



## SCCE Western Balkans Regional Compliance & Ethics Conference

### INTEGRITY IN THE SPOTLIGHT

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Sarajevo, 30. 09. 2019.

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SCCE Code of Professional Ethics for Compliance  
and Ethics Professionals:

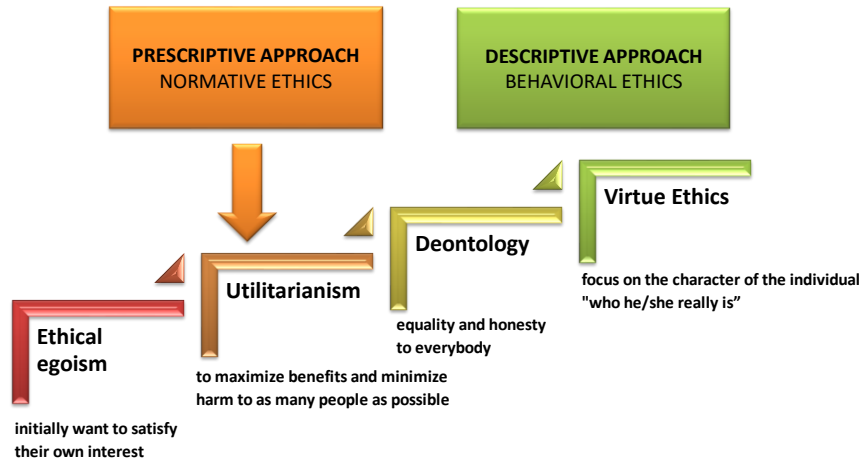
**“C&E professionals should **serve their  
employing organizations with the highest sense  
of integrity**, excel unprejudiced and unbiased  
judgment on their behavior, and **promote  
effective compliance & ethics programs.**”**



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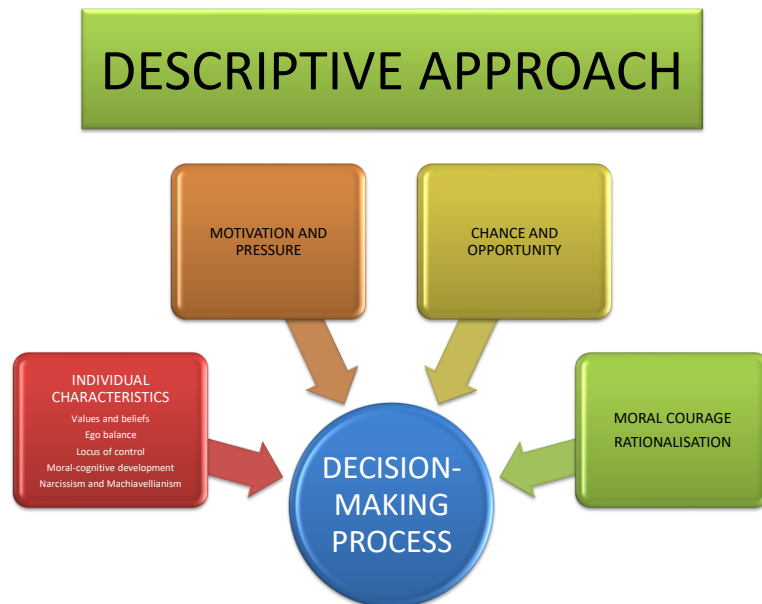


# HOW DO WE MEASURE ETHICS?



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

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

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# VALUES

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

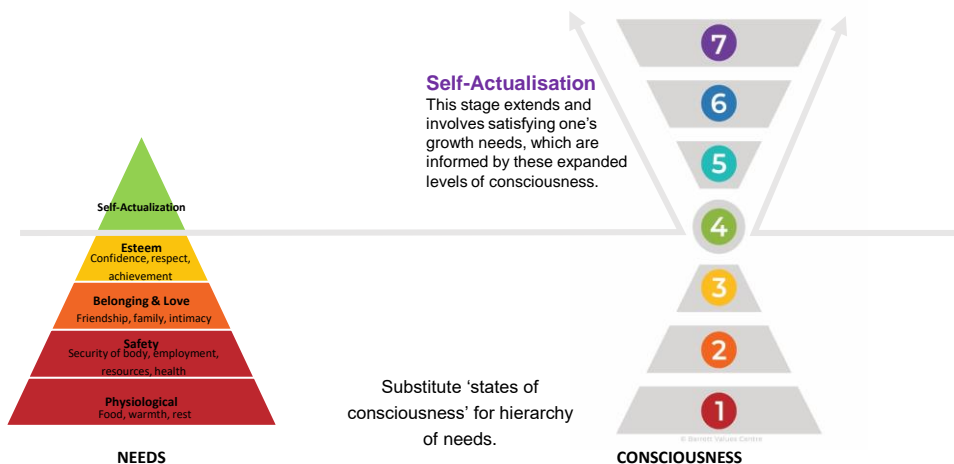
**People do what they value** - guidelines for human behavior and actions.

