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# The ethical dimension of project management

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**Abstract**

As project management evolves it is faced with all the challenges of an emerging profession with regard to education, standards of practice and certification, and ethical issues. This paper uses a model of the project managers' thinking competencies with a special emphasis on ethical thinking as a reference point to develop an approach to teaching practical ethics to project managers. It is proposed that the project management profession has now matured to the point of being willing and able to discuss and debate ethical issues, set ethical standards and guidelines and educate their members in ethics. Although ethics is a highly philosophical and complex discipline it has valuable practical methods to offer the modern project manager.


*Keywords:* Education; Ethical dilemmas; Ethics; Project management; Vignettes

## 1. Introduction

A new master's program in project management (MPM) within the Faculty of Engineering at the University of Iceland has three distinct, yet interrelated ways of thinking as the conceptual framework for its curriculum (Fig. 1). These are creative thinking, logical thinking and ethical thinking [1]. While the ability to think creatively and logically has long been recognized as essential to the successful project manager the ethical dimension has not yet been given much attention in the literature.

In this paper, it is proposed that knowledge of and proficiency in thinking about and debating ethical issues is just as important to the modern project manager as are the abilities to think creatively and logically when planning, executing and completing projects. In addition, it is suggested that the core skills area where creativity, logical thinking, and ethical awareness meet and interrelate is the foundation of outstanding project management abilities.

The assumption is that the modern day well educated and responsible project manager must possess the knowledge and skills to be able to discern and debate ethical issues. The question raised is which teaching methods might prove useful to help incorporate the skills of ethical thinking and debating into the project manager's toolbox.

A comprehensive review of the literature is followed by an action oriented approach where project management assignments of 32 MPM students were investigated before, during and after an intensive course in ethics and leadership.

Ethics can be defined as "the systematic attempt to make sense of individual, group, organizational, professional, social, market and global moral experience in such a way as to determine the desirable, prioritized ends that are worth pursuing, the right rules and obligations that ought to govern human conduct, the virtuous intentions and character traits that deserve development in life, and to act accordingly" [2, p. 42] .

This comprehensive and inclusive definition is both practical and descriptive. Project management is in itself a fairly straightforward process with few mysterious surprises. It is the context of today's projects that brings complexity into the equation. The context includes the objectives of the project, the stakeholders, the risks, the deliverables, and the effect of the project on people,

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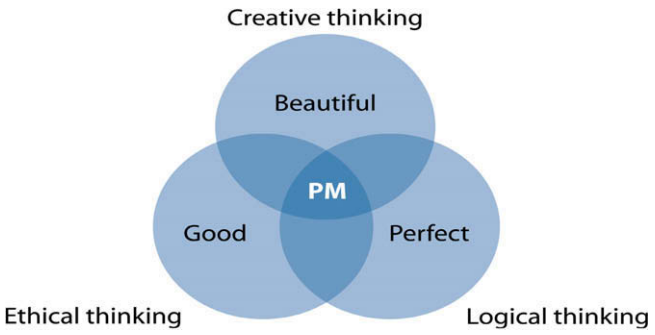


Fig. 1. The project managers' thinking competencies.

organizations, environment, politics, power, warfare, equality, freedom and prosperity.

It is suggested here that project managers should be taught to think and debate ethically and that project owners should hire project managers that along with all the important tools of project management, have the ability to explain their ethical standpoint as well as manage the ethics of a situation.

The hypothesis proposed in this paper is that teaching project managers in a very succinct manner to think about the ethics of projects will result in a marked change in the way they view project selection, purpose, risks, stakeholders, goals and outcomes.

## 2. Ethics and project management

The focus of the project management literature has traditionally been to identify and search for new and better methods for fulfilling the three primary objectives of project management; to meet specified performance within cost and on time [3]. Even though the focus remains strongly on those particular issues there is a definite evolution in terms of what is considered important for project management and which the competencies of project managers are. While earlier textbooks on project management hardly mentioned the role of leadership [4,5] newer books focus increasingly on the importance of being able to skillfully manage people and in recent years, texts have begun to broach ethical issues and considerations in the context of project management [3,6–8].

