



Developing—and maintaining— a culture of ethics in your township

We've all seen the headlines. Public official arrested for embezzlement. Outcry over misuse of public funds. Complaints of nepotism. Tales of back-room deals for municipal projects and services.

No township official runs for public office thinking that he or she—or someone from the township—will be embroiled in a public battle or accusation over charges of ethics violations or wrongdoing. But how can a township board ensure that its township—including every elected and appointed official, board and commission member, staff and volunteer—acts ethically and properly?

Townships need to function with the very highest of ethics at all times. If everyone agrees that building and maintaining a culture of ethics is essential, then why is it often so hard to do?

There are some simple—if not always easy—ways to assure that your township government is, in fact, functioning with the necessary eye on ethics and values.



This continuing education article and accompanying self-assessment is worth 2.0 elective credits in MTA's Township Governance Academy. See page 20 for details.

OBJECTIVES

- Explore the need for, and barriers to, establishing an ethical environment in the township
- Inspire the next steps to securing an ethical culture through adoption of tools and training

CORE COMPETENCIES

- Works effectively with individuals, departments and committees to achieve desired outcomes
- Possesses knowledge of what constitutes ethical behavior
- Demonstrates behavior that results in public trust

WHAT DOES A CULTURE OF ETHICS LOOK LIKE?

Ironically, most of what happens differently in local governments that have successfully built a culture of ethics and values is actually invisible because it's the *absence* of ethical and legal problems that is the most significant highlight of their efforts. Still, there are some things that you'll see on close inspection. These include:

- Decisions are made consistently and effectively by a process that includes reasoning whether or not those decisions align with the stated ethics and values of that township. Those that do not align are either discarded or reshaped to conform to the ethical aspirations of the community and the values they espouse.
- Because of the above, citizens routinely express their trust that—whether or not they agree with a certain decision—they understand how and why it was made.
- Township officials, employees and volunteers all show reasonable skills at both recognizing and appropriately responding to ethical concerns, which unfortunately can go unrecognized or ignored in many communities. These issues can range from fiscal wrongdoing to hostile or coercive relationships to discriminatory comments and actions, to ignorance of laws or regulations, etc.
- Appropriate behavior is both modeled and conspicuously reinforced while any type of inappropriate behavior is effectively and efficiently rooted out.

Each of the above can go a very long way to assuring the organizational, financial and reputational soundness and health of your township—all areas for which township officials, employees and volunteers are given explicit stewardship.

COMMON BARRIERS TO BUILDING A CULTURE OF ETHICS AND VALUES

If everyone agrees that a culture of ethics and values is essential, then why do they so rarely want to do much to make it happen? Here are some barriers often seen in local governments struggling to develop and maintain a culture of ethics:

“I am an ethical person, and we are an ethical township!”

The awkward reality is that every one of us is certain that we are an ethical person and we typically believe that our organizations are in great ethical shape as well. In other words, ethics are always a problem or potential problem for everyone else—but not ourselves. Because of that, we are rarely interested in engaging in training or other systemic solutions, simply because we feel that they aren't necessary for us.

However, the reality is that each of us carries a large number of risk factors for ethical lapses, and learning to recognize and mitigate those risks is critical for every one of us. There is no one kind of person who engages in unethical behavior, and, in fact, virtually all who do so are otherwise good people—just like you and me. Pretending that this is not the case is a dangerous but all-too-common trap. ▶

State laws address numerous ethical issues

All township officials should be well aware of the provisions of two of the better-known ethics statutes: the Open Meetings Act (MCL 15.261, *et seq*) and Freedom of Information Act (MCL 15.231, *et seq*). However, there are ethical underpinnings to a variety of other state laws. Some of these statutes include:

