

A Guide to Ethical Decision Making

Managing any organisation, either as a board member or manager, will require making decisions that have ethical components, some of which can be extremely complex. Whilst laws set out the requirements for boards and organisations to operate correctly, ethical standards extend these legal requirements. It's not just about 'doing things right' but 'doing the right thing'.

There is a strong relationship between legal obligations of Board members and managers and ethical considerations. The interplay between law and ethics is particularly relevant to governance, due diligence and responsibilities to stakeholders, such as service users or consumers.

People in non-government organisations (NGOs) often confront situations that require sound ethical decision making. Boards have a general responsibility to develop 'ethical intelligence' (i.e. manage difficult issues with an ethical dimension) within their organisations. They are required to demonstrate and carry out the values, mission and purpose of the organisation.

Managers and staff are also required to demonstrate ethical intelligence. They can be confronted by a range of issues ranging from the very serious and challenging (for example identification of fraud) to more day to day issues such as recruitment processes and client confidentiality.

Ethical organisations

An ethical organisation can be recognised by its internal culture and its way of working. It has a clear set of values and principles that guide its approach to the way work is done in the organisation. Ethical organisations:

- make decisions and implement policies that consider the potential impact on all stakeholders, seek out the best possible solution and aim to enhance the common good
- work in transparent accountable ways, incorporating their principles in their actions and ensuring their performance can be audited so that others can assess how they operate
- encourage and support diversity of opinion, debate and criticism
- work in the best interests of their clients, designing services to the needs of clients, rather than the needs of the organisation
- Operate with a culture of "fair action" (Cox, 2002)¹.

A model for ethical decision making

For NGOs faced with ethical dilemmas, the following framework² is a useful method for exploring and identifying an appropriate course of action.

¹ Cox, E. 2002 – Based on Presentation

1. Stop and Think

Action: Stop the momentum of events long enough to permit calm analysis. Effective decision making is more likely to occur when the mind is alert and free from pressure.

Questions: Is it an ethical issue, as opposed to a legal or technical decision, complaint or performance issue?
Is this my/our decision?

2. Review

Action: Review the available, relevant information.
Consider both your personal and the organisation's values and assumptions.

Questions: What ethical guidelines are relevant to this situation?
What is the key ethical issue?

3. Make a list of options

Action: List the options and develop actions.

Questions: What are the most important principles?
What are the risk/benefits if these principles are/are not acted upon?

4. Consult

Action: Discuss and review with colleagues, supervisors and other stakeholders.
Compare with similar cases where a reasonable precedent has been established.

5. Choose a course of action

Action: Assess what course of action will produce the most good and the least harm.
Review the options taking into account respect for the rights and dignity of all stakeholders.

Questions: Will I feel the same about this situation if I think about it a little longer?
If this were common knowledge, would I behave differently?
Am I comfortable with this decision?
Would I be happy for this decision to be on the public record and my actions open to public scrutiny?
Would I be happy if my family knew what I had done?
What would happen if everybody did this?
How would I feel if my actions were to impact on my child, partner or parents?
How would I feel if someone did this to me?
How would the proposed course of action impact on my character and the reputation of my organisation?
Have I considered that the ends may not justify the means?

² Based on work by The Ethics Centre, www.ethics.org.au

6. Implement decision

7. Evaluate decision

Questions: Did the decision address the needs and concerns of all stakeholders?

If it happened again, would I do anything differently?

This series of questions can be summarised further into a short worksheet to explore the ethical nature of the issue (see box below).

A practical approach to ethics: an ethical decision making worksheet.

Clearly state the problem/conflict (Is it an ethical, legal or professional problem? If legal, seek legal advice).

Make a list of options and develop actions aimed at solving the problem/conflict.

Evaluate the alternative options and select the course of action that will ideally produce the most good and least harm.

Develop a detailed, step-by-step plan to implement the solution, including an evaluation process considering issues such as the potential affect/impact on stakeholders, was the outcome appropriate? etc.

Actions to develop an ethical NGO

There are a number of other considerations that can support a 'whole of organisation approach' to developing an ethical NGO:

- **Induction:** Board and staff induction procedures should always include a discussion of the ethical principles of the organisation. These are informed by the organisation's values and translate into policies and practices.
- **Codes of Ethics:** These express fundamental principles providing guidance where there is no specific rule in place or matters are unclear. A code of ethics as compared to a code of conduct will tend to:
 - Be more general
 - Contain fewer principles
 - Be expressed in terms of 'ought' (and not 'must')
 - Be directed to all people affected (not just to employees)
 - Provide general guidance in those cases where a code of conduct is silent, ambiguous or unclear.
- **Codes of Conduct:** Whereas a code of ethics sets out fundamental principles (eg respect, honesty, accountability, etc) and provides general guidance in terms of ethical and moral responsibility, a code of conduct clearly outlines expected standards of behaviour. A well drafted code of conduct will be consistent with the primary code of ethics.

It is not uncommon for organisations to combine the two documents and have a single document outlining the expected behaviours (ie conduct) within the organisation's ethical framework.

- **Code of Conduct Committees:** Some NGOs have Code of Conduct Committees whose explicit role is to monitor adherence to the code. This may include reviewing and providing advice on the application of a code and recommending action to promote it.
- **Policies & Procedures:** These are developed around specific behaviours (eg conflict of interest, bullying and harassment, whistle blowing, environment friendly; family friendly, etc) to enable people to raise concerns about policy, practice, confidentially or provide very specific guidance.
- **Auditing:** An organisation can audit their ethical behaviour against ethical standards they have set themselves as part of regular governance and/or performance reviews to:
 - Guard against self interest
 - Ensure services remain user centred
 - Foster ethical, interpersonal behaviour.

Resources

NCOSS Sector Support

- [Templates and Resources](#)
 - [Good Governance](#)
 - [Ethical Frameworks: Codes of ethics and conduct](#)
 - [Roles and Responsibilities of Board Members of NSW Incorporated Associations](#)
 - [The Board and the CEO: Building an effective relationship](#)
 - [Managing Conflicts of Interest](#)
 - [Probity and Governance](#)
 - [Board Delegations](#)
 - [Quality Improvement Standards in Governance and Management](#)
 - [Monitoring the Board's Performance: Adopting Standards](#)
 - [Board Performance Review](#)

The Ethics Centre

- [The Ethics Centre](#)
The Ethics Centre offers a range of services including an ethical counselling service. *Ethi-Call* is available Australia-wide to anyone experiencing concern regarding an ethical dilemma. The service is free, confidential and anonymous: 1800 672 303.

NB: The above websites were accessible on 17 August 2015. If the links do not work search on the title of the document or go directly to the organisation's website.