Fostering Ethical Decision-Making

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The civilian, military, and contractor team at the Naval Supply Systems Command (NAVSUP) performs the daily balancing act of simultaneously providing critical readiness to warfighters while serving as a prudent steward of taxpayer dollars. This team wields tremendous fiscal power, and with this power comes great responsibility. In our harsh budget environment, the stakes could not be higher. For the past decade, logisticians supporting the Department of Defense (DoD) had one priority: deliver what the forward operators needed—as soon as possible, no matter the cost. Times have changed, and now auditability and judiciousness rule supreme. Despite a change in mentality, the common thread between the two remains that exemplary character, an abiding sense of personal accountability, and unquestionable integrity is required in every financial decision made on behalf of the U.S. Government. The NAVSUP team makes decisions with financial implications, especially in contracting, supply chain management, and financial management; thus, it is critical that members understand and consider the ethics of every decision they make.

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What is ethical? It is an imprecise term that pulls from law, from social norms, and even from gut feeling. Most of us are indoctrinated in right versus wrong training from our families, teachers, and religious leaders from an early age, but how does that training translate in the workplace? Ethical decision-making can sometimes be murky because decisions have subtleties in shades of gray. While the Navy's code of ethics outlines "DOs" and "DON'Ts" to guide behavior, the last dictate states, "Do not take actions that give the appearance that they are illegal or unethical." Again, imprecise. Do we base our decisions on what is fair? On what action causes least harm? On what is best for the common good?

It is our role as Navy and Department of Defense leaders to foster ethical decision-making in the workplace. The two-pronged approach I recommend includes both carrot and stick. The vast majority of our men and women hold themselves accountable to our service's core values of honor, courage, and commitment. These principles, upon which the U.S. Navy and the U.S. Marine Corps were founded more than two hundred years ago, continue to guide us today. These people have a steady moral compass, and we further enable their ethical decision-making by means of the carrot—by giving them opportunities for education, training, and positive reinforcement. Given the "it depends" nature of some ethical decisions, the training we provide should offer discussions of real and hypothetical scenarios to provide examples that inculcate the mores of Navy culture into our people.

As part of the education and training we provide, we also need to include a discussion on how to weigh competing interests. In making a decision, we must consider the good of the Navy and DoD over the good of the individual, long-term gains over short-term results, and even truth over loyalty. Sometimes this is easier said than done, but training our people to consider these competing interests as part of an ethical framework can help guide them to the best decision.

Other tactical executions of the carrot include my routine engagement with NAVSUP and the Supply Community on the importance of ethics. We talk about ethics in town hall events at NAVSUP. We created an ethics video in partnership with one of my best resources in this arena: my Office of General Counsel. I reach out to my uniform workforce at every level, from my Ensigns beginning their careers at the Navy Supply Corps School, to my senior Commanders participating in the Senior Supply Officer Department Head Course before they start their department head tours on aircraft carriers and large deck amphibious ships. As their leader, I must unequivocally convey how important their ethical behavior is to me as their leader and to their community writ large. When a ship's Supply Officer fails to act ethically, the impact on readiness can be far-reaching. Warfighters' confidence in the expertise and technical competence of the Supply Corps can be called into question. In addition to the Navy core values and Navy code of ethics, I give my staff five practical rules to follow:

1. Tell the truth, the whole truth, and nothing but the truth;
2. Take the time and effort to understand the premises upon which a decision is made;
3. Speak up, respectfully, if you see something that isn't right;
4. Deliver bad news early since it does not get better with age; and
5. Foster respect up and down the chain of command by making honest recommendations to seniors and by seeking honest recommendations from juniors.

Now to the stick. Monitoring the ethical behavior of those in accountable positions is in the forefront, as evidenced by the Vice Chief of Naval Operations' (VCNO) push to identify instances of fraud in Navy contracts. The VCNO turned to NAVSUP as a trusted agent to assist with deep dive reviews to ensure compliance with Navy contracts. As the first "lessons learned" from this effort have been shared, findings reveal that illegal actions are rare. However, the absence of clear policy and oversight creates a greater "gray area" in the acquisition process in which unethical behavior may flourish. It is in this space

where our people's moral fiber may be tested. If an action is not illegal, is it still the right, moral, and ethical action to take?

In the contracting arena, the Navy established value judgment tools known as "trip wires" to review each procurement. Examples of these trip wires include contractors with excessively high labor rates, limited competition procurements, requirements steering, and undue influence in the procurement process. These trip wires are not intended to implicate contractors, individuals, or commands; instead, they provide a standardized and objective template to more carefully consider contracts deemed high risk. In acquisition and execution, it is our responsibility to remove or mitigate opportunities for poor decision-making. One step we have taken is to review all contracts for these trip wires. A second step we are taking now is to assemble a "deep dive" team to review high-risk contracts in detail. This is how we gain a better understanding of our processes to know where the risks lie and where checkpoints are needed. Our collective goal must be to drive a culture of financial ethics that are beyond reproach to ensure every dollar is judiciously spent and delivers a valuable product to the Navy and to ensure we have implemented the necessary checks and balances to prevent the temptation to stray from ethical decision-making.

Practicing ethical decision-making on a daily basis is a critical exercise for all of us. As with life, our "currency" is others' trust in our ethical decision-making capability. Our steadfast commitment to doing the right thing builds our reputation, and it is important that we do the right thing, even when no one is watching and when it does not seem to matter. In those moments, integrity and ethical behavior matter most. At NAVSUP and in the Supply Corps, we are entrusted with financial responsibilities like few others in the Navy, and we must vigilantly protect our "currency," as the actions of any one of our people not only impacts him or her, but impacts the reputation of the entire community. We will continue to use the carrot and the stick to ensure that we protect the trust put into us as the Navy's supply chain managers, financial managers, and contracting experts who serve as judicious stewards of taxpayer dollars.