When No One is Watching

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TENNESSEE COMPTROLLER OF THE TREASURY

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What do you do?



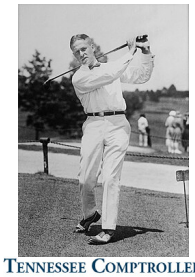
- It's 2 a.m. on a clear night
- It's been one of those days, and you can't wait to get home
- You approach a four-way stop near your house
- You can see if traffic is coming from any direction
- **There's not a car in sight.**

Why?

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Bobby Jones



- 1925 U.S. Open – Worchester C.C. – 1st round
- Ball moves slightly at address
- No one saw it – not even his playing partner
- Jones is the only person on earth who knew

Jones called a one-stroke penalty on himself, and he lost in a playoff.

Why?

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- **Who was Bobby Jones accountable to?**
  - Not the officials
  - Not his opponent
  - Not the spectators
- **He had to answer to himself**
  (and his PoP)

"You might as well praise me for not robbing a bank. There is only one way to play the game of golf."



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Who are you when there is no possibility of being caught or being praised?

Compliance:
- "What am I required to do?"

Ethics:
- "What is the right thing to do?"

Integrity:
- "Will I still do it when no one will ever know?"

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When no one is watching…
When no one will ever know…

…what compels you to do the "right thing"?

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PoP - "The Power on the Paper"

- What you wrote is the foundation of your ethics.
- It is your moral compass that guides your decisions.

Is it reliable? sustainable?





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Disclaimer:

The thoughts and views shared in this presentation are mine and are based on my experiences, observations, and opinions.





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Soft Skills



Behavioral skills that influence your life beyond work.

Technical training - output.

Soft skills training - outlook.

I'm here to make you think!

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Warm-up thinking exercise:

"Simple math"

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

[redacted]

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It's easy to be deceived, but even easier to deceive ourselves



Why?

- **Mental shortcuts lead to…**
- **Expectations based on…**
- **Patterns that give us…**
- **Confidence in our choice!**

Even when we are clearly wrong!

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We must think, so we can know "why?"

- *I think; therefore, I am* - Rene Descartes
- *…and always be ready to give a defense to everyone who asks you for a reason for the hope that is in you with meekness and fear.* - *I Peter 3:15*

"Why" defines us as individuals. (PoP)



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Why are we here?

- Katie: *Will you be on our program this year?*
- Steve: *I would be honored. What do you want me to speak on?*
- Katie: *Whatever you would like.*
- Steve: *How about ethics?*
- Katie: *Perfect! We have a very hard time getting anyone to teach ethics.*



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Can ethics be taught?

- **No**
- The PoP reveals that we all have different sources for our morality.

Then why are we here?

With ethics, "teachers" must tiptoe around subjects (especially religion), and be so generic, that in the end, nothing is "taught"!



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Can ethics be taught?

- **Yes, but…**
- Ethics training must be about:
  - Identifying our individual PoP
  - Identifying ethical problems in real time – eliminating surprises
  - Establishing a foundation
  - Acting accordingly

It is about self-awareness.

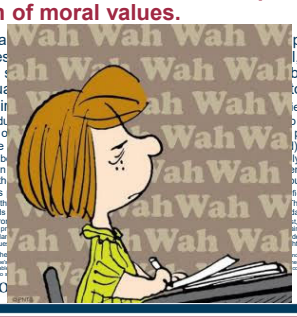
I can't teach you right from wrong. I can only encourage you teach yourself.



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- **Personal ethics is a set of moral principles or a system of moral values.**



Ethics

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Where do ethics originate?

- External Restraints:
  - AICPA, AMA, House Rules,Personnel Policies, Civil Law, *TCA*, etc…
  - Guide professional and public decisions
  - Establish rules governing the position/profession we have chosen
- Internal standards:
  - Scripture, Conscience, Tradition, Parents, Duty, Integrity, Fear, etc…
  - Several are present to a degree, but one is dominant - **PoP**
  - Guide personal decisions when external restraints disappear…
  - "When no one is watching…"

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What did you do?



At what point does this scenario become an ethical decision?

When you allow yourself to think that there is a choice or exception.

Ethics is not just the "final choice" - it includes your process of reasoning.

According to your PoP, did you do the "right thing"?

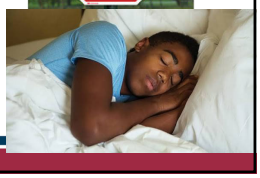
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Knowing right and wrong isn't usually the problem

Problems come when what I "know" is right comes in direct conflict with what I "want" right now.

If someone's presence would change my decision, what does that say about the decision?





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Ethics are tested when knowing is easy but doing is hard.



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- **Your PoP is your anchor - will it hold…**
- …when nobody will ever know?
  - A cashier gives you $20 too much in change…
- …when it could or will cost you money?
  - A contractor charges you $800 less than the agreed price…
- …when it costs you an opportunity you really wanted?
  - You are in line for a promotion – you have received credit for a project you didn't lead – you didn't create this misunderstanding…
- …when your supervisor wants something different?
  - You are asked to sign off on something you know is wrong

Will your anchor hold?



