

# **RLI Graduate Course**

**Rotary Leadership Institute  
2014-2015**



**Rotary and Ethics**

**FACULTY GUIDE**

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## **FACULTY GUIDE**

The purpose of this course is to explore the development of “high ethical standards” with Rotary and how it applies to today. This course will deal with ethics but should not be an ethics course. There are many, many gray areas and often no right or wrong answers. The facilitator needs to be sensitive to everyone’s opinion and their rights of expression.

**In the Object of Rotary it states, “The object of Rotary is to encourage and foster high ethical standards in business and professionals.” What does this mean to you?**

**What is “Ethics”?**

- a. A standard of behavior
- b. knowing right from wrong — good from evil
- c. a study of values and customs of a person or group
- d. it tells us how we ought to act in certain situations

**What is the difference between Ethics and Morality?**

- a. Morality is a branch of philosophy called ethics.
- b. Morality or moral behavior is based on decisions of a group that reflect a belief in a deity or higher power which dictates a certain way of acting. Ethics is based on decisions of the group that reflect agreements made by the group with regards to acceptable behavior
- c. Morality results from and is guided by religion. Ethics is a set of rules derived from the interaction of human beings.
- d. Ethics represent a society with a set of rules of behavior that do not depend on religious training or perspective, a framework that will not dissipate in the face of changing belief systems.

**What types of situations might have a need for ethical behavior or be confronted with ethical choices?**

- a. Business
- b. Medical/Bioethics
- c. Engineering
- d. Environmental
- e. Human Rights/Animal Rights
- f. Legal
- g. Media/Marketing
- h. War
- i. Religion

***Can you share a time when you were confronted with an ethical decision? How did you deal with it?***

**What is “ethics” NOT about?**

- a. Feelings — so people “feel good” while doing bad
- b. Religion — Many people are not religious, but ethics applies to everyone
- c. The Law — Just because something is legal doesn’t mean it’s ethical
- d. Culturally Accepted Norms — blind to certain ethical concerns (slavery in US before Civil War)  
Everyone is doing it — so it must be OK.
- e. Science — Science alone does not tell us how to act. Something might be scientifically possible — but is it ethical.

**Why is identifying ethical standards so hard?**

- a. Not always easy to recognize available choices and options where course of action is common or expected
- b. Not easy to identify clear and understandable explanations for behavior
- c. Difficult to apply a clear ethical standard to a specific situation we face.

**Why was ethical behavior important to the formation of Rotary?**

- a. 1905 was a time of few government controls in business
- b. Needed to foster good fellowship among members
- c. Honesty is the best policy among members

**In 1911 the motto “One profits most who serves best.” was introduced. What did this mean then, and what does it mean today?****What does “Service Above Self” mean in terms of ethical behavior?**

**Does Rotary have a “Code of Ethics”?** — Yes

**Is it the Four Way Test?** — No

The Rotary Code of Ethics was originally proposed in 1911 but was not developed and adopted until 1915. By 1932, the Object of Rotary stated to gain favor over the Code of Ethics due to the difficulty in changing the wording and interpretation of the code. IN 1939, the Four Way Test was introduced to Rotary by Herb Taylor. In 1943, The Board of Directors adopted the Four Way Test as a means to further the Vocational Service phase of the Rotary program. In 1952 the widespread distribution of the Code of Ethics was discontinued by the BOD. A copy of the 1915 Code could be provided if asked for. In 1977, the Council on Legislation requested that the 1915 Code be redistributed and disseminated to the Clubs. However, the BOD agreed that major revisions to he code would have to be made and chose not to have that done. IN 1980, reference to the Code of Ethics was deleted from the RI By-Laws.

However, it should be noted that at no time has the Board of Directors or any Council on Legislation ever eliminated the Code of Ethics as written in 1915 as the official Code of Ethics for Rotary International. Instead, the Code of Ethics is not promoted or widely distributed or referred to and its use is left to the individual Rotarians and clubs on a voluntary basis.

On the other hand, many publications, including Rotary International, website and clubs around the world often refer to the Four Way Test as the Rotary Cod of Ethics. Again, there is no record of the Four Way Test every being designated as the “official” Code of Ethics for Rotary.