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



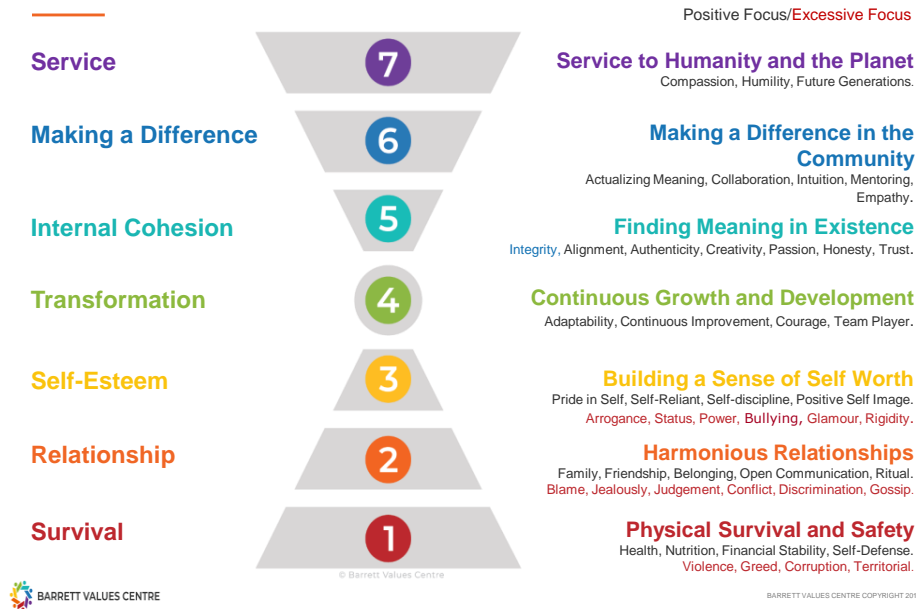
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## Maslow's Needs to Barrett Seven Levels of Consciousness®



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## Seven Levels of Personal Consciousness



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## Seven Levels of Organisational Consciousness



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## WHAT THE FINAL STANDARD OF ETHICS?



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## WHAT MAKES US HAPPY?

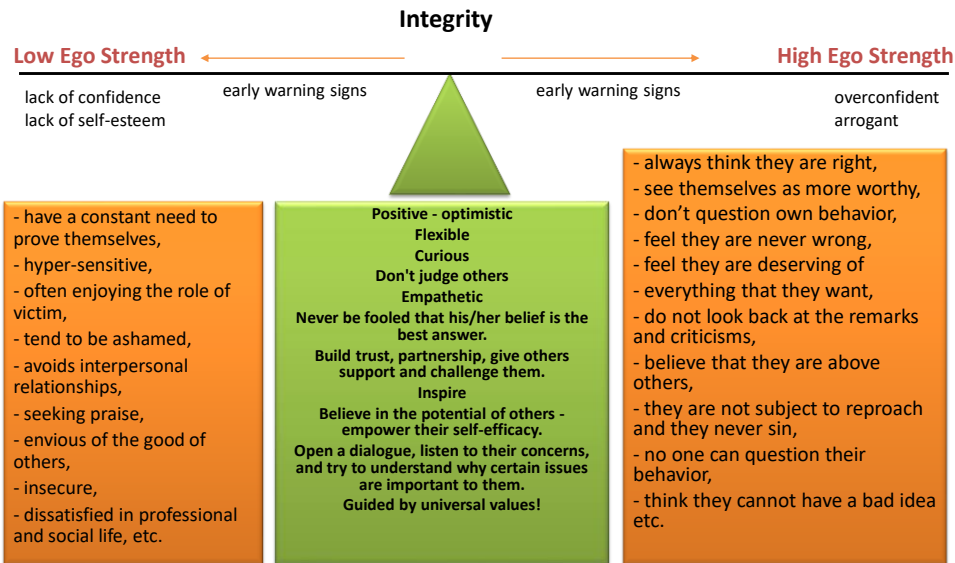
How much does money, marriage, age, gender, race, health, climate and education all together make us happy?



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

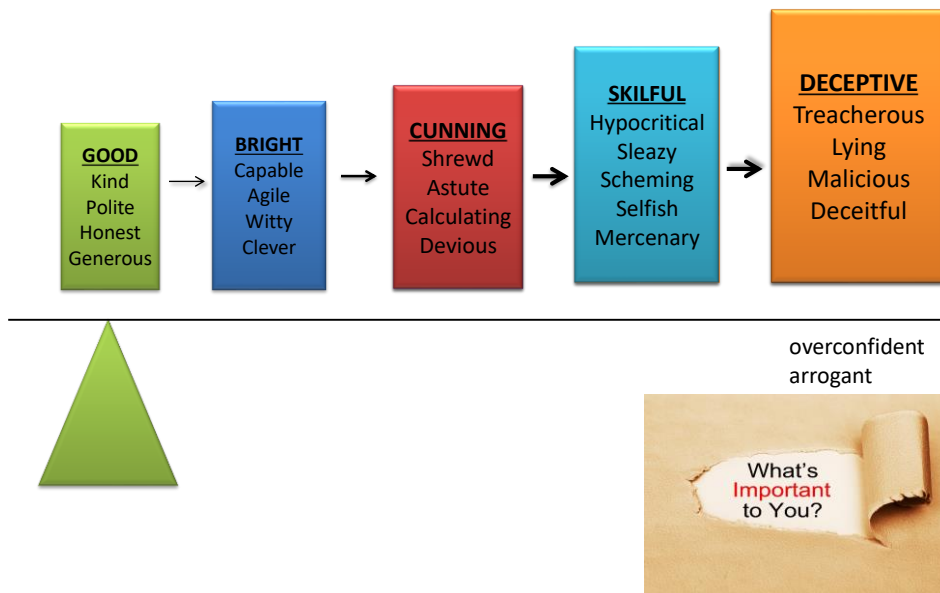
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# EGO BALANCE



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## EGO BALANCE



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# 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.

