

SCCE Western Balkans Regional Compliance & Ethics Conference

INTEGRITY IN THE SPOTLIGHT

Silvija Vig, PhD

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SCCE Code of Professional Ethics for Compliance and Ethics Professionals:

"C&E professionals should serve their employing organizations with the highest sense of integrity, excel unprejudiced and unbiased judgment on their behavior, and promote effective compliance & ethics programs."



INTEGRITY

Integrity is "the quality of being honest and having **strong moral principles**" and "the state of being whole and undivided".



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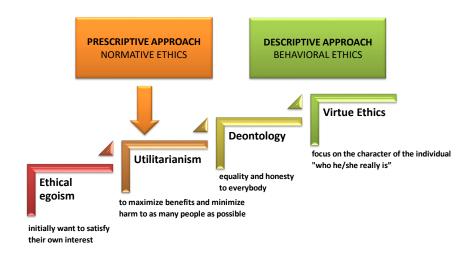
MORAL AWARENESS





Source: Vig, S. (2019) Business Ethics-Theory and Practice. Codupo. Zagreb.

HOW DO WE MEASURE ETHICS?



Source: Adopted from Vig, S. (2019) Business Ethics-Theory and Practice. Codupo. Zagreb.

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DESCRIPTIVE APPROACH MOTIVATION AND PRESSURE CHANCE AND OPPORTUNITY CHARACTERISTICS Values and beliefs Rego balance Locus of control Moral-cognitive development Narcissism and Machiavellianism DECISIONMAKING PROCESS

Source: Vig, S. (2019) Business Ethics-Theory and Practice. Codupo. Zagreb.

VALUES

Values describe our **personal motivations** that determine how we live and how we feel.

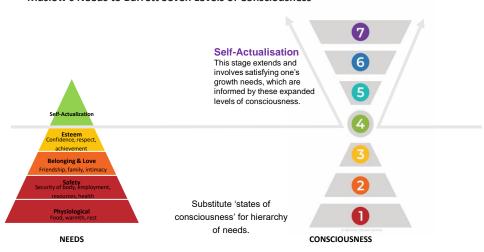
People do what they value - guidelines for human behavior and actions.

The growth and development of an individual depend on their ability to satisfy their **needs**, which is reflected in their **values**.



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Maslow's Needs to Barrett Seven Levels of Consciousness®



BARRETT VALUES CENTRE

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Seven Levels of Personal Consciousness

Positive Focus/Excessive Focus Service Service to Humanity and the Planet Compassion, Humility, Future Generations. **Making a Difference** Making a Difference in the Community Actualizing Meaning, Collaboration, Intuition, Mentoring, Empathy. **Internal Cohesion Finding Meaning in Existence** Integrity, Alignment, Authenticity, Creativity, Passion, Honesty, Trust. **Transformation Continuous Growth and Development** Adaptability, Continuous Improvement, Courage, Team Player. Self-Esteem **Building a Sense of Self Worth** Pride in Self, Self-Reliant, Self-discipline, Positive Self Image. Arrogance, Status, Power, Bullying, Glamour, Rigidity. **Harmonious Relationships** Relationship Family, Friendship, Belonging, Open Communication, Ritual Blame, Jealously, Judgement, Conflict, Discrimination, Gossip Survival **Physical Survival and Safety** Health, Nutrition, Financial Stability, Self-Defense Violence, Greed, Corruption, Territorial BARRETT VALUES CENTRE

Seven Levels of Organisational Consciousness

Service Service to Humanity and the Planet Social responsibility, future generations, long-term perspective, ethics, compassion, humility Making a Strategic Alliances and **Partnerships Difference** Environmental awareness, community involvement, employee fulfilment, coaching/mentoring **Internal Cohesion Building Internal Community** Shared values, vision, commitment, integrity, trust, passion, creativity, openness, transparency **Transformation Continuous Renewal and Learning** Accountability, adaptability, empowerment, teamwork, goals orientation, personal growth **Self-Esteem High Performance** Systems, processes, quality, best practices pride in performance. Bureaucracy, complacency, hierarchy and

Employee Recognition
Loyalty, open communication, customer satisfaction, friendship. Manipulation, blame, favouritism and internal competition. Survival **Financial Stability**

Shareholder value, organisational growth, employee health, safety. Control, corruption, greed, exploitation and micro-management.

Positive Focus/Excessive Focus

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Relationship

BARRETT VALUES CENTRE

WHAT THE FINAL STANDARD OF ETHICS?



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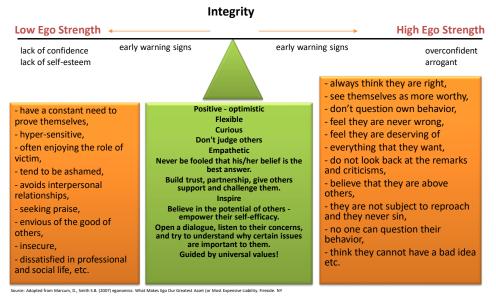
WHAT MAKES US HAPPY?

How much does money, marriage, age, gender, race, health, climate and education all together make us happy?