The facilitator can hand out a copy of the “official” Code of Ethics and ask the class to interpret various sections of the code or make a comparison between the code of ethics and the Four Way Test.

## **Part 2 — MAKING ETHICAL DECISIONS**

**When confronted with an ethical dilemma, why is it important to have a good decision making approach to resolving ethical questions?**

- a. allows you to consider all aspects of the question
- b. makes you more sensitive to ethical issues
- c. a practiced plan allows you to work through the situation in a systematic way
- d. the harder the question the more important it is to discuss it

**What are some of the steps that need to be taken to make an ethical decision?**

- a. Recognize an ethical issue
- b. Obtain information about the situation
- c. Test alternative actions from various ethical perspectives
- d. Act consistently with your best judgement
- e. Reflect on your decision after acting
- f. Yield to your ethical judgements

**The **R-O-T-A-R-Y** six step approach to ethical decision making:**

**What’s involved in **R**ecognizing an ethical issue?**

- a. The decision involves choice between right and wrong
- b. The decision can be harmful to people or the community
- c. Where doing what is expected might not be the best course of action
- d. The decision might affect a people’s dignity, rights or hopes for a better life.
- e. There is a difference between what you want to do and what other people would like done to them or for them.

**Why is it important to **O**btaining information?**

- a. Know and understand the relevant facts of the case
- b. Disclose what the unknown facts are
- c. Appreciate the interests of those involved including emotional, psychological, financial, legal.
- d. Discover any special needs or obligations relevant to the case
- e. Discover any other options that might be useful
- f. Develop discussions and/or consult with the affected persons or groups

**What types of approaches might be developed to help **T**est an ethical decision?**

- a. Utilitarian Approach — Which option will create the most good and do the least harm
- b. Rights Approach — Even if everyone does not get all that they want everyone’s rights and dignity will still be respected
- c. Fairness or Justice Approach — Which option is fair to all as stakeholders
- d. Common Good Approach — The action that contributes most to the achievement of a quality common life together as a family, community or society.
- e. Virtue Approach — The action embodies the habits and values of humans at their best that includes courage, compassion, honesty and integrity.

**Why is consideration of these five approaches to ethical decisions helpful and difficult at the same time?**

- a. The approaches are not entirely separate and distinct — they often overlap
- b. We may not all agree on the answers to the questions raised by each approach — we may not agree on what is beneficial — what is harmful or what the common good is.
- c. The different approaches may not answer the questions as raised
- d. Some approaches may be better at resolving certain issues and not relevant in others

**How can a person **A**ct consistently with their best judgement?**

- a. Implement your decision only after determining that you actually understood the circumstances and perspectives of the relevant parties.
- b. Be willing to accept the fact that as new facts develop — you might have to adjust your thinking and actions

**Why is **R**eflection important after you've made an ethical decision?**

- a. Need to know how it turned out for all concerned
- b. Find out how others describe the course of action and its outcome.
- c. Helps determine what you might do differently
- d. Helps identify a course of action that better impact the situation

**What does **Y**ield to your ethical judgement mean?**

- a. Helps create your image of what is ethical in your person, community, business, government, and society
- b. The more you use ethical judgement the better you become as a person.

## PART 3

**Case Studies**—Break the group into 4 groups and assign each one a case study. Allow at least ½ hour for them to analyze and discuss their various conclusions. Each group then shares the case and their conclusions with the class.

*What does Ethics in Rotary have to do with acting ethically as individuals, creating ethical organizations, governments or societies?*

### Case Study One

You are part of a Polio NID (National Immunization Day) in a foreign country. You have been given a container of polio virus drops for the children of a rural community where the incidence of polio is higher than the average. The village turnout is lower than expected as the mayor of the community stated the Imam of the Moslem section has forbidden Islamic children from receiving the drops because the medicine is “unclean” and it is a plot to kill the children.

You observe a group of what appears to be Moslem children at a playground many unaccompanied by their parents. Seeing a child you know, you approach the group of children and the opportunity to immunize these kids is presented.

