



BRYAN D. BERTHOT

THE AUSTIN HEALTHCARE PROJECT¹: A PROJECT MANAGER'S ETHICAL DILEMMA

Tina Thurston, PMP[®], had many years of experience in managing projects in the healthcare and IT sectors; she was certified as a Project Management Professional (PMP[®]) through the Project Management Institute. Laid off in 2019 during the COVID-19 pandemic, she was happy to land a job in mid-2020 at Ganbatte Systems in their Business Services unit.

Tina was ecstatic when she was assigned to manage the Austin Healthcare project for Ganbatte's new client Superba Healthcare Innovations (SHI). The Austin project was to be a cloud application intended to replace SHI's legacy healthcare product, HealthSurround[®]. This project was in Tina's wheelhouse.

When she reviewed the project's statement of work (SOW), Tina had significant concerns. Based on similar healthcare projects she had managed, the project budget and work estimate seemed to be too low by a factor of ten. Tina then viewed the recorded Zoom call where SHI's Chief Executive Officer described his vision for the project. The new application was to be built using cutting-edge technology and it also had to meet federal HIPAA standards for safeguarding patient protected health information (PHI).

There was definitely a disconnect between that vision and what appeared in the SOW. In the SOW, the architecture language and diagrams were generic, as if they had been pasted in from another document. There was no mention that this was a healthcare application or that HIPAA standards had to be met. To clarify the issues, Tina called an internal meeting between herself, the Ganbatte saleswoman, Michelle Aguilar, PMP[®], and her PMO Director, Herb Streicher.

During the meeting, other revelations occurred. Michelle revealed that some of the informality of the SOW wording was due to the fact the bid went to A. J. Brown, SHI's Chief Financial Officer (CFO) – and her husband. Moreover, neither Michelle nor Herb could provide Tina with any documentation as to where the work estimate came from. After an acrimonious discussion, Michelle got angry and abruptly left the meeting. The apparent conflict of interest and the low work estimate were red flags for Tina. While not defending Michelle, Herb seemed unconcerned – or bored – by the discussion. What action should Tina take? Should she file an internal whistleblower complaint about Michelle? Or an ethics complaint with PMI? Was Ganbatte a place where she even wanted to work long-term? Tina needed to decide on how she should handle this issue.

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Background

Many factors influence how a project manager responds to a workplace ethical dilemma. They include the individual's moral code, the pressure at work to generate revenue, cultural influences, the ethical training an employee has had, management unwillingness to cancel a project, and the specifics of a situation (Ogunlere et al., 2019; Schweriner, 2007). This case will first address high-level issues such as the nature of project management, ethics within the profession, and codified ethical responsibilities of the project manager. Then it will apply this exposition as it delves into some of the specifics of Ganbatte Systems and the Austin Healthcare project, culminating in the choice that project manager Tina Thurston made.

Project Management

A *project* is a finite sequence of interrelated activities whereby a unique goal is accomplished, typically adhering to a specified timeframe, budget, and scope of work (Wysocki, 2019). *Project management* (PM) is the discipline in which a specific body of knowledge (e.g., methodology, skills, tools, and techniques) is used to deliver the unique product or service (PMI, 2023b; Wysocki, 2019). There are several popular project management life cycles (PMLC), including (Cockburn, 2007; Stenbeck et al., 2011; Wysocki, 2019):

- Traditional PM (also referred to as waterfall or PMBOK[®]) is used when both the project goal and solution are clear to the organization. Traditional PM requires significant upfront planning and adherence to the plan throughout the project's sometimes lengthy execution phase. Thus, in traditional PM, it may take a while for the customer to derive any value from the project.
- Agile PM (e.g., scrum, eXtreme Programming, etc.) is used when the project goal is clear, but the solution is not. The scrum framework, for example, has limited planning and the project team works in two to four-week planning and work iterations to deliver a minimally viable product (MVP) or service to the customer. The emphasis is on delivering customer value faster.
- Hybrid PM is some combination of traditional and agile frameworks customized for the project as well as for the levels of chaos and discipline in the organization.

Business Ethics and Project Management

Business ethics has its roots in ethical philosophies that go back to the ancient Greeks. Ethical theories often are grouped as: 1) *Virtue ethics*, which accentuates adherence to prescribed moral virtues; 2) *Deontological ethics*, which is compliance with ethical principles or duties (i.e., obeying a higher power); and 3) *Consequentialist ethics*, where the morality of a behavior is based on the consequences of its outcome (i.e., following laws to avoid punishment) (Alexander & Moore, 2020; Bredillet, 2014; Ljungblom & Lennerfors, 2018). *Social learning theory* (SLT) (Bandura, 1972) also has been used to explain PM behavior, ostensibly as positive ethical behaviors may be acquired through observation and modeling (Hansson-Vazquez, 2018; Resick et al., 2013).

Many businesses have established employee guidelines and training programs to foster ethical behavior among their employees. An ethical workplace is one that not only adheres to laws and regulations that govern an industry, but also promotes positive behaviors that reflect well on the company; employee ethical behavior is part of a culture that improves a firm's reputation, increases profits, and reduces employee turnover (Hanson, 2019).

