Two Methods for Raising Ethical Awareness for Community Associations

By Denis Collins

Ethics is similar to breathing and blinking, with a slight twist. We breathe and blink subconsciously, unaware that the average adult on a daily basis takes 18,000 breaths and blinks 15,000 times. Similarly, we are unaware that every decision made during a day has ethical ramifications. Every decision involves motives and results in consequences: were our motives and intentions good or bad, and were the consequences and outcomes good or bad? But unlike breathing and blinking, which are automatic, human beings possess free will and can choose not to behave ethically in a particular situation. Even if the decision-maker believes he or she is being ethical, someone harmed by the action may think otherwise.

Ethics is the set of principles a person uses to determine whether an action is good or bad. Interactions involving homeowners, customers, employees, lenders, service providers, and government officials have an ethical dimension. The most famous ethical principle is the Golden Rule, which states “do to others as you would want done to you.” This entails always being honest, keeping promises, and respecting people and property.

But sometimes this is very hard to do when others involved in a dispute are only looking after their own interests, violating the spirit though not the letter of the law, or blatantly violating the law with the aid of legal counsel.

And sometimes, two well-intentioned parties just disagree about what is right or wrong. For instance, the September 2009 issue of Quorum™, just to take one example, is rich with ethical dilemmas regarding eminent domain, mixed-use developments, disability regulations, safety precautions, environmental concerns, paint chemicals, new development cul de sacs, and suburban sprawl.

In these situations it may be very tempting for a community association member to stoop down to the opponent’s level and fight fire with fire. We tend to rely on our gut reaction, which might be ethically off course. Later a decision-maker might say: “At the time it seemed the right thing to do, but now that I’ve thought about it…” or “I had to decide right away, I had no time to think about it.” In the meantime, the decision-maker or community association’s priceless moral reputation could be ruined.

There are usually many ethical alternatives to difficult decisions available if the decision-maker or decision-making body stops to reflect. Two stopping mechanisms organizations have found helpful are a code of ethics assessment and ethical hazard warning signs.

Creating a Code of ethics

Every community association should have a “Code of Ethics” to provide guidance in decision-making. A code of ethics describes broad ethical aspirations that reinforce a moral consensus, rather than just one person’s opinion, and legitimizes dialogue about ethical issues when challenging situations arise. A code of ethics is typically a few general principles, like the International Rotary’s 4-Way Test, to guide behavior that could fit on a business card.

Rotary International 4-Way Test
1. Is it the TRUTH?
2. Is it FAIR to all concerned?
3. Will it bring GOODWILL and BETTER FRIENDSHIPS?
4. WILL IT BE BENEFICIAL to all concerned?
The general principles embodied in a code of ethics—such as respecting all homeowners, customers, employees, service providers, community members, and the natural environment—represent aspirations. These principles describe the type of people we want to become—someone who treats others as he or she wants to be treated.

If a community association does not already have an ethics code, members might be tempted to copy another organization's code of ethics. After all, how many different ways can one say treat all stakeholders with utmost respect and integrity? But this would be a missed opportunity to encourage community association members to take ownership of the code of ethics. Instead, have members construct the code using the following five-step process:

**Step 1:** Gather list of ethical behaviors from participants. Have each member independently write answers to the following prompts: 1) Describe a situation when you observed a member behave very ethically toward another member, and then do the same for a service provider interaction; and 2) Describe a situation when you behaved very ethically toward another member, and then do the same for a service provider interaction.

By having members independently respond, more people are engaged and more examples generated. Writing down examples focuses participants on one memorable situation. The prompts focus on admirable behaviors members observed or did. This way the community association honors and reinforces already existing ethical behaviors.

**Step 2:** Determine common themes. Form small teams of three or four members to determine the essential elements of ethical behaviors related to other members and service providers. In a round robin format, each group member shares a story about the observed ethical behavior toward another member and service provider. Next, each member shares a story about how she or he has behaved ethically toward another member and service provider. Determine the common themes embedded in these stories about the ethical treatment of members and service providers (e.g., “The common themes in these stories are x and y”).

**Step 3:** Draft a code of ethics. Create a code that emphasizes the common themes discussed during the previous step. The code may be one or two sentences, or several key words, each of which is described so others will understand what the words mean. Keep the language clear and simple.

**Step 4:** Code review. Present the code to legal counsel and the community association board for their approval. Modify as desired.

**Step 5:** Using the code. The last step is probably the most important—use the code as a decision-making and organizational assessment tool. Make the code of ethics a living document by annually assessing how well members and the community association live up to it. When contentious issues arise, verify that the decision is in accordance with the code of ethics. If the code is being violated, then brainstorm alternative actions that would support the code.

