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

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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
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

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Former President
Alcoa Russia
“Miss Johnson will now pass out the moral blinders.”
“All along I thought our level of corruption fell well within community standards.”
Pepper ... and Salt

“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
ALTITUDE SICKNESS

SYMPTOMS
• NAUSEA
• HEADACHE
• FATIGUE

TO AVOID ALTITUDE SICKNESS
DRINK PLENTY OF WATER
How to Survive a Bear Attack

**How to Identify a Grizzly (Brown) Bear**
- Size: Larger than Black Bear
- Hair: Short, black
- Location: North America

**Stay Prepared**
1. Always carry bear spray.
2. If you encounter a bear,
   - Make noise to alert it.
   - Play music.
   - Carry a bell.

**Encountering a Grizzly**
- Keep calm.
- Speak in a low voice.
- Do not run.

**If Charged**
- Stay calm.
- Do not run.
- Do not look at the bear.
- Stand your ground.

**How to Identify a Black Bear**
- Size: Smaller than Grizzly
- Hair: Long, brown
- Location: North America

**Stay Prepared**
- Make noise.
- Carry a canister of bear spray.
- Keep food in airtight containers.

**Encountering a Black Bear**
- Keep calm.
- Speak in a low voice.
- Do not look at the bear.
- Do not run.

**If Charged**
- Play dead.
- Do not run.
- Do not hit the bear.

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By the Marriot School of Management, BYU
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

“What conflict of interest?! I work here in my spare time.”
Suspicions Without Enough Evidence
Personal Values
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
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 friend's 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?
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”.
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.
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 certificants 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 certificants 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 certificants' 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. Certificants 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, certificants 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
Thank you for inviting me – Thoughts and Questions