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- **Your PoP is your anchor - will it hold…**
- …when others do not agree and ridicule you?
  - You are laughed at - "Everybody does it" - "It's not a big deal"
- …when it means you must admit you were wrong?
  - Your mistake has affected others, but no one knows who did it
- …when it hurts someone that you care about?
  - A close friend violates an important workplace rule…
- …when you are able to construct a perfectly reasonable explanation for doing what you want to do?
  - The single greatest enemy of ethics is **RATIONALIZATION!**

Will your anchor hold?



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Rationalization is a psychological defense mechanism in which a person uses logical or self-serving explanations to justify unacceptable behaviors, difficult feelings, or poor decisions.

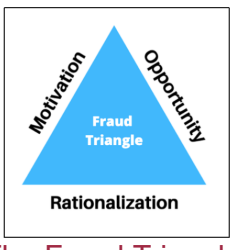
– Psychology Today

"Everybody does it."
"No one is really getting hurt."
" No one said I couldn't."
"That policy is dumb."
"We've always done it this way."
"I deserve this."
"Just this once..."
"No one will ever know."



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The Fraud Triangle

- **Rationalization**
  - The key component to fraud – because it is the one you control.
  - With it, you will do what you swear you won't
  - It creates confidence in a decision that violates your moral code.
  - It almost always leads to something foolish:

"I would lie, but I would never steal!"

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The biggest threat to ethics is our ability to rationalize exceptions to our own standards.

- Compromise:
  I know this is wrong, but I'm going to do it anyway.

  We can't see ourselves consciously abandoning our principles.

- Rationalization:
  Under the circumstances, maybe this isn't really wrong.

  But we can become highly skilled at explaining why they don't apply "this time".

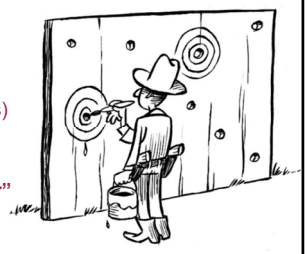
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Personal rationalization is hard to recognize

- Altering our interpretation of circumstances can make our decisions seem consistent.
- This "consistency" allows us to maintain our self-image as an ethical person.
  - We didn't change or compromise; we adapted
- Texas Sharpshooter Fallacy: (statistics)
  - The act of cherry-picking data to support your solution and ignoring contrary data.

Shoot + draw target = **"Sharpshooter"**



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Can ethical/moral standards change?

- Many things in life change:
  - Priorities - Laws
  - Society - Circumstances
  - Bodies - Needs
  - Health - Maturity
- But can a standard change?

If it can, was it a standard?

- Does morality change or does our understanding of it change?
- Ex: Slavery
  - Did it somehow become wrong?
  - Or did we figure out that it had always been wrong?

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Two things that we must believe:

1) The standard that guides my life (PoP) is unchanging and can guide me in any circumstance I encounter.

2) I might be wrong.

Conviction… …with Humility

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If a standard changes…

1. It was determined by a changeable authority
2. Our understanding changed
3. What we thought was a standard, was not

- How do we know the difference?
  - Identify the authority (PoP)

Then, we must determine what makes the new concept more correct than the old?

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Authority is the key…

- If everyone agrees on something, does that make it right?
- If everyone disagrees, does that make it wrong?

- If not, then there must be objective authority that exists independently of consensus.

- PoP! Is it reliable? Is it sustainable?



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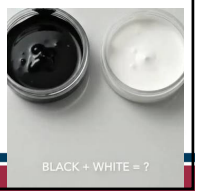
If we have standards, why are there "gray areas"?

- Generally, every decision is black or white (at some point)
- Gray is a result of **someone** mixing the two

- The standard is unclear
- Applying the standard is hard
- We don't like the answer

Am I looking for "right" or am I trying to justify what I did or want to do?





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Personal ethics is a set of moral principles based on a chosen standard and demonstrated in life choices.

- Standards precede decisions, and…
  - Decisions precede circumstances
- Ethics can be characterized as a "precommitment"
  - *I have determined my principles and what I believe regarding right and wrong, so when circumstances, pressures, incentives, or emotions arise, I have a standard against which to judge my response.*

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- Precommitment prepares for temptation
- Woman:
- Man:
- Woman:
- Man:

We've established what you are, now we are just haggling over the price!



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Bobby Jones decided to call the penalty on himself long before the situation arose

- He chose to play golf, and the rules that went with that choice
- He had made up his mind to do it right long before the "big tournament" in '25
- He was shocked by the praise:
  "There is only one way to play the game of golf."



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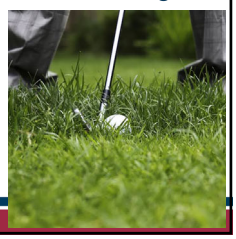
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In the 2nd round of 1926 U.S. Open, Bobby Jones again called a one-stroke penalty on himself - and won the tournament!

Ethics are chosen before circumstances arise and outcomes are known.

Integrity is living by those choices when the circumstances arise regardless of the outcome.

Integrity:
who we are when no one is watching



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When No One is Watching…



What do you do?

Why?

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Thank you!

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