- Neglect of duty, Penal Code (MCL 750.478)
- Fiduciary duty, Penal Code (MCL 750.489)
- Embezzlement, Penal Code (MCL 21.154)
- Commingling funds illegal expenditures, Penal Code (MCL 750.490)
- Extension of credit, nonpublic use of funds, Penal Code (MCL 750.490a)
- Custody of Records, Penal Code (MCL 750.492)
- Whistleblower Protection Act (MCL 15.362)
- Political Activities of Public Employees (MCL 15.403(1), *et seq*)
- Incompatible Office of Public Officials (MCL 15.181(b), *et seq*)
- Contracts of Public Servants With Public Entities (MCL 15.322(1), *et seq*)
- Standards of Conduct for Public Officers and Employees (MCL 15.341, *et seq*)

“We don’t need an ethics code, code of conduct or values statement; that’s why we have laws and oversight.” Many laws have been adopted to require adherence to various ethical principles (*see sidebar on page 15*). Such laws and oversight are necessary—but are not always sufficient in terms of ethics. Otherwise, why would we hear about ethical and legal problems of all shapes and sizes in local government day after day? After all, those other townships have laws and oversight as well. Your township needs to do the hard work to nail down exactly what it means to work in an ethical manner and then be sure that every official, employee and volunteer is fully aware of what you have decided.

Remember two key issues here. First, townships need an ethics code, code of conduct and, ideally, a values statement to cover those activities for which there are no other guidelines. Second, as important as formal oversight programs are—and they are hugely important—only a fraction of legal and ethical lapses are caught by them; most are, in fact, caught by the happenstance observation of coworkers—they have to know what to look for and what to do if they notice something that doesn’t seem right.

“Ethics training is too complicated/expensive/boring.”

Ethical and legal lapses are estimated to cost most local governments between 3 to 5 percent of their bottom line each year—and that’s before the costs and feelings associated with reputational damage. For that amount of money, you simply cannot afford to *not* bring in the training needed to help build and maintain a culture of ethics and values in your township.

We make every effort to be transparent in everything we do as township officials. If our residents do not understand what we're doing, or suspect we are hiding something—[nothing] in the world will convince them we are truly operating ethically.

—Sharon Churchill, Trustee
Grant Township (Cheboygan Co.)

WHAT NEEDS TO BE IN YOUR TOOLBOX?

An Ethics Code. It’s tough to enforce an ethics code that you don’t have and, frankly, it’s almost as tough to enforce one you *do* have if it’s poorly written. There are innumerable models for ethics codes, and you will need to develop one that suits your township’s objectives. As with any policies and procedures, don’t assume that the great-looking ethics code of the township next door ought to be yours as well. To risk stating the obvious, townships are as different as individuals are. Consequently, an ethics code that works well for one township may well be a rousing flop for another. You really have to make it right for your specific township.

In writing (or re-writing) your code of ethics, there are two essential, fundamental decisions you will need to make. The first is whether your code is going to be aspirational (i.e., “We will do our best to always...”) or rule-bound (i.e., “It will be our duty to...”). The second is whether to make your ethics code enforceable or simply a suggested guideline.

Though there are likely to be strong opinions, it ultimately comes down to your township’s objectives and operational style. There are significant pros and cons to any style of ethics code. For example, a code that does not have a method of enforcement is far easier to implement, but citizens may bridle that it has no teeth. An aspirational code may feel better to most folks, but cannot likely be enforced.

Meanwhile, a rule-bound one may feel overly confining to some officials and employees. Plus, if it is rule-bound, it must have clearly stated policies and procedures for investigating and responding to any alleged conflict with the code.

For better or worse, it ultimately comes down to “picking your poison.” Yet, having an ethics code as a center for your culture of ethics is critical. Regardless of the type of code you develop, there are some essential do’s and don’ts:

1. Don’t simply make it a list of rules. That’s what you already have policies and procedures for!
2. Don’t settle for strictly self-evident admonitions. Presumably everyone already knows that they are not supposed to lie, cheat, steal, or do anything dishonorable. Dig deeper.
3. Don’t turn it into some kind of risk management document. Written well, it can help manage risk. However, its purpose is to help guide decision-making, not simply be a contract to protect your township from some official’s or employee’s behavior.
4. Do make it short and easy to both understand and memorize. Remember, this is a tool to help guide behavior. The less easily understood and remembered it is, the less useful it is going to be.
5. Do be sure that you can come up with clear, behavioral examples of what it does—and does not—mean to follow the ethics code. Every official, employee and volunteer needs to understand how the code applies to his or her specific job or role. This will dramatically help with training and in helping the code become a part of everyone’s thinking in your township. Unless you can make this step work, the code is destined to become an essentially academic exercise—and there’s no value in that whatsoever!