In addition, once a year, assess the community association according to each ethical aspiration using a three-point Likert scale, such as rarely, sometimes, or all the time. Independently, and in small groups, determine how well the community association met each aspiration contained in the code—how often did members respect others and their property, how often were promises kept?
Praise the ethical strengths. Then for ethical weaknesses, develop strategies to improve the score.

Ten “Ethical Hazard Approaching” Signs
How can a person know when his or her moral gut intuition or reaction needs to be complemented with rational analysis? Employees in a manufacturing facility with toxic chemicals are visually warned when entering hazardous areas by flashing red lights, loud sirens, and large signs with skulls and crossbones. Unfortunately, warning lights do not flash when employees enter an ethical hazard zone.

Michael Josephson, founder of the Josephson Institute Center for Business Ethics, highlights ten common rationalizations for unethical acts that serve as “ethical hazard approaching” signs. Each of the ten rationalizations contains additional contextual information that someone believes outweighs the initial gut feeling that the action is unethical.

Beware when someone says:
It may seem unethical ... but it is legal and permissible
It may seem unethical ... but it is necessary
It may seem unethical ... but it is just part of the job
It may seem unethical ... but it is all for a good cause
It may seem unethical ... but I am just doing it for you
It may seem unethical ... but I am just fighting fire with fire
It may seem unethical ... but it doesn’t hurt anyone
It may seem unethical ... but everyone else is doing it
It may seem unethical ... but I don’t gain personally
It may seem unethical ... but I’ve got it coming
As told many times by our parents and other moral authorities, “Two wrongs do not make a right.” The following are are reasons why the action remains unethical despite the contextual rationalization. Train community association members to recognize these rationalizations, and help them build alternative ethical responses. In a workshop setting, have members read the list of ten justifications and after each one asks members to share stories about when they heard this rationalization given. Then have members develop a more ethical course of action for the situation.

It is legal and permissible: Ethics and the law are overlapping concepts, not perfect fits. Ethics is the motivation for many laws. But not everything ethical is embodied in a law – there is no law requiring that people be kind to one another. Also, not everything legal is ethical – even though legal in the 18th century, slavery was still unethical. Laws change all the time, often because a very persuasive individual, or group of people, strongly believes that an existing law is unethical.

It is necessary: What is necessary can be achieved through ethical methods. It may just require that the decision-maker perform more analysis, negotiate more, or take more time to obtain the necessary end goal.

It is just part of my job: A decision-maker’s job description needs to be modified if it justifies unethical behaviors. Unethical behaviors sanctioned by a job description can spread to other aspects of the job, generating distrust among those dealing with the organization and ruining its reputation.

It is all for a good cause: This is another example of short-term thinking by a decision-maker that can result in negative long-term consequences. Other people will find out that the organization’s ethics cannot be trusted, particularly when agendas differ,
damaging future relationships and activities.

I am just doing it for you: Prior to acting unethically on anyone’s behalf, the decision-maker should obtain the beneficiary’s permission. Otherwise, the beneficiary’s reputation can be ruined without his or her consent. Most people do not want others to act unethically on their behalf.

I am just fighting fire with fire: Very rarely does an action sequence end with retaliation. The person retaliated against usually retaliates back, creating an endless cycle of retaliations. Each successive retaliation creates more damage to both parties.

It doesn’t hurt anyone: Every unethical act creates harm to someone. Sometimes the harm is self-inflicted and the decision-maker’s reputation is damaged.

Everyone else is doing it: Some decision-makers do justify their actions relative to the behavior of others. It may be difficult not to do something unethical that everyone else seems to be getting away with. But if what everyone else does is unethical, then at some point a regulatory body will take action and your organization may be the test case.

I don’t gain personally: Even if the decision-maker does not personally gain from the unethical act, the person can be held accountable for behaving unethically and ruin his or her own career, and the organization’s reputation, in the process.

I’ve got it coming: Some decision-makers will behave unethically because they believe someone “owes” them something and this is the only way they can get it. This too can generate retaliatory action that makes the decision-maker worse off, not better off. In addition, the decision-maker loses the trust of others.

In conclusion, business ethics researchers report that ethical organizations, compared to their unethical counterparts, are more likely to attract ethical members, service providers, and other key relationships. The more ethical business people behave, the more freedom and liberty government can allow in the economic system. Unethical behavior that reaches a critical level results in litigation, new government regulations and oversight mechanisms. Developing and using a code of ethics, and becoming sensitive to when ethically hazards arise, will help community associations fortify ethical behaviors and trustworthy relationships.

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5 Denis Collins, 2009, Essentials of Business Ethics: Creating an Organization of High Integrity and Superior Performance, Chapter 1, pp. 7-10, (Secaucus, NJ: John Wiley & Sons).