

The Connection Between Results Based Management and Public Service Ethics

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PANELLISTS AND AGENDA

Robert Czerny (past president Ethics Practitioners' Association of Canada, government and private sector experience):
ethics and values basics

Ben Po (EPAC member, ethics advisor in GoC):
official ethics expectations in GoC, related structures and processes

Art Stewart (PPX executive, former advisor to OCG): ethics implications for RBM at institutional, organizational and personal levels

Case study

VALUES, ETHICS, MORALITY

Values are enduring beliefs that influence our choices.
Ethics refers to principles or standards of right conduct.*

So *ethical values* are those values that guide our choices with respect to good or right conduct.

“Ethics/ethical” and “morality/moral” can overlap;
clarify what you mean by each term to aid dialogue
and avoid confusion.

Ethics and morality align with culture (ethos, mores):
what we take for granted as ‘good’ in our society, our
group or organization.

**Kenneth Kernaghan, “A special calling: values, ethics and
professional public service”*

WHY VALUES AND ETHICS ARE ESSENTIAL

Externally: Value propositions underlie what every organization offers to clients/customers, and how it treats stakeholders, suppliers and the wider world

Internally: As staff or members, people relate to each other according to structure (hierarchy, processes, tasks) and as fellow human beings

Stated values tell people what to expect of an organization

How values are practiced influences identity and motivation (internal) and trust (external)

CONSEQUENCES OF ETHICAL FAILURE

Reputational impact – mistrust, loss of social licence to operate

Legal impacts – fines, imprisonment

Injury to persons

Damage to society, natural environment

Career
Workplace harmony
Political consequences

GENERAL AND SPECIFIC ETHICAL CONSIDERATIONS

Professional Ethics

Examples: legal, medical, engineering, sports coaching, public service

General Organizational Ethics

Values such as respect, diversity, fairness, honesty, responsibility, accountability, transparency

Typical Approaches to Ethics Commitment

Statements of values (↑)

Codes: rules, norms, standards (↓)

Compliance, aspiration, or both

Imposed or organic? Ongoing and pervasive (dialogue) versus occasional project / special office?

DRIVERS: LEGISLATION, POLICIES ... AND EVENTS

Key drivers in G of C:

- Management Accountability Framework
 - stand-alone Values and Ethics
 - now part of People Management
- Policies and Legislation
 - Values and Ethics Code
 - Public Servants Disclosure Protection Act
 - Policy on Conflict of Interest
- Response to crisis

SCOPE OF A GOC ETHICS PROGRAM

Typical scope of operations:

- Implement laws, policies
 - Values and Ethics Code
 - Public Servants Disclosure Protection Act
 - Policy on Conflict of Interest
- Can include harassment, lobbying, conflict management, investigations, audits, training, communications
- Reporting of results internally and to central agencies

ELEMENTS AND LEVELS OF AN ETHICS PROGRAM

- Elements include:
 - Leadership
 - Hardwiring
 - Accountability and Continuous Improvement
 - Organizational Development
- Maturity Model identifies five levels of maturity for each element
 1. Basic and foundational
 2. Defined
 3. Managed and Routine
 4. Predictable and Sustainable
 5. Continuously Optimizing

Application to Results-Based Management

- Define RBM and its connection to Ethics
 - Typical ethical challenges and dilemmas
- Strategies and practices to address ethical challenges in RBM
 - Institutional level: external investigation/legislation
 - Organizational level: using RBM to improve performance
 - Group and individual level: resisting pressure, truth to power

Results-Based Management (RBM) And Ethics

- RBM definition: A comprehensive, lifecycle approach to management that integrates strategy, people, resources, processes and measurements to improve decision-making, achieve expected results and drive change.
- RBM focuses on getting the right design early in a process, with emphasis on outcomes, implementing performance measurement, learning and changing, and reporting performance.
- Core ethical issue in RBM: *how results are achieved matters*.
- Ethical dilemmas can arise at all levels: Institution (systemic), Organization, Work-group, Individual

Ethical Dilemmas In RBM

Any of these can be individual, group, organizational or institutional in nature

Opacity

Incomplete context

Censoring

Lack of balance

Errors/ Omissions

Fraud

Undue pressure from managers and peers

Selective or biased decision making or reporting

Selective measurement, distorted indicators

Slanting the presentation of results in order to hide or obscure the facts

Lack of commitment to improvement

Others?

At the Institutional (Systemic) Level

- Legislative and policy reforms after major performance or ethical failures, frequently involving political and public service dimensions. Relatively rare.
 - Catalysts: investigative journalism; external or internal audit; whistleblowers; anti-fraud programs; evaluations
- Example/context: Government's Post Sponsorship/Gomery Response
- Concerns included: undue political interference in the program's creation, selection of agencies, program management and activities, receiving, use of funds and disbursement of commissions
- Led to Federal Accountability Act (FedAA) including several new/enhanced institutions: independent Public Prosecution Service of Canada (PPSC), new/strengthened Ethics, Lobbying Commissioners, Comptroller General/ Internal Audit Role & Regime, and others
- Specific examples: PPSC and deferred prosecution arrangements (DPAs); the Correctional Investigator (OCI) removal from office for ethical failures, theft
- What other legislative and/or policy reforms are required to support a higher level of ethics in RBM?

