



BYU

MARRIOTT SCHOOL
OF MANAGEMENT

Being an Agent in an Unclear Principal-Agent Relationship, and Other Ethical Dilemmas for Estate Planners: Direction from *The Business Ethics Field Guide*

LDS Philanthropies Conference, 2017

Dr. Bradley R. Agle

George W. Romney Endowed Professor

Chair of the Ethics Initiative

Brigham Young University



Prophetic Vision

“Let the Morality of
the Graduates of this
University Provide
the Music of Hope
for the Inhabitants of
this Planet” **Spencer
W. Kimball, 1975**





"A superb guide to personal and organizational ethics!"
Stephen M. R. Covey, author of *The Speed of Trust*

The Business Ethics **FIELD GUIDE**

The Essential Companion to Leading
Your Career and Your Organization to Greatness



Brad Agle • Aaron Miller • Bill O'Rourke

Foreword by Paul O'Neill, 72nd U.S. Treasury Secretary

Ethicsfieldguide.com



The Business Ethics Field Guide



Brad Agle, PhD
Professor
BYU



Aaron Miller, JD
Assistant Professor
BYU

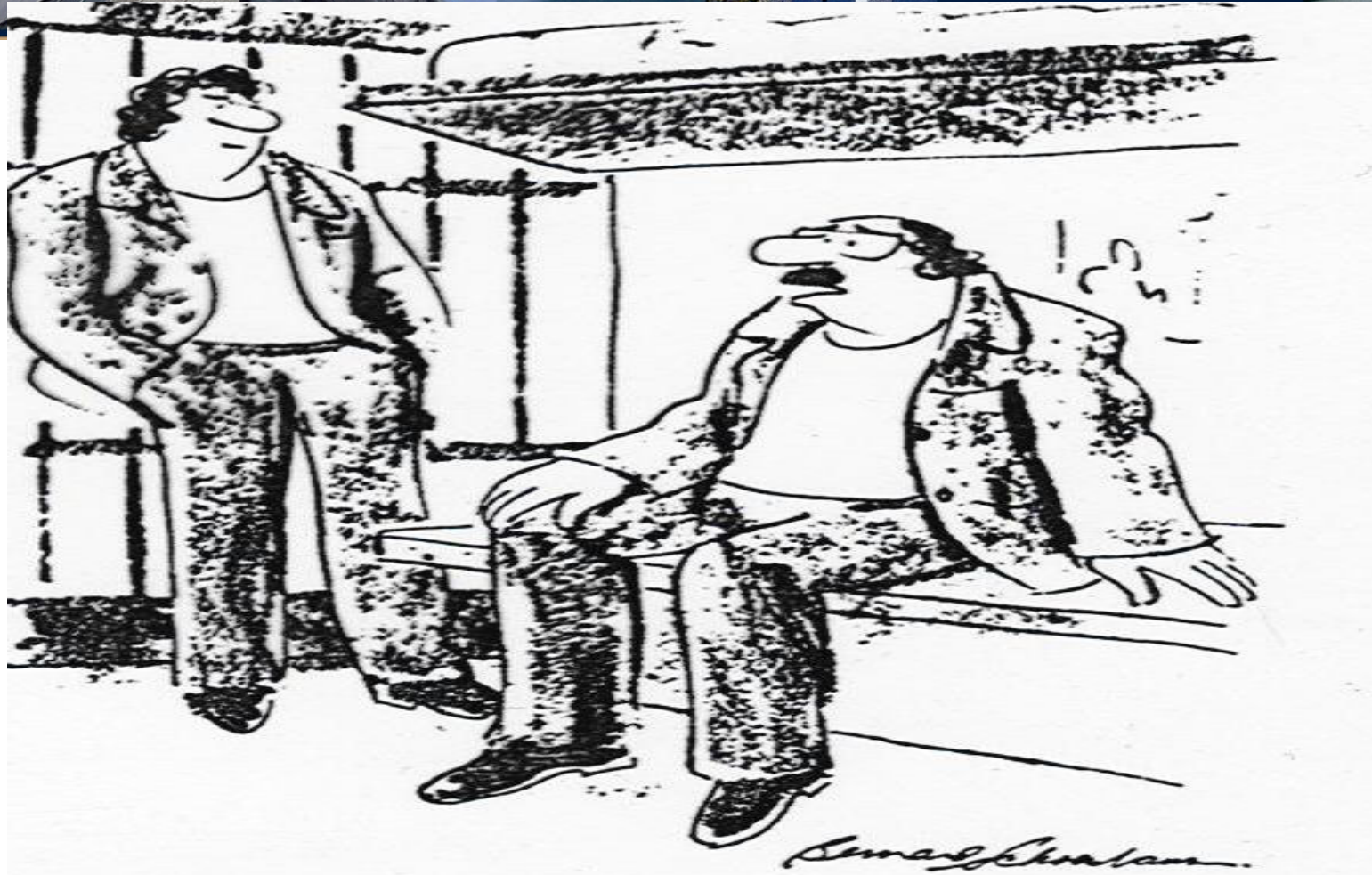


Bill O'Rourke, JD
Former President
Alcoa Russia



“Miss Johnson will now pass out the moral blinders.”

“Miss Johnson will now pass out the moral blinders.”



"All along I thought our level of corruption fell well within community standards."

"All along I thought our level of corruption fell well within community standards"

Pepper . . . and Salt

THE WALL STREET JOURNAL

ACCOUNTING DEPT.



DAVE CARPENTER...

“This is Wylie Watson, Controller and Vice President of Balance Sheet Special Effects.”



Ethics is a Skill Set

- Proper Intentions are Critical
- Proper Intentions are Not Enough
- If you Want to Become Great at Any Endeavor, You Must Put Time and Effort into that Endeavor
- If You Want to be a Great Ethical Leader, Time and Effort are Required



Examples of Ethics Skills

- Recognizing Types of Ethical Issues
- Understanding How to Think Through Different Ethical Issues
- Being Persuasive In Making Ethical Arguments Based on Logic and History
- Recognizing Ways in Which we Rationalize
- Understanding Best Practices in Creating an Ethical Organizational Culture