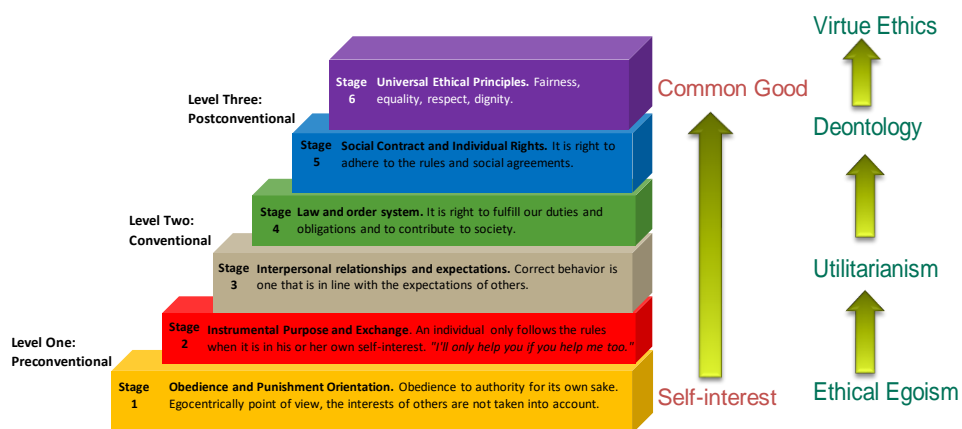
## External locus of control - *"They control my destiny"*

- 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. Codupce, Zagreb.

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## 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.



**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"**.

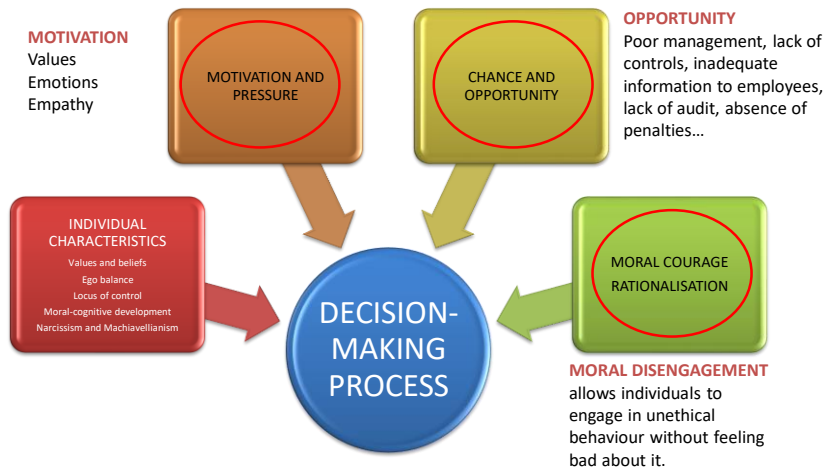
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# DECISION-MAKING PROCESS

## PRESSURE

**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

*"It's 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

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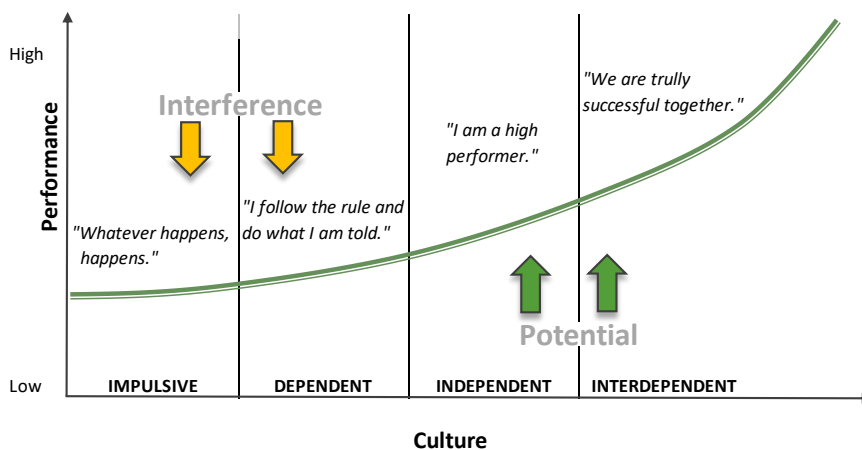
# Why is raising integrity awareness important to C&E Professionals?

## *Role model*



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



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

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## Exercise

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**THANK YOU!**



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