**Legal and Ethical Issues in Project Management**

For this discussion, address the following:

* Identify one legal issue and one ethical issue in project management.
* Describe how these issues negatively affect the project, and what steps project managers can take to address these types of issues.

When applicable, be sure to include the appropriate APA-formatted citations and references from the readings, or other professional or scholarly literature to support your position.

**Response Guidelines 2 peers 75 words each**

Respond with substantive comments to the posts of your peers according to the Faculty Expectations Response Guidelines, comparing their perspectives to yours. When choosing posts to respond to, you are encouraged to consider one person with a perspective, background, or goals similar to yours, and one person whose perspective, background, or goals differ from yours. Ask any questions that will help you better understand their perspectives and extend the discussion.

You must provide appropriate APA-formatted citations and references in your responses when referring to the ideas or work of others, to support an alternative viewpoint or substantiate a claim.

**Rachel Rautenberg**

Typically, ethical issues are defined by sides of right and wrong as understood and applied by the individual evaluating the ethicality.  Shouche (2008) very clearly points out that a project manager should always work for the best interest of the project.  With that understanding, then, anything that does not serve the best for the of the project is unethical.  An example of an unethical act in project management could be over or understating project progress or outcomes (Shouche, 2008). The motivations behind over or understated progress and outcomes may be subtle and used as a tactic to elicit support or not alarm stakeholders, but that is not a justification for such reporting.  The lack of clearly defined, “black and white”, rarely debatable ethical lines makes ethical issues in project management difficult to call attention to.  Ethics in project management is the key to consistency and trust in the work being done (O’Brochta, 2016).

              The difference between ethical issues and legal issues is that legal issues are less subjective and more easily identified as following rules or not.  The chance is high that products, supplies, or services will need to be procured during for the implementation of the project.  In order to procure these a contract needs to be in place.  This is an area of risk in project management. To meet deadlines, a product or service that is available may be procured, only to find our later that there was a breech in contract due to a conflict of interest or price gouging.

              Legal issues have the potential to stall or derail an entire project.  Depending on the legality all work that has been done is at the risk to be considered null and void, therefore having no weighted merit to use any remnant.  Ethical issues provide opportunity to question the project leader and organizational standards.  This hesitation of the beliefs and values is likely to impact the genuine support of the project.

References

O’Brochta, M.  (2016).  Why Project Ethics Matter. *PM Network, 30*(1), 29. Retrieved from <http://library.capella.edu/login?url=http://search.ebscohost.com/login.aspx?direct=tru&db=bth&AN=112088825&site=ehost-live&scope=site>

Scheid, J. (2013, May 28). *Project Management Legal Issues: Are You At Risk?* Retrieved from Bright Hub Project Management: https://www.brighthubpm.com/risk-management/63360-project-management-legal-issues-are-you-at-risk/

Shouche, S. (2008). Ethical project management. Paper presented at PMI® Global Congress 2008—Asia Pacific, Sydney, New South Wales, Australia. Newtown Square, PA: Project Management Institute.

**TYPE RESPONSE HERE # 1**

Hi Rachel,

I agree with you that a manager should always work to fulfill the best interest of a project which should be guided by ethical principles. The act of understating the progress of a project in order to gain support is an ethical issue that is practiced by many project managers. This is a sign of project managers having week personal traits especially honesty. This is a matter that all project managers should take seriously and endeavor to practice better reporting practices.

Thank you.

RESPONSE # 2

Barbara Thomas

One legal issue in project management is risk insurance. Risks are involved when a project is started. Having access to these ricks are important and making ways to overcome these risks taking them in contracts is just as important.  Some risks can be insured, and the financial force of these risks can be offset by insuring against them. Some risks can be must be contractual or statutory. Statutory insurance is mandatory under state law and contractual insurance provides protection during construction work until the project meets deadline(stakeholdermap,2018).

One issue in ethical issues in project management is dealing with conflict of interest. It’s a situation that happens when project management faces a decision to do an act that will benefit another person or organization and it could harm another person or organization with similar duties. To resolve conflicting duties is to disclose conflict to those it affects and have them make the decision on how to proceed. Project managers should have volunteers fill out a questionnaire for PMI conflict of interest policy that is mandatory to be completed annually. It should be returned to the general counsel for review and project manager should be aware of all personal and corporate interests that may involve or relate to project management in anyway (Jackline,2014).

