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Transparency, Accountability, Governance, and Ethics

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2017 BUSINESS
PROFESSIONAL
CONVENTION

SHAPING¹ the FUTURE

SOUTH PACIFIC DIVISION OF THE
SEVENTH-DAY ADVENTIST
CHURCH

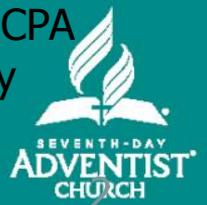


Transparency, Accountability, Governance, and Ethics

Presentation for the SPD
2017 Business Professional Convention
May 16, 2017

SHAPING the
FUTURE

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Definitions

Transparency = Trustworthy; Reliable

Accountability = Responsible

Ethics = Morality; Moral Standards; Moral Principles

Building the Trusted Team

George I. Butler and the “Great Man” model of leadership.

Building the Trusted Team

“...when we became a fully organized body, and several men were chosen to act in responsible positions, it was the proper time for my husband to cease to act any longer as one man to stand under the responsibilities and carry the heavy burdens. This labor devolved on more than one.”

Building the Trusted Team

“When this power which God has placed in the church is accredited to one man, and he is invested with the authority to be judgment for other minds, then the true Bible order is changed...Satan’s efforts upon such a man’s mind will be most subtle and sometimes overpowering, because through this mind he thinks he can affect many others...*God never designed that His work should bear the stamp of one man’s mind and one man’s judgment.*”

3T p 493

Building the Trusted Team

Committee-System Model:

Decisions are made by groups.

Shared administrative model: a 3-officer team

President, Secretary, Treasurer

Building the Trusted Team

So long as he remains consecrated, the man whom God has endowed with discernment and ability will not manifest an eagerness for high position, neither will he seek to rule or control...instead of striving for the supremacy, he who is a true leader will pray for an understanding heart, to discern between good and evil.

Ellen G. White, *Prophets and Kings*, p. 31

Building the Trusted Team

1. Determine who does what and then preserve and respect boundaries.
2. Set up a schedule for officer consultations.
3. Frequent communication and review among officers. Trust takes time to develop.
4. Deal with conflicts internally.
5. Socialize to know each other better and to build respect.

Building the Trusted Team

Men whom the Lord calls to important positions in His work are to cultivate a humble dependence upon Him. They are not to seek to embrace too much authority; for God has not called them to a work of ruling, but to plan and counsel with their fellow laborers.

Ellen G. White, *Testimonies* vol. 9, p. 270

Boards/Executive Committees

Ecclesiastical System	Institutional System
“Executive Committee”	“Board of Trustees”
Membership elects Executive Committee and Officers	Membership elects Board; Board appoints Officers
Each entity part of the chain of organizations	Each entity a “stand-alone” organization
Many employees are voting members of the Executive Committee	Few employees are voting members of the Board
Executive Committee Chair – Internal	Board Chair -- External
Three officers accountable to Executive Committee	CEO primarily accountable to the Board
More involved in management of the organization	Less involved in management of the organization
Unincorporated status	Incorporated status

Boards/Executive Committees

Responsibilities of the Executive Committee:

1. Institutional success is EC's primary responsibility.
2. Most important decisions are made by the EC.
3. Effective group decisions require deliberate designs in structure and social dynamics.
4. Good governance builds the members' trust.

Boards/Executive Committees

Qualifications of Members:

1. Will they comply with governance documents? Are they prepared to disclose potential conflicts of interest?
2. Will they have an appropriate range of expertise/diversity? Do they understand the organization and its work?

Boards/Executive Committees

3. Will they fairly represent the constituency?
4. Will they have sufficient time? Will they attend meetings on a regular basis? Will they do their homework and come prepared?
5. Will they maintain confidentiality of “inside” information?
6. Will they challenge assumptions and refrain from excessive deference to management?

Boards/Executive Committees

Evidences of Groupthink:

1. Deference to the view of the leader or influential spokesperson for an idea.
2. Uncritically supporting an idea because it appears to be popular.
3. Unwilling to listen to dissent.
4. Unwillingness to express dissent to retain a favorable image with others.

Boards/Executive Committees

Discussion Case:

You are a member of the nominating committee. Two names are under consideration for the post of president. One person is from your language group and you know him well. The other is from another language group in the territory and you do not know much about him. How will you to vote?

Boards/Executive Committees

You decided to vote for the one you know because he is a “good man” and “knows our needs.”

Is that criteria sufficient for making this decision? What are the considerations for decision-making in this situation?

