

2015 Annual Conference

The Fiduciary Institute of Southern Africa

**Ethical behaviour -
an essential requirement for success**



Introduction: speaker

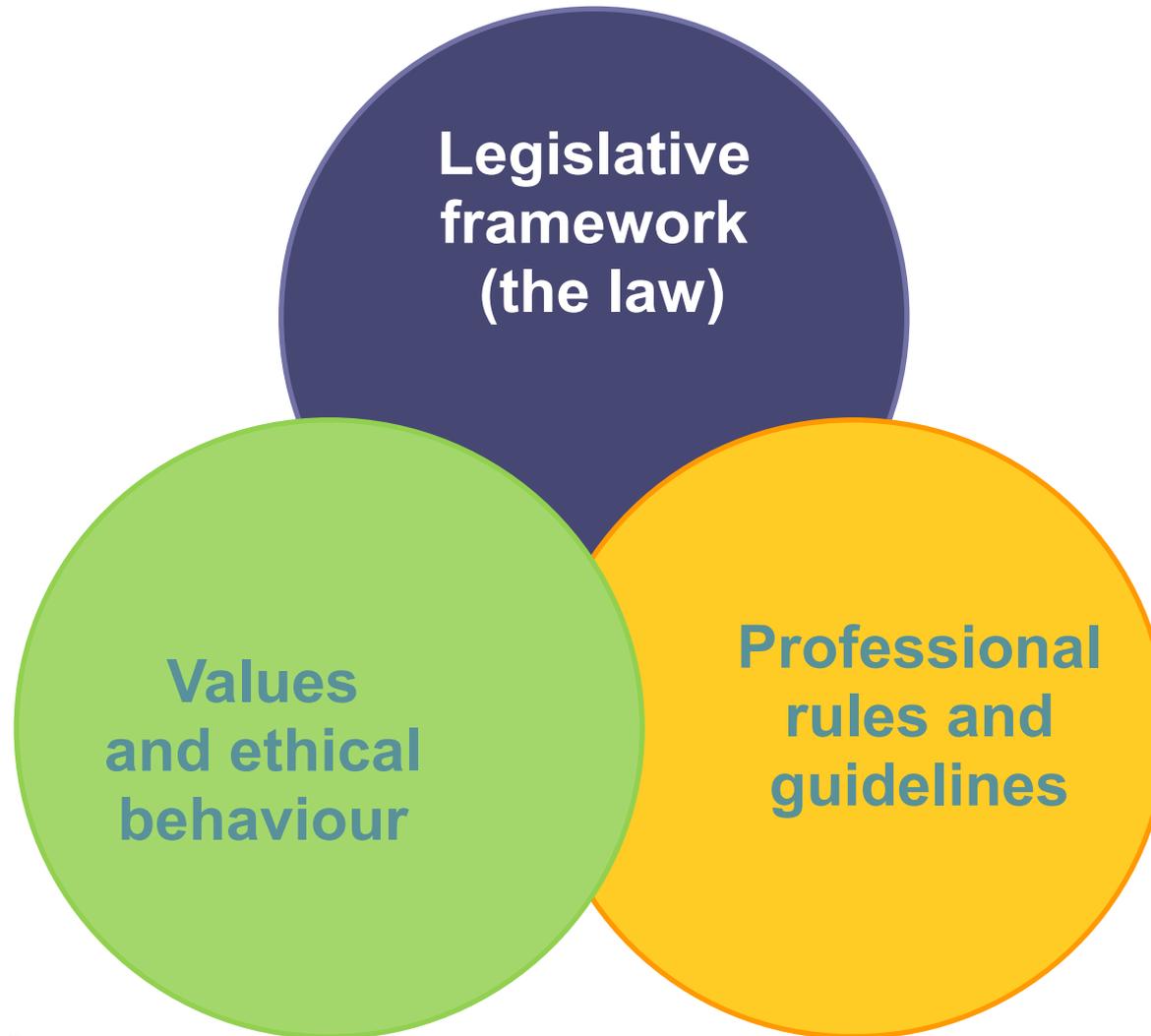