A Code of Conduct. Not every township feels the need to have a code of conduct because officials often feel that their policies and procedures cover everything needed. There is certainly no harm in that belief, as long as the rules that everyone needs to follow are at least written down somewhere! At a minimum,

townships should consider the value of a code of conduct. While there are a wide variety of models, codes of conduct broadly fall into two categories. The first is, essentially, a renamed book of policies and procedures. The second—and the one townships may wish to consider—is essentially an abstract of the policies and procedures highlighting the most essential rules governing those who are covered by the code. This might be the place to talk about no lying, cheating, stealing, etc. but it is the document to list out the do's and don'ts for other matters that your township sees as being of the greatest importance to your community. It is, in essence, a shorthand version of your policies and procedures written in such a way that it can be easily digested and used as a reference.

Obviously, everyone in your township needs to be responsible for acting in accordance with everything in your policies and procedures manual, but having a “highlights” code can help focus their attention on whatever you feel most deserves the most emphasis. (See sidebar at right for MTA's sample code of conduct for township board members.)

A Values Statement. Few townships have created a values statement. However, when written and implemented correctly, a values statement will not only help drive a culture of ethics and values but will also help drive better management, leadership and customer service—all of which are vital to an effective township.

Here's what a well-written value statement is and what it does: It is a very short, concise statement of the most important priorities for everyone in your township when they are making a decision. In other words, this very short list of values—six to 10 at the absolute most—will tell every person in your township what he or she is to consider when making a decision for which there is no rule or other guideline. Not only will this streamline a wide variety of decisions, it will also allow individuals to evaluate the appropriateness of their behavior—or someone else's—by allowing each to determine whether that decision or behavior is aligned with the values your township has stated as paramount. ▶



Sample board member code of conduct

Board members shall:

- Attend as many board meetings as possible and become informed concerning issues to be discussed, and shall inform the supervisor of any impending absences from a board meeting
- Exercise his or her obligation to vote upon the question unless a conflict of interest is present
- Adopt policy only after full discussion of the issues at public board meetings
- Encourage the free expression of opinion by all board members, and seek systematic communications between the board and the community
- Work with other board members to establish effective policy and (if applicable) to delegate authority for the administration of the township to the superintendent/manager
- Communicate to other board members and (if applicable) the superintendent/manager public reaction to board policy and township programs
- Become informed about current township government issues by individual study and through participation in programs providing needed information, such as those sponsored by the Michigan Townships Association
- Support the employment of those persons best qualified to serve as township staff and insist on a regular impartial evaluation of all staff
- Avoid being placed in a position of conflict of interest and refrain from using the board position for personal or partisan gain
- Take no action that will compromise the board or the township staff and respect the confidentiality of information that is privileged under applicable law

For more ethics information, visit MTA's Ethics and Conduct Web page, www.michigantownships.org/ethics.asp, which offers member township officials links to statutes, samples and additional online resources.

With minimal training, officials, staff and volunteers will know the appropriate way to respond to any decisions or actions that are not aligned with your values statement. Done right, this is as close to a “silver bullet” as is possible for assuring the maintenance of a culture of ethics and values.

A Review Policy. Ethics codes, codes of conduct and values statements are like any other government or business documents—they need to be reviewed, and updated or refreshed periodically. Things will be missed the first time these documents are put together, and community needs and priorities shift over time. Unless you make it a policy to review these documents every few years—just like your township policies and procedures—you run the risk of them becoming irrelevant.