The guide to the Project Management Body of Knowledge (PMBoK) [9] does not mention ethics in relation to any competence field of project management but the American based Project Management Institute responsible for PMBoK has had a code of ethics for more than 15 years [10]. Although such codes address general professional and personal conduct in the broader context of projects, clients, project teams and the public, they do not provide a forum for addressing specific kinds of situations encountered by project managers. This is where ethics training becomes relevant.

The new IPMA Competence Baseline defines three interrelated areas of project management competencies; contextual, technical and behavioral. Ethics is one of the behavioral competencies, although it is only very briefly and generally discussed [11]. The National Competence Baseline for Scandinavia also defines three interrelated competencies; experience applications, method applications and leadership behavior [12]. The NCB does not address ethics as such, but it does provide a self-assessment form for assessing personal integrity. The latest edition of the UK project management body of knowledge (APM BoK) focuses on ethics in project management as a concept embracing the conduct and moral principles recognised as appropriate within the project management profession [13].

Project management stands firmly with its roots in engineering. The discussion of the importance of teaching ethics is more advanced in engineering than it is in project management [14–18]. According to Xiajoin [19], one of the reasons for this may be that project management, being a much younger profession than engineering, has not quite reached the maturity to be ready to form a consensus on or formally begin debating the ethical issues specific to project management.

Some interesting attempts towards this end have actually been made in recent years. One paper argues that each project's life cycle stage demands that the project team display specific virtues (intellectual, social, emotional, moral and political) that are appropriate for the typical activities and closure documents of that particular stage (conceptual planning, process organizing, implementing/controlling, and evaluating/system improving) [20]. The model proposed in this paper presents a fresh point of view and warrants further study.

The total ethical-risk analysis method (TERA method), introduced by Nicolo [21] with special regard to multimedia, is another interesting approach that seeks to quantify the ethical risks inherent in such projects by taking into account sources of ethical risks for project users, potential harms to them, negative feedbacks from users and subsequent risks for project development.

Gorman et al. [22] described an engineering graduate option in Systems Engineering that was designed to overcome some of the specialization issues by building a link between ethical and technical training. The students produced case studies that emphasize ethical issues in the design process. The authors highly recommend this approach to integrating ethics and engineering and thereby fulfilling engineering's goal to make the world a better place.

Loo [23] combined the use of Reidenbach's and Robin's [24] multidimensional ethics scale developed for business ethics and the use of vignettes or ethical dilemmas to stimulate students' discussions about ethical issues in project management. The ethics scale taps into five major normative theories of ethics (justice, relativist, egoism, utilitarianism and deontology) thus making the basic point that there is no single "right" approach to ethical decision making. Loo [25] recommends that trainers and managers consider the use of brief vignettes to promote ethical awareness and ethical decision making skills, and that additional vignettes should be developed.

## 3. Ethics theories

For purposes of clarity, ethics can be viewed as having four components [26]. Firstly, it is value oriented and primarily concerned with what is most important in life. Secondly, there is the study of virtues and vices and how one chooses to live his or her life. Thirdly, there are specific rules that dictate the right or the wrong conduct, and the fourth component consists of autonomy, rights and obligations.

In an attempt to generate a common basis for looking at and understanding the core message of the classical ethics theories they are introduced here as representing the four components as well as in the context of outcome and process [27].

### 3.1. Outcome oriented ethics theories

The outcome oriented ethics theories predict that the outcome or the goal of one's actions dictate its integrity or rightfulness. Two of the best known outcome oriented theories are virtue ethics and utilitarianism.

At the core of virtue ethics theory lies the question of what constitutes a good person. Aristotle, Socrates and Plato all struggled with this question, trying to define the virtues that make up a truly good man. With the passing of time this approach was forgotten and people began to ask what is the right thing to do instead of what makes a good man. Lately, ethicists have revisited Aristotle's ideas of the virtues necessary to lead a good and successful life [27]. He considered virtue to be an attribute that is regularly demonstrated and lived out. A person cannot be said to possess the virtue of truthfulness if he or she only occasionally tells the truth. According to Aristotle, virtue is the average of two extremes [27]. Courage is the average between foolhardiness and cowardice while politeness is the virtue between diffidence and boldness. There are many virtues but among those most often discussed and analyzed in this context are courage, generosity, honesty, loyalty and politeness. According to virtue ethics the goal or outcome is a happy, successful life.

