10. TRYING TO BE GOOD

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Project management 101 *by Zavanak*

10.1 Ethics in projects

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What is ethics?

Ethics is about doing the right thing.

- **Utilitarianism** – providing the greatest good for the greatest number
- **Rules-based** – behaving according to strictly prescribed rules
- **Egoism** – emphasising the interests of individuals (or specific groups)

We must recognise that different cultures have differing ethical perspectives

Ethics is a journey – there is no such thing as an 'ethical organisation.'

And there are few if any absolute right answers.

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Why ethics is a sharper concern for projects

Thick societies
- Low diversity
- **High solidarity**
- People know what is expected

Thin societies
- High diversity
- **Less solidarity**
- People are uncertain about what is expected

Operations is about stability, evolution and occasional change

Projects are about turmoil, revolution and continuous change

The project environment provides greater scope for ethical dilemmas

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Are these the 7 deadly sins of projects?

Mendacity

Coercion

Theft

Destruction

Exploitation

Corruption

Hubris

After Thomas Aquinas (1225-1274): envy, gluttony, greed, lust, pride, sloth, wrath.

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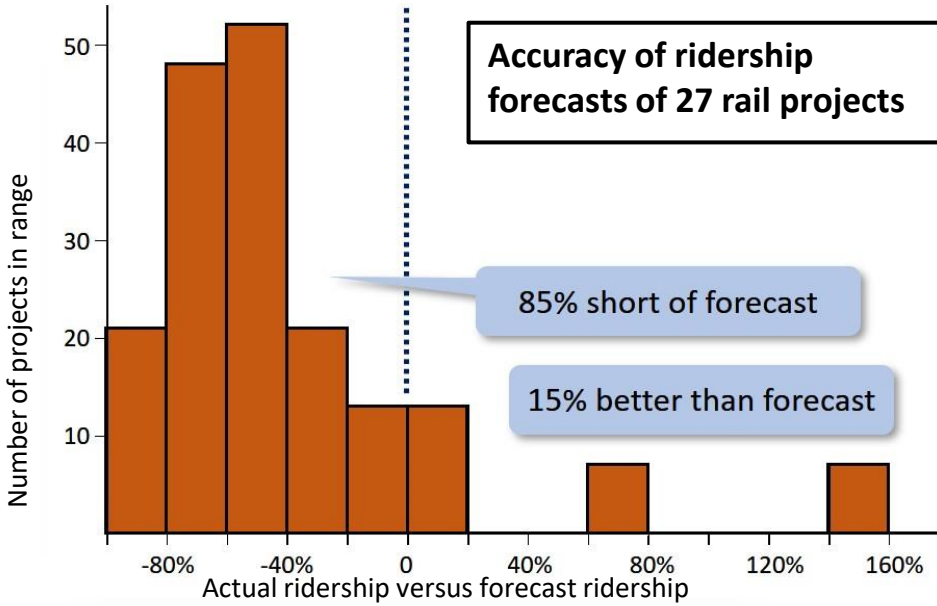
Mendacity

Deliberate lying in order to advance the interests of one or more stakeholders at the expense of other stakeholders or society at large

What happened with planning proposals for 27 rail projects from a world-wide study

- Seriously over-optimistic forecasts of costs and ridership.
- **Planners, engineers and economists were told by project promoters, senior city officials and politicians to deflate costs and inflate ridership.**
- This was to get the projects approved and amounted to lying about their fundamental viability.



Flyvbjerg, B., at al. (2003). *Megaprojects and risk*. Cambridge University Press.
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Coercion

Abusing power to force someone to do something which puts them in peril

Air Marshal Mitrofan Nedelin is head of the Soviet R-16 missile programme.

The USSR government insists a major test is carried out ahead of the 7 November 1960 anniversary of the Bolshevik Revolution.

Nedelin ignores warnings about leaks of highly corrosive and toxic fuel and the team's exhaustion.

He orders the team to work for 72 continuous hours to be able to run the test.

On 23 October an electrical short circuit ignites the rocket, which explodes in a fireball.

92 of the USSR's leading space scientists and technicians are killed – including Nedelin.

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Theft

An **Intel** employee takes ten days' paid vacation after tendering their resignation. They stay on the Intel systems until they formally leave employment.

In that ten days they join a competitor, AMD.

Unknown to either firm, they download highly confidently documents and technical data from Intel's systems with a commercial value of up to $400 million.

They want to show AMD how clever and inventive they are (using stolen information), thereby accelerating their career at their new firm.

In April 2012 they are jailed for three years and fined $17,500. And probably ruin their career in IT.

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Destruction

Albany's Pastures district has many 19th century houses, and is a close-knit Italian neighbourhood.

Nelson Rockefeller becomes Governor of New York state in 1958.

He decides to regenerate the downtown area with government buildings.

Wallace K Harrison is hired as lead architect for the scheme.

Rockefeller insists that the Pastures is torn down to make room.

6,000 people are displaced, and the area is flattened.

Albany South Mall attracts workers and visitors back into the city centre but at great human cost.

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Exploitation

Employing people knowing that their pay and working conditions are far worse than what is regarded as generally acceptable

Organisation's attitude

Situation at a major British charity

"You work at an organisation doing vital work for humanity so we expect extraordinary efforts from you. You should be grateful for the chance to work here."

Team member's feelings

"I am devoted to the cause which this organisation stands for, and I would feel terribly guilty if I complained about my poor working conditions. This my vocation, the real purpose of my life."

Two team members took their own lives in 2018.

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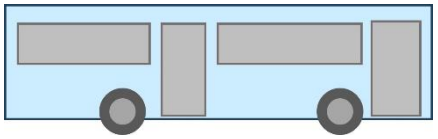
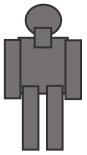
Corruption

Dishonest application of power for personal or corporate gain

Company A

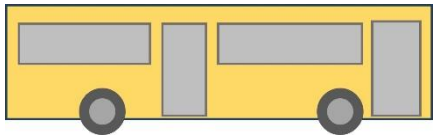


6.0 m wheelbase



1 ***Company B*** pays the chairman of the transport authority $50,000 plus an all expenses paid holiday.

Company B



6.3 m wheelbase

2 The chairman ensures the specification is written so it can only be met by ***Company B.***

Urbano new bus fleet
TENDER SPECIFICATION

Bus dimensions

Width	2.5 m
Length	12.0 m
Wheelbase	**6.3 m**

3 ***Company B*** gets the order for 200 buses worth $50,000,000. A 1,000 to 1 return on investment (less the holiday).

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Hubris

Behaving with pride or arrogance, ultimately leading to ruin

Tacoma Narrows Bridge, USA (July – November 1940)

The original design is considered too expensive.

Renowned bridge designer Leon Moisseiff proposes an ultra-light bridge with less steel and so lower cost.

He is the champion of slender suspension bridges – relying on flexibility to absorb structural and traffic loads.

The slender, narrow bridge sways alarmingly in moderate winds, getting the nickname 'Galloping Gertie'.

On 7 November 1940 the bridge collapses spectacularly in a moderate breeze. No-one is killed.

Moisseiff's reputation is destroyed and he dies in 1943.

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And an eighth: moral licence

Another British charity, carrying out relief works following a catastrophic earthquake

- Sexual harassment of project team members
- **Bullying and intimidation of staff**
- Use of local sex workers on project premises
- **Violent behaviour towards contractors**
- Favouritism in selecting staff and suppliers

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