**What should you do?**

**What are the ethical questions involved in regards to your actions?**

**What are the benefits and drawbacks to your actions?**

### Case Study Two

Several years ago, in a different town in another state, you worked closely with John Doe, whom you knew in High School. As a student, he always seemed to be in trouble. There were stories of thefts, assaults and sexual escapades, but with rare exception, nothing was ever proven.

However, while you were working together at the ABC Financial Security Company, John was caught forging a check from a client and using the proceeds for his own use. Because he paid the money back, the company did not press charges and he was fired. Because there were no formal charges made against him the matter eventually faded over time as you both went your separate ways. Later, you did hear a rumor he had been implicated in a child pornography ring, but again, nothing was ever officially documented.

Now, a number of years later, you’ve moved to a town where John is a highly visible and successful businessman as well as a major competitor of yours. Both of you are members of the same Rotary Club, however; John is being considered for the position of club treasurer and chairman of the Youth Exchange committee. In these positions he will be responsible for the accounting of the club’s funds and will be working closely with the foreign exchange students,

**What should you do?**

*Should you confront John? Should he know that you know?*

**What are the ethical questions involved regarding your actions?**

**What are the benefits and drawbacks to those actions?**

### **Case Study Three**

You are chairman of the youth exchange committee for your club which is hosting a student, Margaret, from France. During the mandatory district orientation session for the incoming students in September, the District Governor emphasized the need of having all the youth exchange students schedule and plan to attend the district conference the following April. The District Governor noted the youth exchange students were required to attend the full conference weekend which runs Friday through Sunday. The District Governor also stated there would be no exceptions to this rule.

As the year progresses, Margaret becomes very involved in the school's activities and makes a lot of close personal friends. In addition, the host family's same aged daughter Anne becomes very sister-like with Margaret. They often double date, while attending different school-approved functions and share their thoughts and dreams.

Anne explains to Margaret that the social highlight of school year is the senior prom and that it is a very special time. Also, Margaret's many friends tell her that she must attend this event to fully appreciate the American teen experience.

In late March, the host family spends a lot of money purchasing formal gowns and making arrangements for both Anne and Margaret to attend the senior prom.

In early April, you as the youth exchange chair call the host parents to give them details about the upcoming district conference. It is then that you find out the date of the senior prom conflicts with the district conference. When you explain this conflict to the host parents, they become very upset and start to question which is more important to Margaret and their daughter.

**What should you do?**

**What are the ethical questions involved in regards to your actions?**

**What are the benefits and drawbacks to your actions?**

### **Case Study Four**

Rotary has a rule that there is no campaigning for office. Your friend Joe is one of three candidates being interviewed for DG. He'd be a terrific DG and you know how badly he wants the position. You have just been told by a member of the selection committee that she received a phone call asking that she select Joe. While you hope that Joe is selected, you know the phone call was not legal.

**What should you do?**

**What are the ethical questions involved in regards to your actions?**

**What are the benefits and drawbacks to your actions?**

**Does your action change if you find out that Joe knew the calls were being made?**

## Course Summary

### **What does Ethics in Rotary have to do with acting ethically as individuals, creating ethical organizations, governments or societies?**

Ethical commitment by Rotarians needs to refer to a strong desire to do the right thing, especially when that behavior imposes financial, social or emotional costs. Almost all Rotarians believe they are, or should be ethical. Unfortunately, there are a substantial number of instances where that behavior does not consistently conform to self-image. Too many decent Rotarians committed to ethical values, regularly compromise these values because they often lack the conviction to follow their conscience.

Rotarians need to understand that ethical principles are ground rules of decision making and not just words or factors to think about. Ethics have a cost. Rotarians pay that price every time they chose between what they want and what they want to be. The true value of ethics to Rotarians is that it makes self-growth and sacrifice, service and charity worthwhile.