Utilitarianism is another outcome oriented theory of ethics. It originated in the writings of philosopher David Hume (1711–1776) but was further developed by Jeremy Bentham and John Stuart Mill [27]. At this time the world was in uproar, modern democracies were in the making, the French revolution took place and the United States of America with its revolutionary constitution was being established. Concurrently, the industrial revolution caused societies to reorganize themselves. It is not surprising that this era called for new ways of thinking about morality and ethics. Bentham rejected the earlier view that ethics was about making God happy and just following general rules. He maintained that morality is about creating as much happiness in the world as is possible. In his mind there is only one ethical principle, utilitarianism, which dictates that we should always choose our actions based on what is best for as many people as possible. If the outcome of your action is more happiness for more people, that is what you do [27,28]. John Stuart Mill, one of Bentham's disciples, in his book Utilitarianism, which was published in 1861, defined happiness and a desirable life to be one as free of pain as possible and as rich of pleasure as possible [27].

### 3.2. Process oriented ethics theories

The process oriented ethics theories maintain that the process used to arrive at an action/decision predicts its rightfulness or integrity.

Immanuel Kant, author and founder of modern duty ethics (deontological ethics) categorically rejected the notion that the rightfulness of actions can be determined by their consequences in certain situations [29]. Kant thought that human beings occupy a special place in creation and that morality can be summed up in one, ultimate commandment of reason, or imperative, from which all duties and obligations derive. An imperative is any proposition that declares a certain action (or inaction) to be necessary. A categorical imperative would denote an absolute, unconditional requirement that exerts its authority in all circumstances, both required and justified as an end in itself. It is best known in its first formulation: Act only according to that maxim whereby you can at the same time will that it should become a universal law [29].

The second type of process oriented ethics theories is Thomas Hobbes' natural rights theory which gave rise to social contract theory. Hobbes argued that it is human nature to love one's self best and seek one's own good. Since it is unavoidable for human beings to follow their nature, it becomes a right to do so. According to Hobbes, to deny this right is to deny that we have a right to be human, which would be absurd. Therefore, we have no obligations by birth or nature, but only unlimited rights – leading to a situation known as the war of all against all, in which human beings have to kill, steal and enslave others to stay alive. Not surprisingly, Hobbes reasoned that this world of chaos created by unlimited rights was highly undesirable, causing human life to be solitary, poor, nasty, brutish, and short. As such, if humans wish to live peacefully they must give up most of their natural rights and create moral obligations to establish political and civil society [27].

## 4. Method

The method applied in this case is an action research oriented approach. It has been argued that like experimental research in general, action research is more of an approach or strategy than a specific methodology [30]. The characteristics of action research are that it centers on addressing practical issues or problems; it is participative by nature; it involves a feedback loop where changes and improvements are implemented and evaluated; it is cooperative and is aimed at helping individuals develop as better managers, or as in this case, project managers. In this case the method was applied very inductively, i.e. it provided a

structure for several interventions that were administered simultaneously over a very short period in time. The interventions were linked and they had a common aim.

The most important practical issue was to design ways to increase project managers' critical and moral thinking skills, teach them to formulate arguments, detect errors or wrong counsel, and to defend their viewpoints and arguments with ease. Another important issue was to provide the group with a base of theoretical knowledge of moral theories and demonstrate how these theories apply to decision-making in project management.

### 4.1. Participants

The participants consisted of a group of 32 adult students in their first year in a two year graduate program in project management. Their major commonality as a group was to be enrolled in a new and progressive program where the technical aspects of project management, such as detailed planning, risk analysis, financing and portfolio management are taught in conjunction with leadership, group dynamics, conflict resolution and negotiation methods.

Throughout the second semester the students work in small groups on real projects that they choose in consultation with the course instructors, and are responsible for planning, managing, controlling, executing and evaluating. They are expected to use theories and tools of best practices in project management as well as applying their knowledge and skills in leadership and communication.