Field Guide to Beautiful Vistas

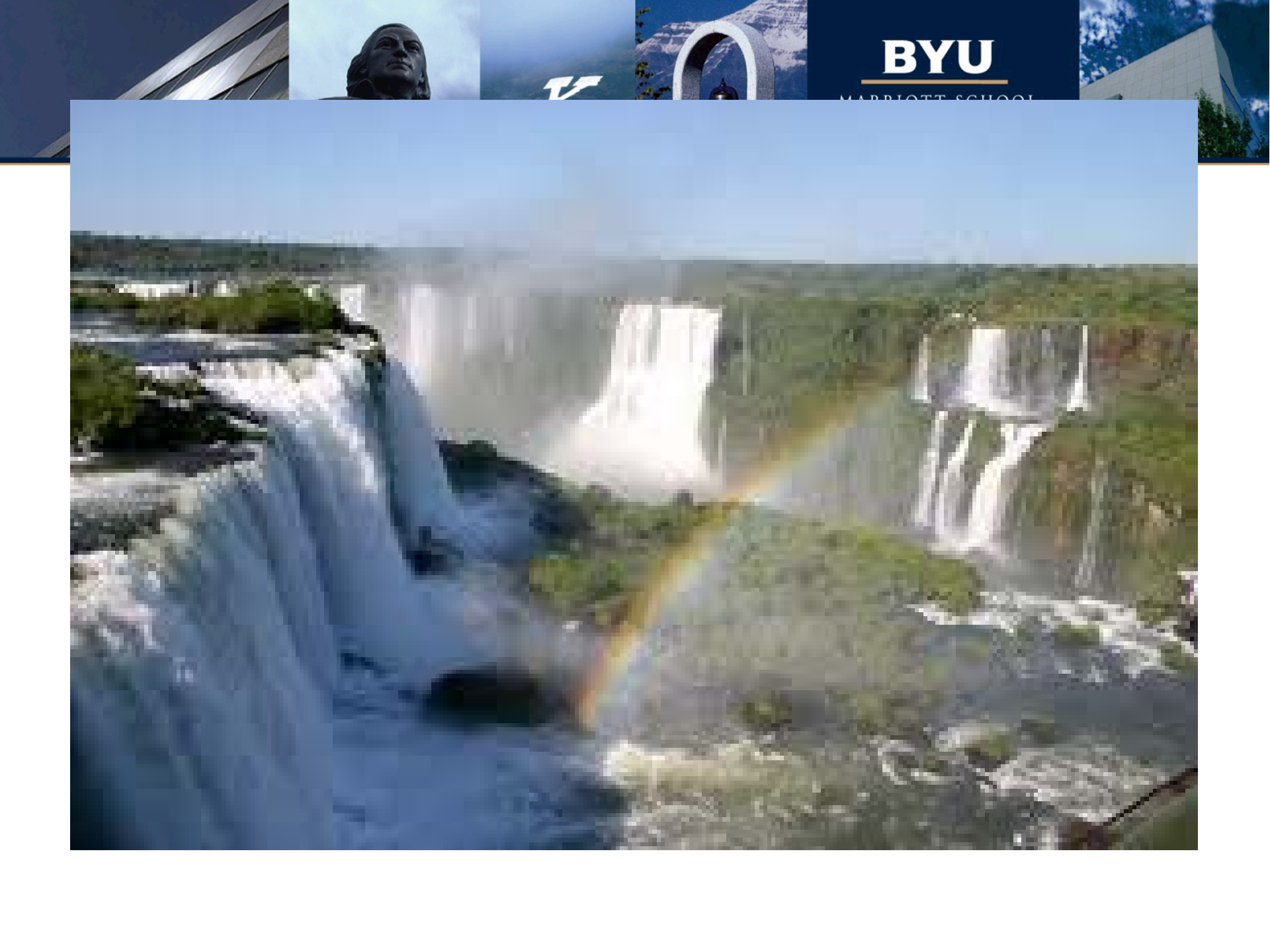




J
SCHOOL
MENT









BYU

MARRIOTT SCHOOL







GOLDEN STATE
BASKETBALL

BYU
MARRIOTT SCHOOL

OS

BYU



ALTITUDE SICKNESS



SYMPTOMS

- NAUSEA
- HEADACHE
- FATIGUE

**TO AVOID ALTITUDE SICKNESS
DRINK PLENTY OF WATER**





BYU
MARRIOTT SCHOOL
OF MANAGEMENT







How to Survive a Bear Attack

MARRIOTT

How to Identify a Grizzly (Brown) Bear	Stay Prepared	Encountering a Grizzly	If Charged
<p>Grizzly (Brown) Bear</p> <p>Head Back Tail</p> <p>100-400 lbs</p> <p>Found in Alaska, Idaho, Canada, and U.S. Pacific Northwest.</p>	<p>1. Grizzly cubs feed openly.</p> <p>2. Grizzly cubs look in the air, make rattling with its stomach, etc.</p> <p>3. Grizzly bears feed on meat. Always pick up all trash, even empty cans.</p>	<p>Make every effort to avoid eye contact with a bear. Be prepared to spray bear spray as a defense of escape if you do. If you are threatened in a suitable, make yourself smaller, avoid eye contact, etc.</p>	<p>Don't run. Lay on ground and play dead. Grizzlies feed on stomach. Walk until released, after bear leaves, get up.</p>

How to Identify a Black Bear	Stay Prepared	Encountering a Black Bear	If Charged
<p>Black Bear</p> <p>Head Back Tail</p> <p>100-400 lbs</p> <p>Black bears often kill their black. They are often seen in wilderness, especially in mountainous areas of North America and West Asia.</p>	<p>Follow the same steps as above. An additional precaution is to add bells to your pack.</p>	<p>Don't run. Stand your ground and make yourself look as big as possible. Grizzlies, walk, run, jump, create a commotion. Never try to climb a tree.</p>	<p>If charged, fight back, also especially the side near an other vulnerable area. Use whatever is available. Use the bear by the feet or eye.</p>

© 2008 University of Utah, All Rights Reserved.