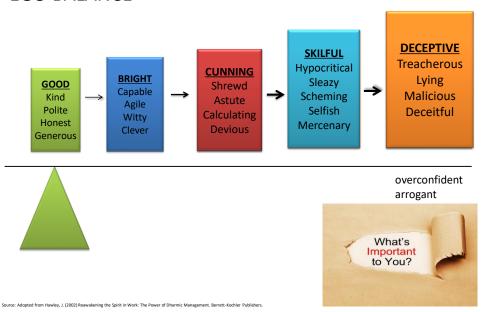
Seligman, M. E. (2004) Authentic happiness: Using the new positive psychology to realize your potential for lasting fulfillment . Simon and Schust

EGO BALANCE



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EGO BALANCE



LOCUS OF CONTROL

Indicator of a person's sense of control and responsibility over their actions and life situations.

Internal locus of control - "I control my destiny"

 They are more likely to take responsibility for the consequences of their behavior and actions, and to rely on their own moral standards and be consistent in their actions.

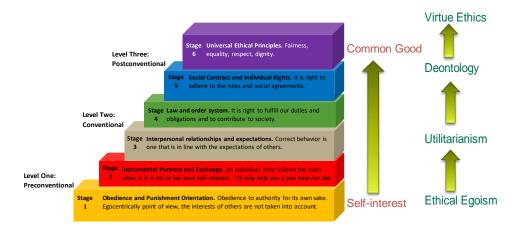
External locus of control - "They control my destiny"

- Events in life are a matter of luck or coincidence and are less responsible for the consequences of their actions.
- They always find fault in others or in some external circumstances, and are more prone to "unethical behavior".



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MORAL-COGNITIVE DEVELOPMENT KOHLBERG'S THEORY



Source: Adopted from Vig, S. (2019) Business Ethics-Theory and Practice. Codupo. Zagreb

AUTHENTIC VS. NARCISSISTIC LEADERSHIP

 Seven traits associated with effective leadership - energy, dominance, confidence, a sense of belonging, grandiosity, low levels of empathy and charisma

Narcissism - a strong predictor of unethical behavior - the root of all evil in an individual.



Hoffman, B. J., Woehr, D. J., Maldagen-Youngjohn, R., Lyons, B. D. (2011) Great man or great myth? A quantitative review of the relationship between individual differences and leader effectiveness. Journal of Occupational and Organizational Psychology, 84(2), 347-381.

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NARCISSISM & MACHIAVELLIANISM

Narcissism - a lack of empathy, arrogance, envy, superiority, grandiosity, neglect others' well-being, satisfy their own needs only.

They always want to have more than what they already have.

self-esteem
presummous personality naroissist

self-less self-articles egotistical
self-less self-articles egotistical
social articles egotistical
self-less self-articles egotistical
pride naroissus
behavious Selfish, arrogant need individual
traitegonania egoismarrogante vanity smug
presul empathy
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egocentric egotist ell-satisfaction egocentrism
egocentric egotistical editional egotistical
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selfishess exceutive
attitude demiration, direction

Machiavellianism - interpersonal strategies that promote

manipulativeness, self-interest and deception, they use force, deceit and even cruelty.

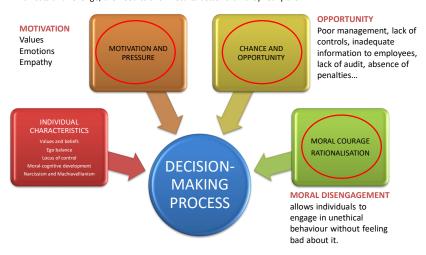
Guided by the maxim "the goal justifies the means".

DECISION-MAKING PROCESS

PRESSUR

Financial pressure - financial losses or debts, life beyond opportunity, inability to repay loans, unexpected financial expenses, bonuses, incentives, sales decline...

Non-financial pressure - job dissatisfaction, desire to manipulate the system, unrealistic deadlines, threats and revenge, the need to show results better than they really are...



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RATIONALISATION - MORAL DISENGAGEMENT

"What our company does is not comparable to what our competition is doing." Advantageous comparison

"Its their own fault, why they didn't read the contract in detail."

Attribution of blame

"We wouldn't do this if the manager didn't ask us to do that."

Diffusion of responsibility

"They're like cattle anyway. It's good for them." Dehumanization

"It's "no big deal", we just fudge a few figures, everything else stays the same." Minimizing the consequences

"He gets a new career opportunity!" (dismissal)

The use of euphemistic language

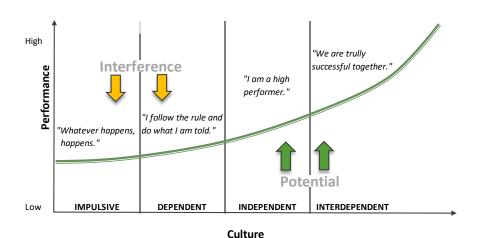
Why is raising integrity awareness important to C&E Professionals?

Role model



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High-performance - the purpose of effective C&E programs



Source: Whitmore, J. (2017) Coaching for Performance. Nicholas Brealey Publishing. London

Exercise

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THANK YOU!