The intervention was administered approximately midterm when the project plans had been developed and were well into the execution phase.

### 4.2. Discussing and debating

The students discussed the four theories in small groups, taking turns role playing and representing the theories and debating ethical dilemmas or vignettes from different perspectives, not always leading to the same outcome. They constructed sentences representing the four theories, aimed at capturing the essence of each and its meaning for project management (Table 1).

According to Loo the use of vignettes combined with Reidenbach and Robin's [24] 30 item scale, based on five normative ethics theories, "is a useful pedagogical instrument in stimulating heated group discussions about ethics in project management" [23, p. 493]. Although a different approach to introducing the ethics theories was used the impression is the same. The class quickly caught on and demonstrated how the different theories can be used to debate and argue cases.

### 4.3. Assignments

The main course assignment was to go back to the original project plans which contained detailed accounts of how and why the project was selected, the scope, deliverables, objectives, risk analysis, stakeholder analysis, mode of execution, overall management, timeline, budget, and the teams' proposed communication rules. The assignment was to dissect the plans, so to speak, armed with the ethical theories, the representative sentences, the class discussions and relevant readings. These self-analysis reports were compared to the original project plans for verification, their findings summarized and compared across teams. The findings presented here are a summary of the conclusions made by the teams.

In addition to the major assignment, each team was also asked to present an idea for a vignette or an ethical dilemma based on their projects.

Table 1
Four theories of ethics in one sentence

| | |
|---|---|
| Outcome oriented | *Virtue ethics*: Always act in such a way that you as a project manager will be happy with yourself, your conduct and the project you are responsible for<br>*Utilitarianism*: Always act in such a way that your actions as a project manager will lead to what is best for as many people as possible |
| Process oriented | *Deontology*: Always act in such a way that your actions as a project manager can become a universal law<br>*Natural rights theory/social contract*: Always act in such a way that your actions as a project manager are in the context of and respectful of others' rights and duties |

## 5. Results

### 5.1. General reflections

When the teams went back to their original plans and looked at their projects from fresh perspectives, some interesting things surfaced. Projects that were originally thought to be noble and beyond criticism by virtue of their good intentions were found to involve unanswered questions and potential risks not previously identified. Several teams used the PMI code of ethics to analyze their projects and found it useful [10]. They analyzed the potential effects their projects could have on the project teams, the project owners, the projects as entities and on society as a whole.

In the context of the theories, some interesting observations were made. The purpose and meaning of the projects were thoroughly looked at and analyzed in terms of virtue, in terms of in whose interest they were being done, whether the style of the project management could in and of itself become a categorical imperative and if rights were being violated and who has obligations to whom. They had no problems justifying the relevance and significance of their projects in terms of virtuous behavior and even from a utilitarian perspective as bringing more happiness to more people. In discussing rights and obligations the deliberations tended to focus mostly on the team members themselves rather than society or the extended stakeholder's group. Although Kant's [29] categorical imperative had been the object of heated debates during class discussions

the teams did not struggle with it in their papers. They all found some elements in their conduct that they would like to become a universal law in project management.

A general conclusion on the results is that the teams were almost surprisingly unafraid to take apart and criticize their own work; both the projects and the project management even though they were working on real projects and that their critique could have possible repercussions.

*5.1.1. Selecting a project*

All six teams discussed how and why they chose to work on their particular project and while some of them found additional arguments in the ethics theories to support their decisions, some found arguments to the contrary. They admitted that they might have disguised selfish motives in virtuous costumes by placing their learning experiences before the general importance of the project for society.

One team decided to suggest that their project owner, a large private company, develop their own ethical code of conduct and ethical rules for their employees. This suggestion was partly based on their discussions and the subsequent stance they developed on the issue of corporate social responsibility. The concept of corporate social responsibility or responsible business practices can be viewed as an outcome oriented construct, similar to virtue ethics or utilitarianism.

*5.1.2. Environmental and outcome analysis*

The teams entered into interesting and honest debates about their own goals as opposed to project goals. The conflicting stakes were mostly with regard to the balance between school work, work life and home life.