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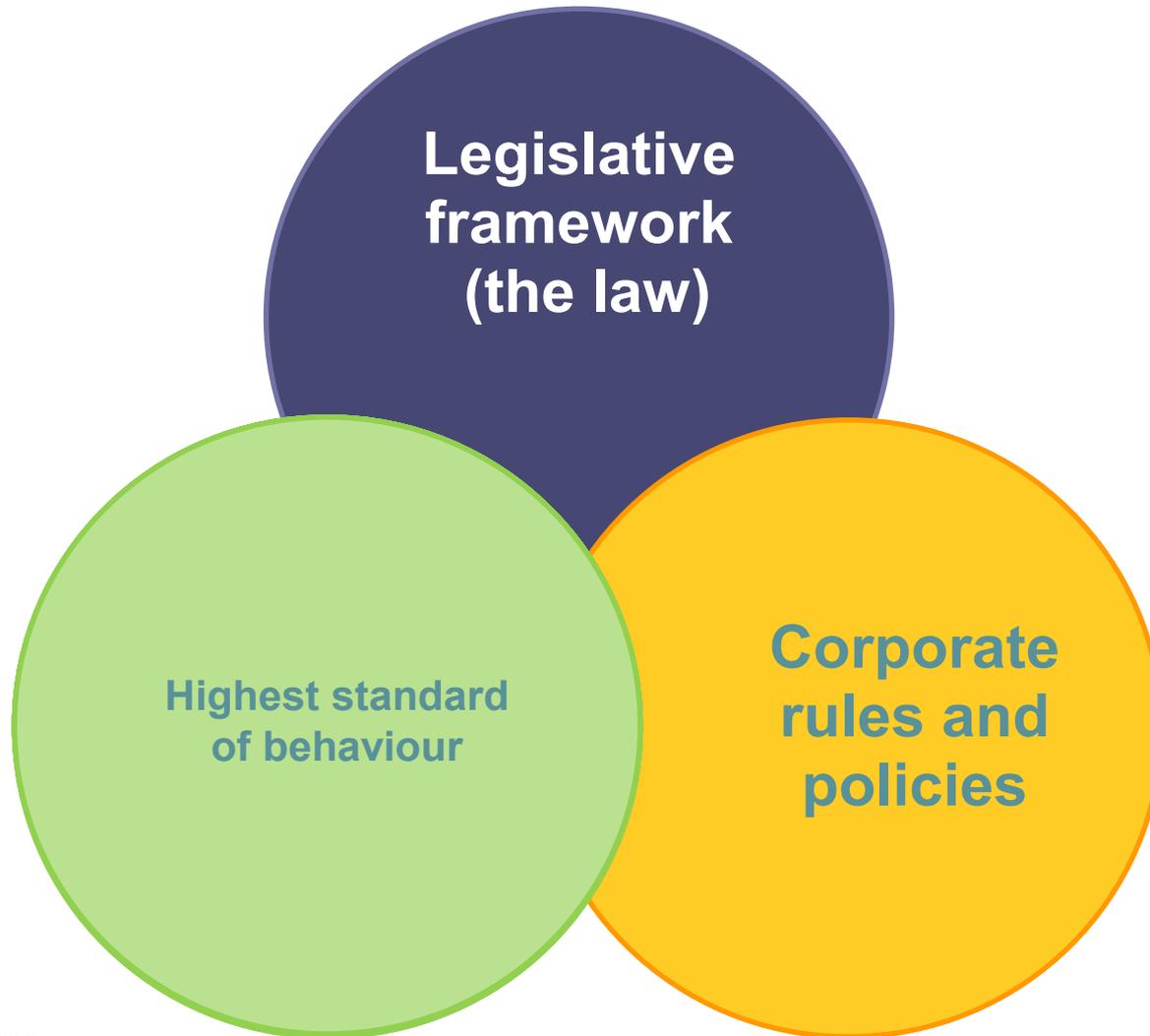
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Three imperatives



