We empower ethical leaders.
Presentation Overview

• Why Good People Do Bad Things
• Ethics Case Discussions
• Ethical Decision-Making Model
Why Do Good People Do Bad Things?
“We don’t go running away from our values...we go drifting away. And one day, we wake up in a place we never meant to be...drifting in a direction we never would have chosen.”

John Blumberg
Reputation

“It takes 20 years to build a reputation and 5 minutes to ruin it.
If you think about that, you’ll do things differently.”

- Warren Buffet
Does your risk of getting caught factor in to your decision to be ethical or unethical?
How Fast Will You Drive?
Does It Matter When or Where You Speed?

- School Zones
- Neighborhoods
- Areas with Speeding Complaints
- At the End of the Month (Ticket Quotas/Station Averages)
Speeding Tickets in Wichita

• 172K tickets issued from 2005-2010

• 98% issued for going 7+ mph over limit

• 83% issued for going 9-15 mph over limit

• 74 tickets issued for going less than 5 mph over limit
Ethical Diversity
Ethical Issue Intensity

(Is this a big deal to you?)
How Can Cognitive Bias Impact Your Decisions?
The Decoy Effect
Do you know your ethical blind spots?
Comparing Your “Selves”

**Should-self**
- Other-Centered Thinking
- Long-term benefit
- Healthy Food
- Save/Invest for Later
- Exercise at the Gym

**Want-self**
- Me-Centered Thinking
- Instant benefit
- Unhealthy Food
- Spend Now
- Relax on the Couch
Ethical Fading and Moral Disengagement

People disregard the ethical consequences of their actions when motivations shift.
**Battle Between Want vs Should**

**Prediction**
What you believe you should and will do

**Recollection**
Revise your memory to believe you acted ethically

**Decision Time**
Downplay the impact of bad behavior in the moment so you can do what you want to do

*This image is a modified version of Figure 5 from the Blind Spots book, referenced on a previous slide.*
New Year, New Me!

Prediction

Should
Want

Decision Time

Recollection
Tomato Sauce = Veggie
+ Cheese = Dairy
+ Meat = Protein
+ Crust = Grain
Pizza isn’t bad for you

Ethical Decision-Making
Motivation at the point of *prediction* is different than motivation at the point of *action*

*Negotiation Behavior Study mentioned on page 69 of Blind Spots (Bazerman & Tenbrunsel).*
Sheriff’s Dilemma

Todd Entrekin, Etowah County Sheriff

Ethical Decision-Making
$750K Left Over from Budget to Feed Jail Inmates
Sheriff Entrekin used it to buy a $740K Home!
Did the Sheriff Do Anything Wrong?

• If so, what was wrong with his actions and why do you consider it to be wrong?

• If not, why do you think his actions were justified?
Wait...this is Legal!

• Sheriff can take left over money, but if the jail food account runs out of money, he is personably liable for covering the gap.

• Entrekin also inherited a $150K debt when he began serving.
Quick Survey
Which system is best for America?

A. Capitalism  
B. Communism  
C. Socialism
How Much Should the EpiPen Cost?
Everything is On the Income Statement

(Case Discussion)
The Case of the Financial Analyst
## Cost Benefit Analysis

<table>
<thead>
<tr>
<th>Option 1: Make Repairs</th>
<th>Cost to Repair Vehicles</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 million cars</td>
<td>$11 per car</td>
<td>$121 million</td>
</tr>
<tr>
<td>1.5 million light trucks</td>
<td>$11 per truck</td>
<td>$17 million</td>
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<td><strong>Total</strong></td>
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<td><strong>$138 million</strong></td>
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## Cost Benefit Analysis

<table>
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<tr>
<th>Option 2: Do NOT Make Repairs</th>
<th>Cost to Pay Lawsuit Settlements</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>180 Burn Deaths</td>
<td>$200K per death</td>
<td>$36 million</td>
</tr>
<tr>
<td>180 Serious Burn Injuries</td>
<td>$67,000 per injury</td>
<td>$12 million</td>
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**Decision Time**
Paying lawsuit settlements instead of fixing cars will save $90 Million.
As the financial analyst who conducted the analysis, what would you do with this information?
Processes for Making Good Decisions
TGS Ethical Decision Tree

Link to Online Decision Tree
http://www.tgs.com/about-tgs/policies/compliance-program/ethical-decision-tree/
NOT SURE?
Contact the legal department for guidance.

Is it legal?
- No
  - The action may have serious consequences.

DO NOT DO IT.

NOT SURE?
Check TGS Policy. Talk to your manager, your human resources representative, or the legal department for guidance.

Does this comply with TGS policy?
- No
  - The action may have serious consequences.

DO NOT DO IT.

NOT SURE?
Talk to your manager, the legal department, or the Corporate Compliance Officer for guidance.

Does this reflect TGS values and culture?
- No
  - The action may have serious consequences.

DO NOT DO IT.
NOT SURE?
Talk to your manager, the legal department, or the Corporate Compliance Officer for guidance.

Could this adversely affect company stakeholders?

Yes
The action may have serious consequences.

No

Could this adversely affect TGS if employees did it?

Yes
The action may have serious consequences.

No

The decision to move forward appears appropriate.
Questions?
Contact Us

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- Phone: 615-564-2129