Jack Line(2014). How to manage conflict of interest at workplace  
   Retrieved from: https://www.whizlabs.com/blog/how-to-manage-conflict-of-interest-at-workplace/

Stakeholder map (2018). Risk management, Risk analysis,  
   Retrieved from; https://www.stakeholdermap.com/risk/risk-management-insurance.html

**TYPE RESPONSE HERE #2**

Hi Barbara,

It is true that insurance is a legal issue that is mandatory by law for any project that carries a certain amount of risk. However, I would like to add more to your point. A project manager who refuses to take insurance policies to cover for unforeseen losses is not only committing a serious crime but also endangering the people working on the project such as on-site staff as well as shareholders who risk losing their investment. There is great importance in understanding the law and following for more than just compliance.

Thank you.

**Managing Ethically**

For this discussion, address the following:

* Describe the personal attributes of managers who manage ethically.
* Discuss how managing ethically can set the direction of a project.

When applicable, be sure to include the appropriate APA-formatted citations and references from the readings, or other professional or scholarly literature to support your position.

**Response Guidelines**

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**Response #1**

**Margie Doty**

Healthcare managers, like any effective healthcare leader, must identify and understand different perspectives then weigh the benefits, risks, and consequences of alternative actions (Rubino and Reid, 2013).  Much of what healthcare organizations do is scrutinized by the public as well as federal agencies and accrediting and licensing agencies, which is why it is even more important for healthcare leaders than other public leaders to demonstrate ethical actions in all their decisions.  Successful healthcare leaders adopt an ethical framework that includes respect for persons, beneficence, nonmaleficence, and justice (Rubino and Reid, 2013 ).  Laying this framework helps to assure that the entire direction of the project will follow this path.  Rubino and Reid (2013) also indicate that the Ethical Warning System developed by M. S. Josephson in his book, *Making Ethical Decisions* (2002) states that one way to promote ethical practices is to always remember three things:

1. The Golden Rule.
2. Would you be comfortable if your reasoning and decisions were to be publicized?
3. Would you be comfortable if your children were observing you?

All of which seem like sound guidelines for any leader in today's healthcare marketplace, whether managing one project, one department, or leading an entire organization.

References:

Josephson, M. S. (2002). *Making ethical decisions* (2nd ed.). Los Angeles, CA: Josephson

          Institute of Ethics.

Rubino, Louis G., Yolanda Reid. *New Leadership for Today's Health Care Professionals*. Jones

& Bartlett Learning, 03/2013. VitalBook file.

**Type Here Response # 1**

Hi Margie,

I agree that managers who act in an ethical way must have some fundamental questions that they ask themselves as an ongoing process in the management of the project. The managers must look at how comfortable they would be if their actions were publicized and if their children were observing them. Additionally, healthcare managers should have a strong sense of care for the patients and workers in order to be able to work in a more ethical manner as the passion will drive them to do better.

Thank you.

**Response #2**

**Holly Collison**

Ethics can be described as the moral principles governing a person’s behavior or the conducting of an activity.  The project manager that acts with a high level of ethics build trust from the team members and encourages them to want to follow the established leadership.  As stated by O’Brochta “…ethics lead to trust, which leads to leadership, which in turn leads to project success…”(2016).

An example of a lapse in ethics that brought about legal ramifications, is in the case of the German automaker Volkswagon Group. The company acknowledged, “…manufacturing and installing software to defeat elements of the emission control systems in 11 million diesel-powered cars…” (O’Brochta).  This huge lapse in judgment resulted in legal nightmare for the organization to pay restitution to those impacted by their actions.  The company also saw large drops in stock values and sales as trust was lost by customers and investors.  It’s a good example of the legal ramifications that result from unethical actions by an organization.

An example of an ethical issue in project management is maintain objectivity within a project.  Often times, projects involve departments that would be adversarial by nature, such as an interface department that builds interfaces, and the test or informatics team that tests the build.  A project manager can easily become biased towards one side or another, based on history with the resources or perhaps working in that department in the past.  The project manager must remain objective within the confines of the project, and display the same objectivity with visible interactions outside of the department.  This maintains trust from all parties, and ensures all resources feel supported in the same manner throughout the project.  The ethical standards of objectivity contribute to the trust built between project members and the leader (Shouche, 2008).

O'Brochta, M. (2016). [Why project ethics matter.](http://ezproxy.library.capella.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=112088825&site=ehost-live&scope=site) PM Network, 30(1), page 29

Shouche, S. (2008). Ethical project management. Paper presented at PMI® Global Congress 2008—Asia Pacific, Sydney, New South Wales, Australia. Newtown Square, PA: Project Management Institute.

**Type Here Response # 2**

Hi Holly,

It is true that ethical behavior leads to leaders gaining trust of their employees and followers which leads to efficient working and overall success of the project. Ethical behavior also works well for the leader. An ethical leader who gains the trust of the followers is able to lead a project more easily as the leader’s ideas and opinions will easily be adopted with little resistance and the followers will add more refreshing ideas to make the project more current.

Thank You.