Loyalty
- Duty
- Respect
- Selfless Service
- Honor
- Integrity
- Personal Courage
1. In your organization, what threatens the ethical environment?

2. What can you do about it?

3. What are you going to take away from this presentation?