At the Organizational Level

- A voluntary, organization-wide approach to RBM; ethically driven and supported by top leaders and by professionalism throughout the organization
 - Strategic framework– defined outcomes, attribution, new methodologies to assess challenging performance measurement areas
 - Maturity Model
 - Defined, measurable expected results and outcomes
 - Appropriate performance indicators
 - Honest, balanced, transparent performance storytelling and reporting; performance ‘scorecards’ (including ‘red’ scores for major programs)
 - Quarterly updates, public reporting (and related OAG assessments)
 - Commitment to learning, performance improvements; performance improvement plans
- An opportunity for those with RBM expertise to positively influence the organization’s reporting and results

At the individual and work-group Level

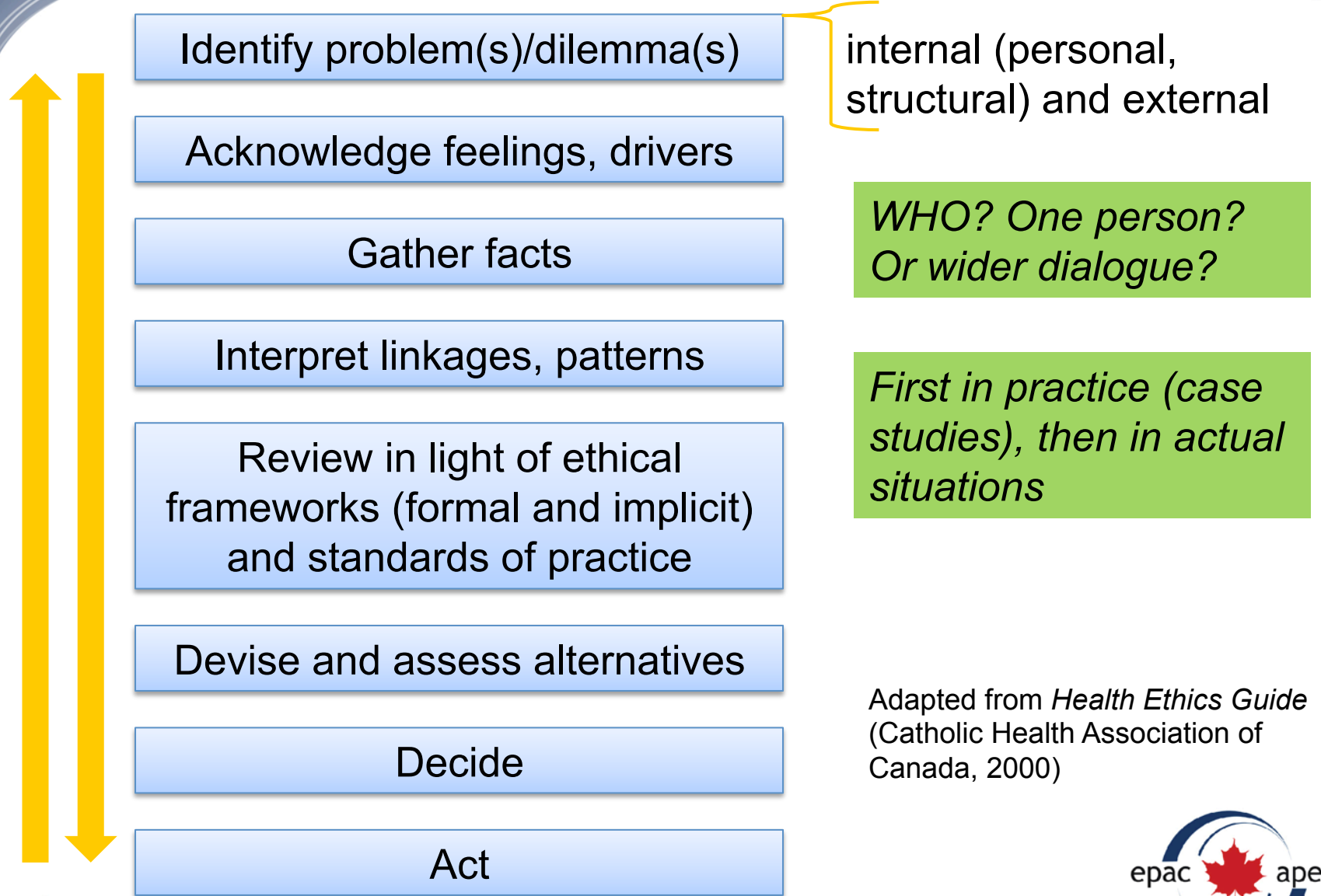
- An ethical, results oriented culture fosters honest dialogue, “truth to power” and results performance
 - Supported by an effective management and HR regime including performance management; conflict resolution processes; values and ethics offices; whistleblower protection
 - Dialogue, trust and positive compromise characterize interactions involving performance issues; less reliance on notes to file or manager, audio/video recordings, and other defensive mechanisms
- How usual is it for an official to be pressured to change or obfuscate weak results? (case: next slide)
- Group discussion – what would YOU do?
- Do you have other comments/suggestions on anything else you have heard today?

Jo, the rising-star 2iC of Comptrollership in an industrial products company, is pressured to record restructuring charges as favourably as possible. Jo's assessment: bad accounting but not illegal.

- “Good for company and good for your career”
- Disappointed, worried: not the values I thought were here. Is this unusual or typical?
- Risk job, let alone promotion to Comptroller?
- More impact now, or in Comptroller position, on company's integrity?

Full case: EPAC webinar June 18

DECISION PROCESS FOR ETHICAL CHALLENGES



Adapted from *Health Ethics Guide*
(Catholic Health Association of
Canada, 2000)

What does all this imply for you personally?

For your institution?

For PPX engagement with the topic of ethics?

Thank you for your attention!

Please become active members of these important organizations: the Performance and Planning Exchange (www.ppx-frp.ca) and the Ethics Practitioners' Association of Canada (www.epac-apec.ca)