

Initiatives of Change Conference:

## "AUSTRALIA AS A NEIGHBOUR"

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Session: "Beyond the bottom line", 15 January 2007

### LEADING ETHICAL PRACTICE – KEY TO A GOOD BOTTOM LINE

#### **Ron Lawler:**

Ethical practice is important because doing the right thing is important.

Ethical practice actually makes possible the highest level of teamwork and effective, productive work practices, because it makes us credible.

Credibility has this effect because it engenders loyalty, the open sharing of ideas between work mates, and a greater capacity to build on the strengths of each person. These are fruits of trust.

In fact I would go so far as to say that my effectiveness as a leader and a public sector manager is determined more by my credibility than the authority that comes from the delegated responsibilities of my position.

We face the emergence of an increasingly globalised economy, society and culture. Governments cannot shirk decisions about how we respond and engage with globalisation, but it is happening, like it or not.

This prospect raises many fears about what the impacts will be and where they will fall. There are also fantastic opportunities to build a world with a greater sense of shared destiny.

So how are we to engage? How can you and I as ordinary people contribute to outcomes of global justice, social responsibility, healthy environments and financial viability?

Attracta Lagan, of KPMG, the accountancy and consultancy firm, a few years ago suggested to business that one of their great tasks is to “raise the ethical floor below the global market place”. That is “floor” - not “flaw”!

She describes some key principles to help raise the ethical floor which include:

- accepting you have a choice (this is very important as we so often become locked into cynicism, finding a miserable comfort that must be broken free of)
- changing from the inside out
- engaging hearts and minds
- standing up to be counted

Whether we work in the public, private or community sectors, or at home, we can each play our part in this enterprise. I have worked in all of them.

In the public sector our financial bottom line is determined differently from the private sector. We are not concerned with profit but we must live within a budget.

There are some particular aspects of ethics that are more important in the public sector such as

procedural fairness, and an avoidance of, or openness about, conflicts of interest. However, the ethical and moral dilemmas or opportunities are essentially the same wherever we are.

What can assist us to negotiate those challenges is also the same. I have come to rely on ideas that come in times of quiet in the early morning or while I am walking to work. It may be at work, if I can just stop long enough from following busy, instant responses. They can be right but they can be very inadequate. They need to be tested.

When tested on your spouse or your work mates they may prove fine or foolish, or are developed into something better.

I always thought I was more or less an honest person thanks to my parents and what I learnt through early church years. If I was a bit naughty at least I felt uncomfortable about it!

When I was 22 years old I found another level of liberation as I listened to that inner voice that has a way of letting me know things quietly.

The idea came to apologise and pay back to my employer for what I had stolen from his warehouse. I did this though I felt really stupid, as the amount was so small.

My boss was aware that lots of stock was “walking out” of the warehouse. He responded to my actions by saying, “At last I have found someone who is honest.” He offered me a supervisory position in the company.

It is amazing how when I do something dishonest it does not seem to be as significant or bad as when someone else does it. This experience taught me that, free from the small compromises, your authority and passion to tackle the big challenges increases.

That experience set firm foundations for my engagement in the sometimes difficult task of raising the ethical floor in my workplace.

I am grateful for the excellent systems in place in the public sector that at least encourage honesty. However there is that attitude at large in the community which suggests that whatever you can deprive the government of is morally justified.

I have had responsibility to approve travel claims in my jobs. On one occasion a couple of people wanted me to agree to a claim for payment that was not valid. I thought and said to them, “You are putting me in a bad situation. I would not be able to lie straight in bed if I do what you ask.”

They beat a hasty retreat and it actually helped them to trust me on all matters - though I remained watchful of them!

Before telling you the next story I must ask you to put up your hand if you know what a bean counter is? They instinctively say “no” to whatever is proposed if it looks to be a little outside the norm and a bit risky. They guard the money as if it were their own. I do not suggest that this is all bad. Checks and balances are very important.

There was a classic case of “bean counting” in the TV comedy called “Yes Minister” some years ago. The government officials decided that the cheapest way to run a flash, new hospital was to employ no staff nor provide any services! That is perhaps an extreme example and of course

could not happen in real life. Now, at least, many government agencies seek to focus on outcomes like effective service delivery to clients. Hospitals helping the sick to get well, for instance.

There was someone in our office of equal rank to me who had some control over the purse strings whom I would have described as a “bean counter”.

One day an opportunity arose where I felt it was fair to spend some of his administrative money to assist a community to conduct a certain development event. It was unorthodox but I had read the guidelines on expenditure and found them to be silent on the particular matter. There was a good case to justify the expenditure. However, I felt that this was one of those times to be silent and seek for a greater wisdom in dealing with this issue.

It seemed clear to me that the important thing was to stick to the issue and not play the man, backing him into a corner. His reaction to my request was, as I expected: “No”. He claimed there was a document separate from the guidelines that made what I wanted to do impossible to justify.

I asked him to provide the document to me as I needed to know for the future.

He did not produce any document and I kept insisting on seeing it. I felt like accusing him of making it all up. Finally he announced that he had found a way to do what I had proposed to fund. I never did see any document but I believe that we were able to do the right thing by the community involved.

As important, my working relationship with that person was not damaged and in fact contributed greatly to cohesion in the office.

I am not a natural leader according to the images I have had of leadership. I have always thought of a leader as the one who is up front expounding the vision and telling people what to do. I have discovered that leadership comes in many forms and it comes as you try to be led by the still small voice of calm. Our personal choices help to raise that ethical floor. The change that comes from within propels us into leadership.

You can't win them all, but for the most part people will want to go with you and work with you, even if sometimes after a struggle. The results will be effective, creative, collaborative, satisfying life at work, and a sustainable bottom line.

***Ron Lawler is a director in NSW public service.***