Being ethical



Defining ethical standards

- To be ethical is to:
 - do right and not wrong;
 - be fair and not unfair; and
 - do good and not bad.
- But ethical conduct is not only concerned about doing what is right, good and fair, it also includes:
 - being responsible;
 - considering the interests of others; and
 - upholding **formalised** or known **professional standards** in a particular workplace or profession.

Keys to long term success

- In our profession, there are in my view two obligations that are key to being successful at what we do namely:
 - We need to built **trust** and honour/uphold **professional standards**.
- How do we build trust?
 - We build trust when there is congruence between our **words** and our **actions**.
 - Trust is “the residue of promises fulfilled”.
 - Trust is also what we experience when people act according to their **professed** values.
 - Trust requires a certain level of demonstrated **honesty or integrity**.
- Only when our own **integrity** and **motives** are **trusted**, will clients approach us or stay with us.
- We therefore have to be **intellectually honest** in order to earn the trust of others.

Intellectual honesty

- Intellectual honesty requires that a professional demonstrates a high level of care, skill, diligence and good faith (objectivity) in the performance of his/her duties.
- Care means that I am carefully considering all available options and solutions best suited for the client.
- Skill requires me to use all relevant training and experience as well as any necessary skill needed in the circumstances.
- Diligence implies that I am committed to my clients and that I am working as hard as I can. It also means that I am fully informed and prepared in every instance where others rely on my advice or guidance.

Intellectual honesty (2)

- **Good faith** means that I will avoid all conflicts of interest (I am objective and independent in applying my mind), I have been truthful in my communication/explanation/advice and I will serve only the interest of the client who is dependent upon my professional advice/service.
- **I need to have confidence that I:**
 - *did perform my duties to the best of my ability,*
 - *in good faith (objective, independent and truthfully) and,*
 - *with diligence (commitment)*
 - *while I had and did in fact apply the required skills.*

Living up to professional standards

- The Oxford Dictionary defines a professional as: “a person engaged or qualified in a profession.”
- But there is an ethical dimension to professional, namely the manner in which a professional performs his/her duties.
- Let’s discuss a short case study to explain the two dimensions of professional.

Case study “The Power of Professionalism”

Written by
Professor Frank J. Navran, © 2011

The story

- Once upon a time there was a tragic road accident in a small town in Oregon, USA.
- A child was sadly killed while crossing the intersection of a state highway and a country road.
- The grief-stricken and outraged community members demanded that the state legislator urgently approve a bill to fund the instillation of a traffic light at that intersection.
- The assistance of a senior professional engineer, with a PHD, was called in by the Oregon Department of Transportation.
- After conducting a preliminary survey the professional engineer recommended that, in his professional opinion, a traffic light should NOT be placed at that intersection.
- This caused even greater outrage and the engineer was accused of being reckless.

The explanation

- The engineer explained that the problem was caused by sunlight blinding the driver at a certain time of the day, for a brief number of days, twice a year.
- The same blinding light would also prevent drivers from seeing a traffic light. Therefore, it would merely be a placebo, which may even exacerbate the problem by providing a false sense of safety to the children.
- He argued that the reason he was hired was because he has the appropriate qualifications, experience and is bound to professional standards.
- The US Engineering Code of Professional Conduct prohibits professional engineers from knowingly engaging in “bad” engineering. This code holds him to a higher professional standard and gives him legitimacy to insist that the job be done right.
- He therefore recommended that the intersection be reengineered to change the angle of approach.

A professional versus “being” professional

- There are two definitions of “professional”:
 - If one does work for which one is paid, one is regarded as a professional.
 - If one meets a prescribed standard of conduct in the performance of that work, and meets or exceeds expectations regarding how one behaves in the execution of that work, one is being professional.
- This addresses not only the **outcomes** of the work, but also the **manner** in which the work is performed.
- **“Professionalism is the standard we should expect of each other, of those we lead, and of those who lead us.”**

Expected standards

- The standard that we may expect from others at work is that commonly held values, such as honesty, integrity, fairness, respect, compassion, courage and accountability, will be applied to the way in which work is done.
- We may reasonably expect that others will perform their duties to the best of their ability, and in a timely manner, in accordance with best practice and to the highest ethical standards.

Final test for being professional and ethical

- In order to know that I am living up to the highest standard of professionalism and ethical behaviour, I need to act in accordance with three main imperatives namely:
 - comply with all legal requirements;
 - uphold any other relevant rule, code or policy; and
 - be ethical at all times by:
 - acting with **intellectual honesty** by exercising care, skill, diligence and good faith; and
 - going beyond the demands of laws and rules by **doing the right thing** (treating others the way I would like to be treated).
- The result of upholding these imperatives is that you can be regarded as a professional who provides services in a professional way.

What is in it for me?

To be ethical and to uphold professional standards has several long-term benefits namely:

- improved communication and commitment;
- self-confidence and self-esteem;
- group cohesion;
- information and resource sharing;
- a sense of purpose and enthusiasm for success; and
- a better bottom line.



Thank you very much for your attention!

