

Putting ethics to work at work



Accountability; transparency; responsibility; the federal *Way Forward* initiative... it all comes down to ethics, right? Both former and recent governments have responded to scandals and breaches of ethics with a barrage of rules and regulations, tightening the screws on everyone, even the politicians, for example, the new federal *Accountability Act*. But as the blame game thrives and the navel gazing and micromanagement continue, arguably those most imposed on are in the procurement community. What can be done about it on a daily basis, both to deal with what you do for a living and to make the spectre of condemnation go away?

Tom Appleby is a highly respected member of the Ontario Public Buyers Association (OPBA) and runs one of the biggest buying operations in Canada. He's not only charged with procurement on a huge scale; he manages ethical risk for his own group and many others around it. Kathleen Charest, an ethics specialist at PWGSC, stresses that ethics is a key component of daily work at Acquisitions Branch. Allan Cutler, the "whistleblower" who exposed the federal government sponsorship scandal, has more than 30 years of contract management and procurement experience in both public and private sectors. He now offers consulting and training in procurement and business ethics, and services in contract negotiation, evaluation and documentation.

These experts know whereof they speak, so what do they think? Let's chat!

Sit down, take a deep breath, sip a beverage, open your mind and stay awhile while we chat with:



Tom Appleby, CPPPO, CPPPB, C.I.M., Director of Supplies and Services, York Region, Ontario



Kathleen Charest
Ethics Officer for Acquisitions Branch, Office of the Chief Risk Officer, Public Works and Government Services Canada, Gatineau



Allan Cutler
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What choux talkin' 'bout?

Appleby: There are two areas of ethics that we have to keep in mind: the ethical behaviour of the individuals, suppliers and contractors we deal with, and the ethical behaviour of the purchasing professional. In either case, I do think we have most of the policies in place, but we could perhaps look at how we address breaches of behaviour in an objective, fair manner.

Our ethical behaviour expectations need to be conveyed to our suppliers and contractors. Here, I think we can do a better job of communicating. Our standards as purchasing professionals are very high. However, do our suppliers and contractors clearly understand our ethical standards as they apply to them and the consequences if they do not comply with them? In our bid documents do we clearly articulate the criteria on which bids will be evaluated including ethics issues? I think we could get the message out better if we included our code of ethics or code of conduct in

our bid documents and posted on our respective purchasing websites.

Charest: The procurement area of the federal government, like the private sector, has had to deal with considerable changes over the past few years. The globalization of markets, international agreements, new technology and the speed of change all create challenges for people evolving in this environment. Public Works and Government Services Canada (PWGSC) has a long and proud history of high ethical standards. Our managers and employees take the importance of ethics to heart – a desire to do things right; continually improve; and, above all, make the right decisions at the right time, obeying the rules and taking the department's values into account. Some of the main factors that influence the Acquisitions Branch are performance and efficiency, decreasing resources and searching for innovative ways to deliver services smarter, faster and at reduced cost – improving how the Government of Canada does business. The *Way Forward* initiative aims to transform PWGSC to the benefit of all Canadians.

Cutler: A skilled professional brings his or her values to the situation, whether development of a bid or a negotiation. All procurements should reflect the values society holds in high esteem – like integrity, fairness, trust, respect. There are two main ethical approaches to decision making, including procurements. The first rests on the premise that if the result is good, each decision that caused the result is immaterial, regardless of individual consequences or negative impacts. This is the "end justifies the means" or "might makes right" argument – the collective approach. With no individual responsibility, consequences of actions are unimportant as long as you get the result that you want.

The second ethical approach, the one I support, is the belief that each decision must be considered separately along with its consequences. In this approach, you accept that right decisions can have negative consequences. This system accepts responsibility for actions — the “buck stops here” approach. Many procurement organizations use a combination of both approaches, claiming the individual is responsible, however, when more convenient, management overrules and imposes a collective approach. Lip service is paid to issues such as trust and fairness. These organizations rapidly gain a widespread reputation — and not a reputation that anyone would choose to have.

It's a small world after all

Cutler: I teach a two-day course in ethical procurement. Ethics is a large and complex subject. While procurement, in all its aspects, is essentially a process, ethics is a philosophy. Therefore, I teach a philosophy that governs procurement — to narrow it down, North American ethics, Canadian subculture.

Personal ethics are the building stones of procurement ethics. Businesses in and of themselves have no ethics. People working in a business produce business ethics. In recent years there appears to be a trend away from personal responsibility towards collectivism. No one person has the responsibility or accountability for doing a procurement the right way, and whether the group is right or wrong is not important to the individual. The difference between the collective approach and the personal responsibility approach is whether you are prepared to take responsibility and stand up against unethical practices and to accept the consequences for standing up — positive or negative.

Appleby: Ethics can include one's own values of what is right and wrong and can be affected by the sensitivity of one's conscience. Ethics can also be measured against a written code of conduct produced by the organization that employs

the purchasing professional, and it can be applied as adopted from a professional purchasing organization — NIGP, OPBA, and PMAC. The application of ethics by purchasing professionals can be a combination of two or more of these guidelines to our conduct. In our [OPBA] case we would probably use as our guide the ethics standard that has the higher level of conduct expectation.

Ethical behaviour can also be applied to social economics issues. For instance, do we have a position on child labour restrictions, green procurement, minimum wage requirements or even coffee source considerations?

Charest: PWGSC management recognizes that as a result of the complexity of an ever-changing environment and the many challenges that employees face, employees are often confronted with ethical dilemmas and are forced to make difficult decisions. This is why PWGSC developed its own statement of ethical values in 1997 where employees can find the department's primary values such as integrity, honesty, respect for the law and for people, fairness, transparency, civility, equity and acceptance of the consequences of our actions. It is currently under review to ensure that it harmonizes with the department's evolving vision and mandate. The goal is to provide a valuable current tool to allow employees to make decisions consistent with departmental values and to guide them in adopting appropriate behaviour and making wise decisions.

People get ready

Charest: We have a 10-point Integrity Plan to strengthen our ethical work practices, better guide our employees and restore public trust in [PWGSC]. It includes clarified management accountability by realigning the organization; a robust ethics infrastructure with ethics officers in all branches, agencies and regions; links with other levels of government to share knowledge on ethical issues, policies and guidelines, such as the *Guidelines on Gifts and*

Hospitality and How to Deal with Lobbyists, to help employees to make the right decision; and a structured strategy and learning program. We have incorporated ethical concepts into corporate courses and emphasized the importance of communication in maintaining an open dialogue on ethical issues. Meetings, presentations and other events are organized for employees to provide the opportunity to reflect on and discuss ethical issues and a helpline is available to discuss ethics in strict confidentiality.

Appleby: As a public purchasing group, is the OPBA, for example, really prepared to address the unlikely event that one of our own is proven guilty of some unethical behaviour? The employer of such a one would no doubt deal with the individual based on their own human resource policies, but have we made it clear how, as a profession we would deal with the individual? We must always be alert to the fact that not only do we have to be ethical as a group of professionals, we also must appear to have a very high level of ethical behaviour.

Cutler: A person has to stand up and be counted if they are going to mean anything in life. [If you see something you think is wrong] “Can you stand by and watch without doing anything? Can you live with yourself? Will you have regrets that haunt you for the rest of your life? Do you have different standards for your children than for yourself?”

Negative consequences of ethical lapses can be draconian, among them destroyed careers or nervous breakdowns. The most important reward is doing the right thing. To prevent unethical decisions in procurement, someone has to take responsibility.

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