REVISITING ETHICS FOR THE DESIGN PROFESSIONAL

A LOSS PREVENTION WORKSHOP
FROM THE DESIGN PROFESSIONAL GROUP
OF XL INSURANCE

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Learning Objectives

• Examine the current state of business ethics

• Consider the implications of the current trends on your business

• Review the ethical canons of design professionals

• Discuss complaints and decisions

• Outline the key elements to support an ethical culture
Our Agenda

- Review recent ERC national survey
- Consider the implications for our business
- Review the ethical canons for design professionals
- Review some cases considered by the ethics board of review
- Key elements to set and promote ethical standards
Discussion Question

How would you characterize the “ethics climate” in today’s business environment?
ETHICAL RESEARCH CENTER

National Business Ethics survey
Survey Background

- Over 4,600 respondents
- Private for profit business
- Respondents over 18 years of age & works at least 20 hours a week
- Respondent company employs at least 2 people
Good News and Bad News

- Seeing less misconduct
- Reporting bad behavior new high
- Retaliation against whistleblowers grew
- Pressure to compromise standards has increased
- Companies with weak ethic cultures has increased
Some Context

There are more than **138 million Americans** in the workforce over the age of 18

45% of U.S. workers observed misconduct or **62 million Americans**

65% of those who witnessed wrong doing reported misconduct which comes out to nearly **41 million Americans**

And of those who reported, **22%** said they experienced some kind of retaliation; that's almost **9 million Americans**

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Employee Choosing to Report Misconduct

Yearly Percentage of Employees Reporting Misconduct

- 2000
- 2003
- 2005
- 2007
- 2009
- 2011

Percentage:
- 0%
- 10%
- 20%
- 30%
- 40%
- 50%
- 60%
- 70%
Most Frequent Types of Observed Misconduct

- Time: 35%
- Abusive: 20%
- Lying: 20%
- Co Resources: 20%
- Internet: 15%
Employees Still Doing Right Thing…for Now

Rate of misconduct observed

- 2000: 50%
- 2003: 50%
- 2005: 50%
- 2007: 60%
- 2009: 50%
- 2011: 40%
Misconduct on the Rise

- Environmental violations
- Improper contracts
- Contract violations
- Health safety violations
- Anti-competitive practices
- Sexual harassment
Retaliation on the Rise

- 2007
- 2009
- 2011

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Types of Retaliation

• Exclusion by supervisor
• Cold shoulder by co-workers
• Verbal abuse
• Job loss
Pressure to Compromise

- 2000: 14%
- 2005: 12%
- 2009: 8%
- 2011: 16%
Firm Culture

• Ethics culture declined in 2011

• Tone at the top

• Supervisor reinforcement

• Peer commitment

• Leads to misconduct

• Weakens ability of staff to respond
Active Social Networkers

- 11% of those who engage in social networking are “active”
- Spend 30% of the workday on social networking activities
- Predominantly male
- 18 to 44 years old
- Managers
- At the company 3-5 years
Active Social Networkers

- Blog or tweet negatively about company or colleagues 42% vs. 6%
- Do less work to compensate for cuts in benefits or pay 51% vs. 10%
- Keep a copy of confidential work for your next job 50% vs. 15%
- Take a copy of work software home for personal computer usage 46% vs. 7%
Generational Differences

- More likely to observe misconduct
- Less likely to report misconduct
- Value privacy less than other ages
- Less favorable impressions of ethics culture
Summary of Key Measures

• Observed misconduct is down
• Reporting of misconduct is up
• Pressure to compromise is up
• Retaliation for those that report is up
• Weakened cultures
• Impact of social networkers
A Call to Action

- How does your culture support ethical behavior?
- Are your leaders “setting the example”
- Are you prepared to respond to misconduct?
- Misconduct on the rise
- What about your clients?
- Sub-consultants?
ETHICAL CANNONS FOR DESIGN PROFESSIONALS
Ethical Canons of Design Professionals

- Promote public safety, health and welfare
- Be competent in professional services
- Use objectivity/truthfulness in public statements
- Act as trusted advisor to clients/employer
- Refrain from improper/deceptive/fraudulent acts
- Support environment/sustainability (AIA)
- Foster professional development of self & staff (ASCE)
- Enhance the reputation/usefulness of the profession (NPSE)
CASES REVIEWED BY THE BOARD OF ETHICAL REVIEW
About the BER