## **The Rotary Code of Ethics for Businessmen of All Lines (1915)**

My business standards shall have in them a note of sympathy for our common humanity. My business dealings, ambitions and relations shall always cause me to take into consideration my highest duties as a member of society. In every position in business life, in every responsibility that comes before me, my chief thought shall be to fill that responsibility and discharge that duty so when I have ended each of them, I shall have lifted the level of human ideals and achievements a little higher than I found it. As a Rotarian it is my duty:

1. To consider any vocation worthy and as affording me distinct opportunities to serve society.
2. To improve myself, increase my efficiency and enlarge my service, and by doing so attest my faith in the fundamental principles of Rotary, that he/she profits most who serves the best.
3. To realize that I am a business man and ambitious to succeed; but that I am first an ethical man and wish no success that is not founded on the highest justice and morality.
4. To hold that the exchange of my goods, my services and my ideals for profit is legitimate and ethical, provided that all parties in the exchange are benefited thereby.
5. To use my best endeavors to elevate the standards of the vocation in which I am engaged, and so to conduct my affairs that others in my vocation may find if wise, profitable and conducive to happiness to emulate my example.
6. To conduct my business in such a manner that I may give a perfect service equal to or even better than my competitor, and when in doubt to give added service beyond the strict measure of debt or obligation.
7. To understand that one of the greatest assets of a professional or of a business man is his friends and that any advantage gained by reason of that friendship is eminently ethical and proper.
8. To hold that true friends demand nothing of one another and that any abuse of the confidence of friendship for profit is foreign to the spirit of Rotary, and a violation of its Code of Ethics.
9. To consider no personal success legitimate or ethical which is secured by taking unfair advantage of certain opportunities in the social order that are resolutely denied others, nor will I take advantage of opportunities to achieve material success that others will not take because of the questionable morality involved.
10. To be not more obligated to a brother Rotarian than I am to every other man in human society; because the genius of Rotary is not in its competition, but in its cooperation; for provincialism can never have a place in an institution like Rotary, and Rotarians assert that human rights are not confined to Rotary Clubs, but are as deep and as broad as the race itself, and for these high purposes does Rotary exist to educate all men and all institutions.
11. Finally, believing in the universality of the Golden Rule, ‘All things whatsoever ye would that men should do unto you, do ye even so unto them’ we contend that society best holds together when equal opportunity is accorded all men in the natural resources of this planet.

## **Declaration of Rotarians in Business and Professions (1989)**

The Declaration of Rotarians in Business and Professions was adopted by the Council on Legislation in 1989 to provide more specific guidelines for the high ethical standards called for in the Object of Rotary:

As a Rotarian engaged in a business or profession, I am expected to:

1. Consider my vocation to be another opportunity to service.
2. Be faithful to the letter and the spirit of the ethical codes of my vocation, to the laws of my country, and to the moral standards of my community.
3. Do all in my power to dignify my vocation and to promote high ethical standards in my chosen vocation.
4. Be fair to my employer, employees, associates, competitors, customers, the public and all those with whom I have a business or professional relationship.
5. Recognize the honor and respect due to all occupations which are useful to society.
6. Offer my vocational talents; to provide opportunities for young people, to work for the relief of the special needs of others, and to improve the quality of life in my community.
7. Adhere to honesty in my advertising and all representations to the public concerning my business or profession.
8. Neither seek from nor grant to fellow Rotarians a privilege or advantage not normally accorded others in a business or professional relationship.

### **Object of Rotary**

The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

1. The development of acquaintance as an opportunity for service;
2. High ethical standards in business and professions, the recognition of the worthiness of all useful occupations, and the dignifying of each Rotarian's occupation as an opportunity to serve society;
3. The application of the ideal of service in each Rotarian's personal, business, and community life;
4. The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

## **The Four-Way Test of the things we think, say, or do**

1. Is it the truth
2. Is it Fair to all concerned
3. Will it build Goodwill and better Friendships
4. Will it be Beneficial to all concerned.

### **RI Mission Statement**

The mission of Rotary International, a worldwide association of Rotary clubs, is to provide service to others, to promote high ethical standards, and to advance world understanding, goodwill, and peace through its fellowship of business, professional, and community leaders.

