

Ethics and Responsible Practice in Project Management



Ethics gets harder as stakes, visibility, and reporting pressure rise



Today's focus: conflicts of interest, reporting pressure, and accountability



The PMI Code of Ethics: responsibility, respect, fairness, honesty



What you will leave with: a decision framework, scripts, scenario practice, and a 30/60/90-day plan



The 2026 Professional and Governance Context



Updated PMI Code of Ethics took effect 17 November 2025—still the current standard



Compliance is the floor; ethics guides judgment in gray areas



Aspirational standards set the bar; mandatory standards mark the lines not to cross



Corporate governance and policy manuals sit alongside—not above—professional standards



Entry points: your code of conduct, ethics hotline, and conflict-of-interest policy



A Decision Framework: The Five-Step Method



Step 1: Get the facts—known, unknown, and still needed



Step 2: List alternatives with their pros and cons



Step 3: Test your candidate decision's impact on all stakeholders



Step 4: Apply consequences, duty, virtue, and fairness lenses



Step 5: Decide, document your reasoning, and defend it publicly



Conflicts of Interest: Actual, Potential, and Perceived



Actual



Potential



Perceived



- Actual: conflict exists now; Potential: could arise; Perceived: a reasonable observer could see it
- All three types must be disclosed and managed—perception matters even when you are impartial
- Common triggers: vendor selection, resource allocation, change approvals, subcontracting, prior employment, relationships
- Hidden conflicts often surface as gifts, side arrangements, dual roles, or personal financial interests
- The Code asks us to proactively search for conflicts and help each other spot them—not wait for discovery

Warning Signs and Organizational Expectations

PM warning signs



convenient decisions



off-record suppliers



unequal information access

Team lead warning signs



avoided vendors or approvals



unreported gifts and hospitality

Organizational expectations



Policies define real, apparent, and potential conflicts; early written disclosure required



Disclosure does not disqualify—it triggers evaluation and mitigation



The conflicted person should never be the sole judge of whether a conflict exists



Prevention and Disclosure in Practice



- Prevention controls: segregation of duties, role rotation, procurement gates, transparency
- Transparency by design and equal access to information for all parties
- Disclosure: what, when, to whom, and how—log it in the COI register
- Recusal and mitigation: step out of decisions, add independent review, ethical walls
- Unavoidable conflict: document mitigation and revisit as roles or vendors change
- Team norms on gifts, hospitality, and side arrangements—leaders model the standard

Fit Check: Decisions in Four Lenses



Consequence lens:

Which option produces the most good and least harm for stakeholders?



Duty and rules lens:

What do law, the PMI Code, and employer codes require?



Virtue lens:

What would a project professional of good character do here?



Fairness and stakeholder lens:

Whose legitimate interests are affected—and who is not in the room?



Three tests:

Accept responsibility, make it public, and judge it a year from now



Reporting Pressure and the Truthful Status Update

CLEARER REPORTS. BETTER DECISIONS.



Why reports drift: optimism bias, power distance, sunk-cost attachment, fear of blame



Research: experienced PMs write biased reports ~60% of the time; bias is over twice as likely optimistic



Spotting distortion: unsupported confidence, missing ranges, milestones that quietly move



Short-term relief costs long-term trust and steering-level decisions



The Code: share bad news even when poorly received; build safety to tell the truth



Delivering Bad News: Scripts and Escalation

COMMUNICATE
RESPONSIBLY
TAKE ACTION



Key Guidance

- Lead with the headline: state the bad news in the first sentence
- Then give impact, honest root cause, what you are doing, what you need
- Use ranges, confidence levels, and early-warning signals—not false precision
- Script: “I need to flag a change in status. Here is the impact and my recommendation.”
- Escalate on legal, safety, financial, or reputational risk—document the decision
- Never bury bad news or delay disclosure; escalate when outside your authority



Escalation Triggers



Legal



Safety



Financial



Reputational



Escalate
and
document
the decision

SPEAK UP EARLY

A STRONGER OUTCOME

Accountability Without Blame

CLEAR ROLES
HEALTHY CULTURE
BETTER OUTCOMES



Responsibility: the duty to perform;
accountability: the liability to ensure it is done



Blame is not a third category—it is a
failure mode



The accountability gap: outcomes
demanded, decision-making authority
not granted



Accountability = Responsibility +
Decision-Making Authority



Own mistakes early, correct course,
and communicate remediation



Build accountability with role clarity,
a used RACI, and just culture



Responsibility

+



Decision-Making
Authority

=



Accountability

The Accountability Gap



Outcomes
demanded



Decision-making
authority not
granted

A Used RACI



PEOPLE
AUTHORITY
OUTCOMES
IN BALANCE



Psychological Safety and Just Culture



Just culture: open reporting plus accountability for behavioral choices



Honest errors are learning events, not blame events



Psychological safety explains 37.5% of team performance variance



Leaders build safety through availability and a challenge culture



Understand responsibilities before holding anyone accountable



Scenario Practice: Conflicts, Pressure, and Accountability

HIGHER STANDARDS
STRONGER OUTCOMES

Scenario 1



Undisclosed vendor relationship found in procurement—first action, who informs?

Scenario 2



Sponsor wants a slipping milestone reported as on track—what script, escalation path?

Scenario 3



Shared accountability failure across two teams after a missed release—who owns what?

INTEGRITY
CLARITY
COURAGE
BETTER DECISIONS



Debrief: apply the five-step framework; separate outcome quality from reasoning quality



Confirm disclosure and escalation actions for each scenario

DOCUMENT
DISCLOSE
ESCALATE
DO WHAT'S RIGHT

Building an Ethical Project Culture

-  Set norms: transparency, speak-up channels, no-blame reporting
-  Embed ethics checkpoints: kickoff, procurement gates, status reviews, closure
-  Use retrospective self-assessments to surface ethical gaps
-  Track health: speak-up rates, disclosure register currency, report accuracy
-  Hold teams accountable without punishing candor; leaders model the standard



Action Plan: Your Next 30 Days



Personal

- Personal: one conflict-of-interest self-check, one reporting improvement, one accountability habit



Team

- Team: set disclosure expectations, reporting standards with ranges, clear escalation triggers



Resources

- Resources: code of conduct, ethics hotline, one-page decision-framework job aid



Checkpoints

- Checkpoints at 30, 60, and 90 days: capture lessons learned and adjust commitments



Own your next ethical choice—and make it visible to your team

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