

First Principle – PROBITY

Leopards & Spiders

Some say we learn our sense of right and wrong by age ten. *They* say we are who we are early in life. *They* say “leopards don’t change their spots”

Others say that our minds are continually absorbing and integrating experience; shaping and reshaping our personalities to adapt and change with the changing world around us and within us. Zoologists tell us that Himalayan snow leopards **do** change their spots.

“*They*” and “*Others*” agree: 1) the world sees and judges each of us by our behavior; and 2) our individual values and beliefs make up who we are, our sense of self and self-esteem – in other words, **self-identity is the engine of behavior.**

Peter Parker has two identities – same values. They drive two vastly different behaviors. Peter uses judgment for which behavior is right for which moment. The rest of us have only one identity. Judgment is even more critical with one identity. There’s no one else to blame.

Concrete & Iron Girders

One of the first principles you will learn in this course is the Foundation Equation. Everything in the course is built on this. The Foundation Equation is constructed with iron girders of ethics and the concrete of integrity. Financial information can be comprehensively and correctly prepared on time but if honesty, ethics or integrity have been compromised, it is worthless.

In recent years several notorious cases have shown just how ruinous false and misleading financial information can be. The Accounting profession became the object of suspicion as a result of the blatant dishonesty and lack of integrity of very few people who proved they could not be trusted in leadership positions that demanded the highest standards of conduct. Trusted reputations built over a lifetime are lost in a moment of deceit.

In all relationships in life, business connections, friendships, intimates, – integrity is the keystone to positive results. When you communicate, listeners and readers of financial information depend on the integrity of your communication / information. If it is worthless or contrived and you communicated it, you are judged to be at least credulous, more likely a transparent liar – a screw-up, and a loser.

In some relationships, recovery may be possible with contrition, apologies and roses; but in business relationships, you’re gone.

Your identity is your iron girder when your integrity is tested. Know it. Use it. Practice daily because the day will arrive when you will be faced with an ethical dilemman.

“Always do the right thing – no matter what your morals tell you.”

From Foundation by Isaac Asimov

NEXT & Last Page... The Psychiatrist and the Corpse

Case Study – The Psychiatrist and the Corpse

A psychiatrist had a client who was suffering from chronic depression. The client believed he was in fact dead. The psychiatrist knew that if he could only displace this extreme belief system, the client's depression would disappear and normal behavior would return.

Quick Analysis: The belief system is driving the depression – the client perceives his own identity as a corpse.

The psychiatrist decided it was time that the client experience reality in terms of a clear, unarguable reference point. The psychiatrist believed that once the client experienced reality, the disorder would be resolved.

He said to the client, "You know that corpses don't bleed, right?" The client said, "Yes, I know that." The psychiatrist said, "You are absolutely sure of that, are you?" The client said, "Yes, of course."

Then the psychiatrist, who had a small pin hidden in his hand, moved quickly and pricked the back of the client's hand, whereupon a drop of blood trickled towards the knuckle. The psychiatrist leaned forward and smiled and said to the client, "So – how do you explain that?"

The client stared at the blood on his finger and said, "I was wrong."
"Corpses do bleed."

Conclusion: Behavior will not change when beliefs are entrenched, despite irrefutable evidence to the contrary.

What If & What Then?

What if you are faced with an ethical dilemma in your business life? What do you do then? Here are a few **guideline** questions to ask yourself:

- Am I missing something here, information, facts, exceptions?
- Is this black and white to me, or are there grey areas?
- Am I powerless, or can I take action?
- Do I know a wise and discreet person I can talk to about this?
- How far can I go with compromise on this slippery slope?
- Will my career be affected if I disagree, will I lose my job?
- Am I willing to lose my job to keep my integrity?
- Are there legal consequences to this situation?
- Is the situation serious enough to consider whistle blowing?

A question **NOT** to ask yourself is: "Will I get caught?" The prisons are full of brilliant masterminds who believed they would never get caught.