**One profits most who serves best.**

**Service Above Self**

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**Council On  
Legislation**

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## Council On Legislation

*Note to instructor: There are in many cases no right or wrong answers. Some of the areas covered are philosophically or of a theoretical nature and will rely on various interpretations. Participants are encouraged to keep an open mind and think of what's best for Rotary.*

### 1. What would you change about Rotary?

- a. specifics and why

### 2. How does Rotary changes?

- a. Clubs or districts independent actions
- b. RI Board of Directors
- c. Council on Legislation

### 3. What is the Council on Legislation?

- a. Makes or amends the “laws” of Rotary as found in:
  1. The Rotary International Constitution
  2. The By-laws of Rotary International
  3. The Club Constitution
- b. It CAN NOT change the club by-laws document
  1. Only the Board of Directors can change club by-laws
- c. It CAN NOT change the “policies” of Rotary International
  1. Only the Board of Directors makes the policies of RI
  2. Council on Legislation can make “suggestions” regarding policy

### 4. How does the Council on Legislation differ from a Parliament or Legislature?

- a. Clubs can overrule Council on Legislation
  1. They have two months to challenge decisions
  2. So far it has never happened
- b. The COL has no continuing responsibility for its decisions
- c. It uses NO precedents or considerations, nor is it bound by decisions of previous COL actions.

### 5. A Quick History of the Council on Legislation *(optional)*

- a. From 1910 to 1930, all legislation and significant issues were decided at the International Conventions. Delegates made motions from the floor and the issues were voted on by the attendees.
- b. At the 1930 Convention, over 11,000 Rotarians made the process chaotic.
- c. At the 1932 Convention, a Conventional Resolutions Committee tried to screen the number of proposals, but the system didn't work well.
- d. At the 1933 Convention, a Council on Legislation was proposed where a small number of delegates screened and reviewed proposals with a final vote on the proposals still taken at the International Convention.

- e. In 1934, the first Council on Legislation met.
  - 1. Delegates consisted of out-going DGs or Rotarians appointed in their place.
  - 2. About 100 people were present—it met for 3 days to deliberate on 26 items.
  - 3. The 2004 COL had 527 voting members and met for 5 days — 476 total proposals consisting of 250 enactments and 226 resolutions were considered.
- f. The COL met annually for the next twenty years, then every two years for the next twenty years. Since 1974, the COL now meets every three years.
- g. To be a “qualified” voting member, Rotarians must have served a full term as an officer of Rotary International (DGs and PDFs are considered officers of RI. Exceptions can be made under certain situations.)
- h. The COL used to meet at different locations around the world but since 2001, now meets in Chicago.
- i. Since 1934 to 1970, the COL acted as an “advisory board” to the convention. The convention delegates still had the power to vote on the proposals. In 1970, the COL changed from an advisory role to an actual legislative role. After 1970, the conventions had no role in enacting legislation.
- j. Today, the COL consists of one representative from each district. Most are PDGs. Non-voting members include all past RI Presidents, the General Secretary, any past General Secretary for the last 10 years, the RI Board of Directors, members of the constitution and by-laws committee serving on the Council Operations Committee, one trustee of the RI Foundation, up to three members at large, the chairman and vice chairman of the COL. The chairman can only vote in a tie-breaking situation. The Chairman of the COL is appointed by the RI President.

**6. What are the two types of Proposals that can be submitted to the COL?**

- a. Enactments: These change the official documents of Rotary International. They make specific referrals to the articles and sections of the RI Constitution, the RI By-Laws and the Club Constitutions. They CANNOT change Foundation documents.
- b. Resolutions: These are specific “recommendations” of policy, direction or content of Rotary programs., to the Board of Directors. Resolutions can also be used to suggest changes regarding the by-laws, constitution, or policies of the RI Foundation, but such suggestions have to be submitted to their Board of Directors who, in turn, make the recommendation to the Board of Trustees of The Foundation.
- c. Enactments that are passed by the COL become changes to the official documents unless overridden by the clubs.
- d. Resolutions that are passed by the COL are forwarded to the Board of Directors. If the Board of Directors agree with the suggestions, they are incorporated into the “Code of Policies.” If the Board of Directors disagree, then no action is taken. The final decision as to any actions take on a resolution rests with the Board of Directors.