Building in a review time policy to these documents allows everyone in the township to know that they will be getting a good once-over often enough to assure that they are working the way that they should. If they aren’t, don’t be afraid to update them. The greater risk is that they live on as severely hobbled efforts to maintain your culture of ethics and values. These documents—along with all township policies and procedures—should be formally reviewed not less than every five years, and possibly more frequently, as determined by the township board.

MAKING TRAINING AS EFFECTIVE AS POSSIBLE

Once your toolbox is complete, your ethics and values training can begin. Unfortunately, ethics training has developed a

reputation as being boring, expensive and ineffective. (And, of course, one can’t really train on values at all if one doesn’t actually know—with clarity—what one’s values are.) At the risk of sounding annoyingly parental, however, if your ethics and values training is boring, expensive or ineffective, you simply haven’t done your homework. Training needn’t—and shouldn’t—be any of these.

If your training is, in fact, boring—not just on ethics but on anything else your officials and employees need to know—you have shot yourself in the foot. Try to liven it up by building in comments on meaningful ways in which what you are teaching directly impacts those you are training. In what ways can their learning be a tool for their personal success? If you can’t think of ways to make that case, maybe it isn’t something they really need to know.

Township officials are the most visible of local leaders and set a ready example. Township government is the “base foundation” of county, state and national government. This base must be solid, principled, and ethical beyond reproach, for the good of the country. Township government often becomes the recruiting and development ground for future, higher elected office holders. If their entry into elected politics ingrains in them the highest ethics, principles and integrity, they carry that practice with them as they advance. A better county, state, and nation will result.

**—James A. LaPeer, Treasurer
Cannon Township (Kent Co.)**

Also, make your training interactive in any way you can. After all, active, engaged learning will always be more appealing and effective than sitting passively and listening to someone or watching yet another mind-numbing PowerPoint presentation. If you need to bring in an outsider to help you create or deliver your training, that’s fine. However, don’t underestimate your abilities to come up with a training program on your own that will be both interesting and effective.

Provide an opportunity for those being trained to discuss the barriers they see to putting their training to use. One of the most persistent forms of “push-back” in ethics training, besides individuals inevitably feeling that they don’t actually need it, is that they can’t really do what you are asking because of “this or that” in their lives, job descriptions or communities. Providing the opportunity to “de-bug” those issues is often a critical component to ethics training. That is why online training can

be ineffective—it doesn't allow the discussion necessary to assure that any real or perceived barriers to implementation of the training material are managed appropriately and effectively. That doesn't mean that online training might not be a terrific component of your training program—just don't settle for that being all that you do.

As to whether ethics and values training is too costly, consider this: if your township is losing 3 to 5 percent of its bottom line each year to ethical and legal problems—and most research suggests that most local governments are—wouldn't it be worth a lot to your township to be able to reduce that? Research by both the Association of Certified Fraud Examiners and the Ethics Resource Center has independently found that organizations that develop an effective ethics training program reduce their losses by as much as 50 percent. If you could see those types of savings year after year, that would be considerably more than you would spend on developing and implementing an effective ethics and values training program for your officials, employees and volunteers.

Remember, training is critical for any newly elected or appointed officials in your township, as well as new staff members. If your township is low on cash to bring someone in to help, why not do it collaboratively with neighboring townships? The Michigan Townships Association also frequently offers ethics training at its Annual Educational Conference (held Jan. 22-25, 2013, in Detroit), as well as other avenues, such as its Professional Development Retreats (slated for next June).

If individuals in your township see investing in the development of a culture of ethics as simply being some kind of "feel-good" exercise, let them know that the process is far more than that—the bottom-line savings can be huge.

WHERE TO START

Getting started may be the simplest part of the process. You just have to decide, as a township, to start. Once you have a commitment, you'll need to have some tough discussions about how you want your culture of ethics and values to look and act.

Once those decisions are made, there isn't much that is complicated. Difficult at times? Absolutely—because there will always be differences in opinion as to what your township's most important, most persistent values really are. However, with a clear vision in mind and your "toolbox" filled with the best tools you can create, you'll be well on your way. ■

Chris Bauer, PhD, HSP, CFS,
Bauer Ethics Seminars, Nashville, Tenn.