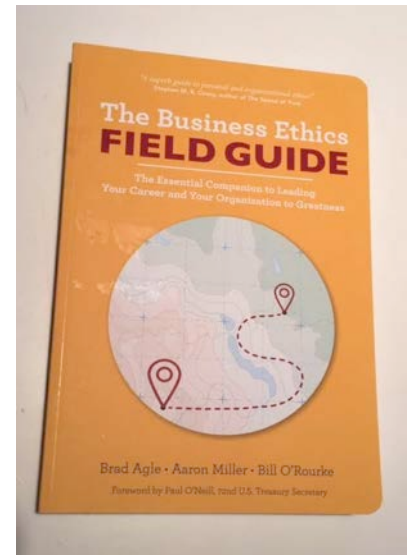
Three Takeaways from Today's Session

- Ethical Issues in Organizational/Business Life are Highly Predictable
- One Can Prepare Him or Herself to Effectively Deal with Ethical Issues
- One Can Differentiate Him or Herself as an Effective Leader through Development of Ethics Skills



The Business Ethics Field Guide

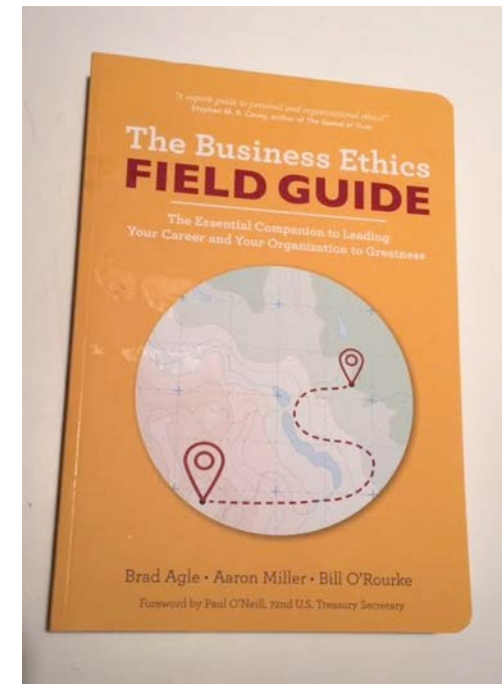
- **Two Major Sections:**
 - **Section II: Ethics 101**
 - General Ethics Tools (Philosophical Perspectives)
 - Dangers (Behavioral Ethics)
 - Being Ethically Proactive
 - **Ethical Leadership**
 - **Section 1: The 13 Ethical Dilemmas**





The Thirteen Categories of Business Ethics Issues

- Standing-up to Power
- Make a Promise – and the World Changes
- Intervention
- Conflicts of Interest
- Suspicions Without Enough Evidence
- Playing Dirty
- Skirting the Rules
- Dissemblance
- Loyalty
- Sacrificing Personal Values
- Unfair Advantage
- Repair
- Showing Mercy





Standing Up To Power





Intervention





Conflicts of Interest

Farcus

by David Waisglass
Gordon Coulthart



**"What conflict of interest?!
I work here in my spare time."**



Suspicious Without Enough Evidence





Personal Values





Unfair Advantage





Repair





Skirting the Rules





Education Break:

Raise your hand if you know the meaning of the word

“Dissemble”

(hint: the word is *not*

“Disassemble”)



“Dissemble”

- 1. To disguise or conceal behind a false appearance. Synonym: disguise. 2. To make a false show of; feign. 3. To disguise or conceal one's real nature, motives, or feelings behind a false appearance.



Make A Promise and the World Changes





Playing Dirty





Dissemblance





Loyalty





Showing Mercy





Receiving Omaha Steaks

- You receive a large package of Omaha steaks packed in dried ice via UPS from *Dow Jones* just before Christmas
- You are the Katz School Liaison with Dow Jones for the *Wall Street Journal (WSJ)*
- You are the person who makes the decision to have the school buy the *WSJ* for all the students and faculty in the school
- You find out that the University has no policy on gifts, and learn that your senior colleague has also received the steaks and plans a barbeque for this friends this weekend



Receiving Omaha Steaks

- **A conflict of interest**
 - Are there any clear rules (organizational or otherwise) you should be following?
 - Would your actions cause others to question your motives?
 - Who has a right to know the details, and have you let them know?
 - Is there a way to remove yourself in particular ways to avoid the conflict of loyalties?
 - Have they done, or could they do, anything to free you from your obligation to them?
 - What should I do now to avoid conflicts in the future?