**7. Who can make a proposal to the Council on Legislation?**

- a. Any club in the world can submit an enactment or resolution.
  - 1. The proposal must be voted and approved by the club Board of Directors AFTER approval by the general membership.
  - 2. The club then submits the proposal to the District Conference for endorsement.
  - 3. No proposals can be submitted to RI without District endorsement.

- b. Districts can make proposal to the COL.
  - 1. These can be made at District Conferences or by ballot-by-mail procedures.
  - 2. No District proposals can be forwarded to RI without District endorsement at the District conference.
- c. The RI Board of Directors can make proposals to the COL.
  - 1. They can make both enactments and resolutions.
- d. The Council on Legislation can make proposals.
- e. The Conference of RIBI (Rotary International–British Isles) can make proposals.

## **8. What Happens After A Proposal Is Made?**

- a. There is a cutoff date of June 30th of the year preceding the COL
  - 1. The proposal has to be in RI hands—not just postmarked.
  - 2. All pieces received after June 30th will not be included.
- b. Sent to the Constitution and By-Laws Committee
  - 1. They review it for completeness
  - 2. Technical review of the proposal
  - 3. Importance of purposes
- c. They send back pieces
  - 1. Defective or not in proper format
  - 2. Resolutions not within the framework of RI (i.e. declaring a Rotary day)
- d. Once proposal is approved, it's sent to the Operations Committee for placement on the agenda
- e. The COL adopts its own Rules of Procedure—normally based on what happened at the previous COL.
  - 1. Robert's Rules of Order ARE NOT applicable
- f. Before the COL begins there is a workshop where the rules of procedure are discussed.
- g. A binder is provided to all participants containing all the pieces of legislation before the Council convenes.

## **9. Areas of Interest**

- a. Proposals that deal with clubs, club issues, membership, attendance and territory gather the most interest.
- b. COL unlikely to debate the same concept more than once.
  - 1. Normally the best similar proposal is discussed first with the others being withdrawn or rejected quickly.
  - 2. Most frivolous pieces are removed or withdrawn early.
- c. Tolerance and good will among the participants stressed
- d. May differ in opinions but should never take it personally
- e. The mover has three minutes to make their case.
  - 1. Speakers at the microphone have two minutes to make their case.
  - 2. Mover has two minutes total rebuttal time after all speakers have spoken.
  - 3. Speaker may only speak once.
  - 4. Chair will try to balance debate between for and against.
- f. Distribution of materials meant to influence are not allowed after voting delegates arrive in Chicago—no campaigning.

## Possible Proposed Legislation

**Activity:** Study and analyze actual proposals for the 2013 Council On Legislation. Once the enactments and resolutions for the 2016 session are available, they can be used.

Small groups in the class can choose a topic, spend 10 minutes to prepare a brief in support of the legislation, then speak to their support. Other class members are encouraged to speak against the proposal. The class then votes on acceptance or rejection.

### Examples of Recent Proposals:

- Allow attendance credit for inviting a prospective member to a Club meeting
- Eliminate attendance credit for attending a Club-sponsored event or meeting
- Provide that Clubs may vary the frequency of their regular meetings
- Preclude Clubs from limiting membership based on sexual orientation
- Create a new category of membership: corporate membership
- Provide that Districts hold a District Conference at least every two years
- Request the RI Board to consider encouraging Clubs to create a training and leadership committee
- Request the RI Board to encourage Clubs to place the Manual of Procedure next to the Rotary bell at meetings.
- Provide for e-Clubs
- Prohibit discussion of business matters or private disagreements during Club meetings
- Request the RI Board to consider raising awareness of environmental issues
- Request the RI Board to consider establishing an award for service to humanity
- Request the RI Board to consider modifying the age limits for InterAct and Rotaract
- Request the RI Board to endorse and support the EarlyAct program
- Reduce per capita dues for members under the age of 40
- Extend the term of District Governors from one year to two years
- Authorize the RI Board to suspend or terminate a Club that fails to comply with stewardship policies of the Rotary Foundation
- Allow Rotarians to receive the official magazine via the Internet