

***Ethics And Leadership
As Applied To
Estate Planning***

frank j navran
www.navran.com

Overview

- ❖ Introductions
- ❖ Ethics as common sense
- ❖ The case for professional standards
- ❖ Ethical leadership - setting the tone
- ❖ United we stand... an EPCFC position

Introductions

- ❖ Name
- ❖ Position/function
- ❖ Why you elected to attend this session

My experience

- ❖ Corporate consultant and trainer on leadership and ethics since 1972
- ❖ Entrepreneur and NGOs since 1986
- ❖ Over 200 clients worldwide
- ❖ Professional clients include insurance, finance, medicine, nursing, dentistry, engineering, project management....
- ❖ Five books, 200+(non-academic) articles and several chapters
- ❖ Recently semi-retired

Ethics poll

- ❖ Please raise your hand if the following statement applies to you...
- ❖ “I am an ethical person”

Defining “ethical person”

- ❖ Since we agree that we are each an ethical person, let us now test the notion that ethics is “common sense”
- ❖ In no more than 50 words, please define what it means to be an “ethical person”
 - ❖ Alternatively, describe what an ethical person does

Ethics vocabulary

- ❖ We all know what these terms mean... but (as demonstrated) we know them differently
 - ❖ Values
 - ❖ Ethics
 - ❖ Compliance
 - ❖ Ethical dilemmas
 - ❖ Gray areas
 - ❖ Professional ethics

Values

- ❖ With apologies to my philosopher friends...
- ❖ Values are how we define what is “right”, “fair” and “good”

Ethics

- ❖ The behavior of our values
- ❖ E.g., If we accept “honesty” as a value then
 - ❖ it is ethical to tell the truth and
 - ❖ unethical to lie, mislead or otherwise dissemble
- ❖ Note: there is a cultural element to ethics
 - ❖ E.g., “compassion” in the US vs. Japan

Compliance

- ❖ Adherence to the standards formally imposed by society in law, rule and regulation
- ❖ Similarly, in some (less formalized) cultures it can be understood as adherence to custom and/or tradition
- ❖ In “the professions” it includes adherence to standards of conduct that may be higher than those imposed on other occupations

Ethical dilemmas

- ❖ Dilemmas are situations where one must choose between competing values
- ❖ E.g., Do you lie to an enemy to save a friend?

Gray areas

- ❖ Situations where there are no applicable rules or precedents and we are uncertain which value(s) apply or how the applicable values ought be applied
- ❖ Human cloning
 - ❖ 1969 graduate paper on definition of life

Making the case - professional standards

- ❖ Engineering ethics
 - ❖ The application of a set of agreed-upon values/principles for the discipline that we call “engineering”
 - ❖ Definitions of how to ensure that the decision of engineers meet society’s expectation that one is doing what is right, fair and good.

Case: Oregon Dept of Transportation

- ❖ Child killed at a crosswalk
 - ❖ Intersection of a State Hwy and County Rd
 - ❖ Town grief-stricken and outraged
- ❖ Legislature demands a traffic light
- ❖ Opinion of the ODOT engineer
 - ❖ A light is “bad” engineering
 - ❖ A placebo
 - ❖ Will not prevent future tragedies
 - ❖ Creates a false sense of security

J. Doe, PhD, PE

- ❖ The hero of our story is the lead engineer
- ❖ Doe's position...
 - ❖ I am a professional engineer (PE)
 - ❖ In part, I was hired exactly because I have that qualification
 - ❖ As a professional I am held to the standards outlined in the NSPE's Professional Code of Conduct
 - ❖ The code to which I am bound restricts me from knowingly engaging in "bad" engineering

The NSPE canons

1. Hold paramount the safety, health, and welfare of the public.
2. Perform services only in areas of their competence.
3. Issue public statements only in an objective and truthful manner.
4. Act for each employer or client as faithful agents or trustees.
5. Avoid deceptive acts.
6. Conduct themselves honorably, responsibly, ethically, and lawfully so as to enhance the honor, reputation, and usefulness of the profession.

Value proposition

- ❖ How did John Doe's being an ethical engineer add value in the ODOT case
 - ❖ To the work he did?
 - ❖ To his own existence?
 - ❖ To the the lives of the citizens of Oregon?
- ❖ What can we generalize from this case that describes the more general value proposition of ethical engineering?

Discussion

- ❖ How do our discussion on being an “ethical person” and the engineering ethics example inform the discussion of ethics and estate planning?
- ❖ Isn't being an ethical estate planner “automatic” if one is already an ethical person?
- ❖ Which, if any of the NSPE canons might apply to estate planning?
- ❖ What other specific ethical standards might apply to estate planning?
- ❖ Why might it be appropriate for a local entity, such as EPCFC, to articulate ethical standards, independent of the national organization?

The value proposition for EPCFC

- ❖ Let us discuss the value proposition for us
 - ❖ How does our being an ethical estate planners add value
 - ❖ To our work?
 - ❖ To our clients?
 - ❖ To our lives?
 - ❖ To society as a whole?

Ethical leadership

- ❖ Leadership by individuals within a community/practice
- ❖ Leadership by local organizations within a field

Defining our terms

- ❖ Leadership - the ability to influence others to act in certain ways, and to do so willingly and enthusiastically
- ❖ Ethical leadership - the ability to influence others to act according to certain fundamental values/principles, willingly and enthusiastically

Defining the values

- ❖ Since we have agreed that ethics is the use of certain previously defined values/principles to guide one's actions and decisions...
- ❖ The question in estate planning ethics is,
 - ❖ Which values?
 - ❖ How defined

A place to start

- ❖ Commonly held values include
 - ❖ Accountability
 - ❖ Citizenship (lawfulness) Compassion
 - ❖ Courage
 - ❖ Fairness
 - ❖ Honesty (truthfulness)
 - ❖ Honor
 - ❖ Integrity (trustworthiness)
 - ❖ Respect
 - ❖ Responsibility

Values of estate planning

- ❖ If we were tasked to create a values statement for EPCFC that could then serve as the foundation for an *Estate Planning Code of Professional Conduct*
 - ❖ Which values might we select?
 - ❖ How might we define them?
 - ❖ What behaviors would they encourage?
 - ❖ What behaviors would they prohibit?

An exercise in ethical leadership

- ❖ The task just completed is an exercise in ethical leadership
- ❖ We have begun the process of articulating a set of standards intended to influence others to act according to certain fundamental values/principles, and to do so willingly and enthusiastically

Possible next steps?

- ❖ Form a working group to complete the task started here
- ❖ Present the completed draft *Estate Planning Code of Professional Conduct* to the EPCFC membership for consideration and deliberation
- ❖ Modify it to better suit the membership, as needed
- ❖ Adopt it
- ❖ Publicize it
- ❖ Live it

Recap

- ❖ Introductions
- ❖ Ethics as common sense
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Time permitting

- Open Questions/Discussion