Reporting Irregularities at the Katz School

- You are the only assistant professor on the Executive Committee of the Katz Graduate School of Business
- Your committee discovers that your dean's office has been fudging data to *Business Week*
- You learn that this is a fairly common industry practice
- Your mentor says publicly that it is ethical to follow the "industry norm"





Visa for Brazil

- You've agreed to speak to a large gathering of MBA students in Brazil for \$4000
- You remember that your passport, along with your Brazilian visa, was stolen when you were in Ghana a few months ago
- In getting a new visa, you can either get a tourist visa (which is what your client tells you to get – says that's the norm in Brazil), or a business visa.
- A business visa requires that you say you will not be paid by a Brazilian organization (that would require a work visa, which is almost impossible to obtain)
- They have already scheduled and publicized your event
- What do you do?





NAEPC Professional Responsibilities

A member of the NAEPC is required to conduct himself/herself at all times in the following manner:

- * To uphold the integrity and honor of the profession and to encourage respect for it. This involves promoting the continual development of the estate planning industry, as well as the member's respective specialization.
- * To be fair. This requires that a professional treat others as he/she would wish to be treated if in the other's position. It also means that a member shall disclose conflicts of interest in providing estate planning services.
- * A member shall continually improve his/her knowledge, skill, and competence throughout his/her working life.



NAEPC Professional Responsibilities

- * To do the utmost to attain a distinguished record of professional service based upon diligence. This means that a professional must act with patience, timeliness, and consistency, and do so in a prompt and thorough manner in the service of others.
- * To support the established institutions and organizations concerned with the integrity of his/her profession.
- * To respect the confidentiality of any information entrusted to, or obtained in the course of, the member's business or professional activities.



NAEPC Professional Responsibilities

- * To regulate himself or herself. That is, every member has a two-fold duty to abide by his/her other applicable professional codes of ethics, and to also facilitate the enforcement of this Code of Professional Responsibility. This also means expeditiously reporting breaches of professional responsibility, including one's own, to the NAEPC. The NAEPC assumes responsibility for diligently investigating each reported breach. Confirmed Breaches will result in discipline by the Association, and can include dismissal for the most egregious offenses.
- * To comply with all laws and regulations, in particular as they relate to professional and business activities.
- * To cooperate with Association members, and other estate planning professionals, to enhance and maintain the estate planning profession's public image, and to work together to improve the quality of services rendered.



CODE OF ETHICS & PROFESSIONAL RESPONSIBILITY

CFP Board adopted the *Code of Ethics* to establish the highest principles and standards. These Principles are general statements expressing the ethical and professional ideals certificant and registrants are expected to display in their professional activities. As such, the Principles are aspirational in character and provide a source of guidance for certificant and registrants. The Principles form the basis of CFP Board's *Rules of Conduct*, *Practice Standards* and *Disciplinary Rules*, and these documents together reflect CFP Board's recognition of certificant and registrants' responsibilities to the public, clients, colleagues and employers.



Principle 1 – Integrity: Provide professional services with integrity. *Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Certificant are placed in positions of trust by clients, and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.*

Principle 2 – Objectivity: Provide professional services objectively. *Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificant should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.*



Principle 3 – Competence: Maintain the knowledge and skill necessary to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness: Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.



Principle 5 – Confidentiality: Protect the confidentiality of all client information.

Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism: Act in a manner that demonstrates exemplary professional conduct.

Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business-related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence: Provide professional services diligently.

Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.



CASES

HONK IF YOU LOVE
JESUS TEXT
WHILE DRIVING IF YOU
WANT TO MEET HIM

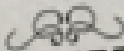
SUN. SCHOOL
10:00 AM

SUN. WORSHIP
11:00 AM & 6:00 PM

WED.
7:00 PM

Pastor Floyd Ingram

TEXT AND DRIVE


WATHAN FUNERAL HOME

Cieslok



Thank you for inviting me – Thoughts and Questions