Boards/Executive Committees

Essential Functions:

1. Set and maintain the strategic direction of the organization, as an SDA organization and based on the mission of the organization.
2. Establish key policies and strategies. Shape the future; not idealize the past.
3. Select, develop, and evaluate officers.

Boards/Executive Committees

4. Ensure adequate financial resources.
5. Build/enhance organization's reputation, which must include monitoring the organization's compliance with the law.
6. Provide adequate risk management.
7. Assess performance against mission.
8. Improve the committee's performance; exhibit a mindset for continuous improvement.

Ethical Judgment Traps

Not all misdeeds are done by bad people.

Unethical acts can result from failings rather than selfishness and greed.

Good people can inadvertently make unethical decisions.

Ethical actions require more than just good intentions.

Ethical Judgment Traps

1. Scripts

Procedures or “shortcuts” that experience tell us to use in specific situations.

Ethical Judgment Traps

“When I was dealing with the first trickling-in of field reports that might have suggested a significant problem with the Pinto, the reports were essentially similar to many others that I was dealing with (and dismissing) all the time...I was making this kind of decision automatically every day. I had trained myself to respond to prototypical cues, and these didn’t fit the relevant prototype for crisis cases.”

Dennis Gioia

Ford Company Recall Coordinator

Ethical Judgment Traps

2. Busyness and Distractions

The John Darley and Daniel Batson study at Princeton Theological Seminary.

Ethical Judgment Traps

“After the data was weighed and the variables analyzed, only one variable could be used to predict who would stop to help and who wouldn’t. The important factor was not personality type or whether a student’s career or the parable of the Good Samaritan was foremost in his mind. It was whether or not he was in a hurry...The study made it hard not to conclude that ethics becomes a luxury as the speed of our daily lives increases.”

John Darley and Daniel Batson

Ethical Judgment Traps

“This is often true of people in a hurry. They hurry because somebody depends on their being somewhere. Conflict, rather than callousness, can explain their failure to stop.”

John Darley and Daniel Batson

Ethical Judgment Traps

3. Moral Exclusion.

Some people are seen as outside the boundaries where moral considerations and fairness apply.

Ethical Judgment Traps

This mind-set is:

Influenced by culture

Included in language

Spread through stereotypes

Summary Scenario

Discussion Case:

Last year your local conference obtained funding from the Division for the establishment of a pre-school in a town where there is no SDA Church. Everyone was excited about the possibilities such a school might have for future evangelistic opportunities, as it was felt that the pre-school would be a positive way to reach the parents of the children.

Summary Scenario

Unfortunately, before your pre-school could be established, the town council set up stringent guidelines for any new pre-schools, and given the funding available, it is impossible for the school you envisioned to be established. You are contemplating using the Division's funds for another conference project, as you are reluctant to inform the Division that the anticipated project is unworkable.

Summary Scenario #2

Discussion Case:

You have had a busy schedule of work and travel for the last three weeks. The place where you are now is a tourist resort. You could complete your work here in two days, but why not take a little time off each day, thus extending your stay (and per diem allowance) by one or two days? Isn't it wise to live a balanced life?

Conclusion

The Parable of the Sadhu

Conclusion

1. Ethical choices can mean that a goal is not achieved or is achieved in a delayed fashion.
2. When there are groups responsible for making ethical decisions, each person defers to the next, with the deceptive comfort that ultimate accountability does not lie with any one individual.
3. Changing one's values in a different setting may seem justified, but ultimately achieving the goal produces a gnawing feeling of "at what cost?"

Conclusion

4. The parallels to business found in McCoy's story include:
 - the climb is rugged with challenges;
 - there are often limited windows of opportunity for success;
 - ethical choices can mean temporary setbacks in achieving goals;
 - others are always willing to go on despite ethical dilemmas confronting them in their quest for the goal.

Conclusion

5. Defining dilemmas in the either/or conundrum (either I let the sadhu go and make the climb, or I help him and again miss my goal) produces choices that disregard ethics and values.
6. McCoy cautions about the need for values to be put in place at the beginning so that when we are confronted with ethical dilemmas, our values are not compromised for the goal.

Conclusion

7. McCoy expresses regret for ethically shallow choices such as the one he made on the mountainside that day.
8. McCoy's summary: "When all is said and done, how comfortable will I be about the decisions I have made in order to meet a goal?"

Conclusion

Paul's summary:

“We try to live in such a way that no one will ever be offended or kept back from finding the Lord by the way we act, so that no one can find fault with us and blame it on the Lord.”

2 Corinthians 6:3

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