Contact Bauer at (800) 884-1569 or email
chris@bauerethicsseminars.com, or visit
www.bauerethicsseminars.com.



See page 20 for a continuing education self-assessment, worth 2.0 elective credits in MTA's Township Governance Academy.

Continuing Education Self-Assessment



Participants enrolled in the Township Governance Academy (TGA), MTA's credentialing program, may obtain 2.0 elective credits for successful completion of this quiz. *(To receive credit, this quiz must be completed by July 1, 2016.)* To obtain credit, participants must answer the following 10 multiple-choice questions by circling the correct answer and receive a minimum passing score of 70 percent. The questions are based on content from the article, "Developing—and maintaining—a culture of ethics in your township," beginning on page 14. There is no charge for MTA members to take the quiz or to obtain TGA credit. Completed quizzes should be sent to: MTA Education Center, 512 Westshire Dr., Lansing, MI 48917, or faxed to (517) 321-8908. MTA will notify you of your results within two weeks after receiving your quiz. **IMPORTANT:** Please keep a copy of your completed quiz in your TGA binder. For more information about TGA, visit www.michigantownships.org/tga.asp.

TGA Continuing Education—July 2012

Developing—and maintaining—a culture of ethics in your township

NAME: _____ TOWNSHIP/COUNTY: _____

EMAIL ADDRESS: _____

1. **Which of the following can make a successfully built culture of ethics and values invisible?**
 - a. unrecognized ethical and legal problems
 - b. an absence of ethical and legal problems
 - c. ignorance of laws or regulations
 - d. a lack of legal problems
2. **When a culture of ethics exists in local government:**
 - a. decisions are made consistently and effectively by a process that includes reasoning only when they align with the stated ethics
 - b. residents routinely express their trust when they agree with a certain decision and understand how and why it was made
 - c. officials and employees show reasonable skills at recognizing and responding to ethical concerns
 - d. appropriate behavior is expected and inappropriate behavior is rooted out
3. **What is NOT considered a primary barrier in townships struggling to develop and maintain a culture of ethics?**
 - a. as ethical people, we believe our organizations are in great ethical shape
 - b. laws and oversight are sufficient in terms of ethics
 - c. training is considered too expensive
 - d. everyone has risk factors for ethical lapses
4. **According to the article, when writing a township code of ethics, what describes a "rule-bound" statement?**
 - a. we will do our best to always ...
 - b. township officials, employees and volunteers should ...
 - c. it will be our duty to ...
 - d. we will strive to ...
5. **When developing an ethics code, you should:**
 - a. make it short, and easy to understand and memorize
 - b. make it a detailed, in-depth contract to protect your township from officials' and employees' behavior
 - c. include a list of rules with behavioral examples of what it means to follow the code
 - d. turn it into a risk management document
6. **A well-written value statement is:**
 - a. a long list of values to consider when making a decision for which there is no other guideline
 - b. a short list of values to consider when making a decision for which there is no rule
 - c. vital to being an effective township when written correctly
 - d. vital to being an effective township when implemented correctly
7. **A township ethics code and values statement should be formally reviewed:**
 - a. every 10 years
 - b. every seven years
 - c. every five years
 - d. every year
8. **Which of the following is NOT a critical component of ethics training?**
 - a. participants' ability to discuss perceived barriers
 - b. describing meaningful ways in which the content impacts participants
 - c. interactive elements
 - d. online training
9. **According to MTA's sample code of conduct, township board members shall:**
 - a. adopt policy only after full discussion of the issues at public board meetings
 - b. attend as many board meetings as possible and inform the clerk of any impending absences
 - c. support the employment of those best qualified to serve and insist on impartial evaluation of staff who have demonstrated performance problems
 - d. exercise the obligation to vote upon every question presented
10. **Ethical underpinnings fall under:**
 - a. the Open Meetings Act (MCL 15.261, *et seq*)
 - b. the Freedom of Information Act (MCL 15.231, *et seq*)
 - c. both the Open Meetings and Freedom of Information Acts
 - d. a variety of state laws