A couple of teams realized that in their original plans they had paid no attention to minority groups that might be negatively affected by the project nor had they realized that their project would only benefit native speakers and not the growing immigrant population in Iceland.

When the teams looked again at their stakeholders' analysis they realized that the basis for it had been rather limited. They suggested that in analyzing the deeper motives, political connections and long-term stakes they might have approached the stakeholders differently, thus minimizing the risk of alienating, misunderstanding or even ignoring them.

Risk analysis may have been the one part of the project plan that benefited the most from the ethical scrutiny. New risks were identified; ethical risks, both potential and actual were dealt with mostly by identifying them, verbalizing their meaning and realizing their potential effects on the project and its image as well as on the project team members as responsible, ethically aware professionals.

*5.1.3. Project management*

Several teams identified a potential risk of communication breakdown and subsequent misunderstanding and mistakes in project execution because of too little contact with the steering committees and/or project owners. They also identified this as a potential cause of dwindling enthusiasm in some cases. Two teams in particular realized that they had put too much responsibility on their project managers and as a result were left with a feeling of discontent and lack of enthusiasm. They did not seem to be struggling with any difficulties relating to the technical aspects of managing their projects; all the issues had to do with themselves as the people on the project.

*5.1.4. Code of conduct*

All six teams wrote rules of communication or some type of ethical code into their project plans. Almost all of these rules or statements were based on virtues such as honesty, punctuality, trust, accountability, respect, enthusiasm and courage. Most of these were noble but fairly impractical statements. They did not address how the team would, should or could handle a situation where a team member disregarded or broke the rules. One team made a very interesting autocratic rule which basically stated that in the case of conflict within the team the project manager only needed one member's support to make a final decision. There were no other rules and the team eventually decided to abandon it on grounds of it being unethical and unfair.

## 6. Discussion and recommendations

Mature, experienced students of project management are open to and enthusiastic about increasing their competence in project management by studying ethics and discussing and debating ethical issues. Using group discussions as suggested by Loo [23] and having the groups design their own vignettes or ethical dilemmas [22] is an excellent way of imparting complex but hugely important information succinctly in a short period of time. There is no recipe as to how the subject of ethics should be approached or introduced; the important issue is to do it. Ethics is a part of how every person defines him- or herself. Everyone wants to be a good person and to do the right thing. What the right thing is can quickly become obscure and twisted in today's complicated race for profits, power and projects.

Several recommendations emerge from this paper. They are all linked in the sense that the concept of ethical project management needs all the following to become an intricate part of the overall process.

1. Teaching students to analyze their own work from an ethical perspective by providing them with a conceptual framework such as the one presented in Table 1, is an effective, valuable hands-on-experience that students enjoy and find both helpful and enlightening. It is not of major importance which theories or how many are introduced. The main point is that the theories used present different ways to contemplate what the right thing to do is and that they can serve as a guide in rational, enlightened discussions that are not governed by emotions and value clashes.

2. Professional project management associations should develop ethical codes and guidelines for their members and provide educational opportunities for them to gain understanding of and to adhere to these codes.
3. Academic programmes need to incorporate ethical training and design innovative ways to add ethical competence to the project managers' toolbox.
4. Public and private organizations and businesses need to take a good look at their social responsibilities in the context of how they manage their projects and who they choose to run them.

## 7. Conclusion

The method described in this paper can be viewed as an experiment in giving the ethical dimension in the conceptual framework of creative, logical and ethical thinking a ground to stand on, place of its own. The hypothesis tackled in the paper is that teaching project managers in a very succint manner to think about the ethics of projects will result in a marked change in the way they view project selection, purpose, risks, stakeholders, goals and outcomes. The findings indicate that it seems to be the case.

In terms of strengths and weaknesses it must be acknowledged that this is not a rigorous scientific experiment; it is more of an inductive approach to begin to describe a good way of giving practical, academic ethical training to project managers. Future research possibilities in the fields of quantitative and qualitative research are numerous. One of the most interesting and urgent in this author's opinion is the development of ethical risk assessment tools for different types of projects.

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