• Panel of engineering ethics experts that has served as the profession's guide through ethical dilemmas

• Seven licensed members who are appointed by the NSPE president

• The purpose of the BER is to render impartial opinions pertaining to the interpretation of the NSPE Code of Ethics, develop materials, and conduct studies relating to ethics of the engineering profession
Engineer’s Noncompliance with Licensure

- U.S. engineer reviews plans prepared & sealed by Canadian engineer

- Plans meet requirements, **but** not signed or sealed by engineer licensed in that state

- Engineer learns Canadian firm not registered in said state and has been working in the state for several years without registration

- The Canadian engineer are all properly licensed in their locale

- U.S. engineer advises state engineering board

- Complaint filed by Canadian engineer
Question Before the BER

• Was it ethical for the U.S. engineer to advise the state licensing board in writing of the unlicensed practice of the Canadian firm?
Applicable Rules

• Shall conduct themselves honorably, responsibly, lawfully to enhance the profession

• Not aid or abet unlawful practice

• Engineers having knowledge of any alleged violation of this code shall report violation to appropriate bodies

• Not injure the practice of other engineers
• U.S. engineer had a ethical obligation to take action
• Should have considered advising the Canadian firm
• Allow self reporting and correction
Employment Arrangement Between Firms

• Engineering firm buys a division of another firm

• The owner of the firm selling the division asks the buyer not to hire any staff from his firm in the future as part of the deal

• The owner of the firm buying the division agrees to the provision in the sales contract
Questions Before the BER

• Was it ethical for the seller to include this prohibition in the sales agreement?

• Was it ethical for the buyer to agree not to hire employees of the seller in the future?
Applicable Rules

• Ethical and lawful conduct

• Engineers may advertise for recruitment of staff

• Shall not injure reputation, practice or employment of engineers
• It was unethical for the seller to stipulate that provision in the sales contract

• It was unethical for the buyer to agree to a provision not to hire staff from the seller’s firm
Reviewing Another’s Work & Performing Services for the Client

• Part time town engineer, also has private engineering practice

• With his advice and agreement the city hires another engineer for road project

• After some preliminary design, town engineer becomes convinced the engineer’s performance does not meet standards as outlined in the contract with the town and is terminated

• Town engineer offers and city agree for the town engineer’s firm to complete the design work
Question Before the BER

- Was it ethical for town engineer to contact and advise the town council that performance of the engineer did not meet the standards as outlined in the contract with the town?

- Was it ethical for town engineer to offer and agree to perform the road design work the town?
Applicable Rules

• Nine rules contemplated in this decision

• Engineers in government are entitled to review the work of other engineers when required by their employment duties

• Engineers in public service shall not participate in decisions with respect to services provided by them or their organizations

• Shall not accept contract from governmental body in which the principal or officer serves

• Shall advise clients when they believe the project will not be successful
• It is ethical for town engineer advise the town the engineer’s performance on the contract did not meet the standards as outlined in the contract with the town.

• It would not be ethical for him to offer and agree to perform the work for the town.
Communication in an Appropriate Manner

- Engineer strongly disagrees with the view of an author who wrote about a local construction project
- Engineer responds with a lengthy online response
- The response contains course, abusive and obscene language
- Engineer includes his name and P.E. designation
Question Before the BER

• Was it ethical for the engineer to include his P.E. designation in his posted response?
Applicable Rules

- Conduct honorably, ethically, lawfully…enhance the profession
- Perform services only in those areas of their competence
- Extend public knowledge and appreciation of engineering and its achievements
• It was unethical for the engineer to post a response to the online blog using coarse, abusive, and obscene language regardless of whether or not he included his name or P.E. designation.
SETTING AND PROMOTING ETHICAL STANDARDS
Key Elements for Your Firm’s Ethics Program

- Written standards use and know your Code
- Training on code and company standards
- Mechanism for seeking ethics related advice
- Provision for reporting misconduct
- Ethical conduct part of the employee performance process
- Discipline those who violate the standards
Tying It All Together

• This is not easy

• Trends are signaling potential challenges

• Make ethics a staple on your training agenda

• Leverage your association resources
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