With over 680,000 members, the Project Management Institute (PMI[®]) has developed its own code of ethical practices for project managers (O'Brochta et al., 2012; Ogunlere et al., 2019; PMI[®], 2020, 2022).

Additionally, other project management organizations such as the Association for Project Management (APM, 2022) and the Scrum Alliance (2023) have crafted similar ethical codes.

The respective ethical codes tend to blend virtue, deontological, and consequential philosophies, but several reporters have opined that teaching ethics to project managers should emphasize ethical thinking and virtue ethics – as no rule-based standard can cover all scenarios (Bredillet, 2014; Helgadóttir, 2008; Ljungblom & Lennerfors, 2018; O’Brochta et al., 2012). Ljungblom and Lennerfors (2018) have provided empirical data which suggests that project managers use virtue ethics when confronted with workplace dilemmas.

As a profession, project management is fraught with ethical dilemmas. Ogunlere et al. (2019) identified several categories of such quandaries, such as: 1) Providing unrealistic (i.e., low) cost or work estimates to the client during the bidding process; 2) Focusing on making money from projects rather than delivering customer value; 3) Overestimating the ability of work resources to perform a task; 4) Failing to provide a customer with all possible problem solutions in favor of giving a high-profit margin one; and 5) Being dishonest in giving project updates when actual results do not meet the planned outcomes.

Given the plethora of potential ethical landmines and the pressures put on them from multiple stakeholders, project managers must be vigilant both to document ethical risks in their project risk registers and to mitigate against any such issues should they occur.

Project Management Institute (PMI)

PMI[®] was founded in 1969 and is a 503(c) organization (i.e., non-profit) dedicated to the advancement of project management as a profession and to maintaining best practices and ethical standards for its member project managers (PMI, 2023a). This information is codified in the encyclopedic *Project Management Body of Knowledge (PMBOK[®] Guide)* (PMI, 2019). When PMI was launched, its emphasis was on traditional (i.e., PMBOK[®]) project management.

Certifications

Since its inception, the Project Management Professional (PMP[®]) certification has been considered the gold standard for traditional project managers. To achieve the PMP[®], candidates must meet minimal requirements for practitioner experience and pass a rigorous multiple-choice exam based on mastery of the *PMBOK[®] Guide* and the PMI Code of Ethics and Professional Conduct (PMI, 2006). In many firms, having the PMP[®] has become essential for project managers, with it being a job requirement in many companies that ostensibly fosters a better project success rate. To address competition from other project management organizations, in 2010 PMI began adding agile and hybrid PM to the *PMBOK[®] Guide* as well as launching several related specialized certifications.

PMI Code of Ethics and Professional Conduct

The PMI (2006) Code of Ethics and Professional Conduct was established to help PMs make ethical decisions when confronted with workplace dilemmas. It sets ethical expectations for project managers as well as ideals for appropriate behavior within the profession. This rubric contains principles of responsibility, respect, fairness, and honesty to which all project managers should adhere (PMI, 2006). Importantly, the Code also delineates the process that should be followed to file a complaint with PMI if a member project manager practitioner violates these rules (PMI, 2020).

PMI's Ethical Decision-Making Framework

Investigators have reported that both project management success and trust building in relationships are tied to ethical decision-making (Hosmer, 1985; O'Brochta et al., 2012). Since the Code of Ethics and Professional Conduct cannot address all dilemma scenarios, PMI developed an ethical decision-making framework (EDMF) so that project managers could refer to it when evaluating their own situations (O'Brochta et al., 2012; Romack, 2015). The EDMF (*See Exhibit 1*) has five steps which guide the project manager: 1) Assess the facts about the ethical issue; 2) Consider the alternative choices available to resolve the situation; 3) Analyze the possible decision and test their validity; 4) Apply ethical principles to the possible decision; and 5) Make the decision (O'Brochta et al., 2012). Thus, the EDMF was designed as a systematic process for PMs to follow to foster ethical decisions.

Ethics Complaint Process

The Project Management Institute has a defined process that allows individuals to file formal ethics complaints against member project managers (*See Exhibit 2*) (PMI, 2020). PMI is loath to take disciplinary action against a PM member unless there is factual evidence to substantiate the complaint. Thus, an ethics complaint typically needs to be accompanied by supporting data (e.g., documents, etc.). PMI prefers that potential complainants try to solve the problem at a lower (i.e., internal company) level prior to filing an ethics complaint with it. Moreover, PMI will not accept any ethical complaints for evaluation if any related civil or criminal litigation is ongoing (PMI, 2020). The time frame for PMI to adjudicate an ethical complaint typically ranges from several months to a year, while the disciplinary action for an offending project manager varies from no action to revocation of the PMP® credential (PMI, 2020).

Ganbatte Systems

Ganbatte is a Japanese word that means “do your best” (Tšernov, n.d.). This was Ioki Hamaga's customer service philosophy when he founded Ganbatte in Japan in 1957. Ganbatte started out as a hardware company that specialized in placing and servicing office printers, scanners, and copiers. It became an international firm in 1973, a publicly traded one in 1981, and launched its U.S. subsidiary in 1984. By the late 1990s, Ganbatte had a 40% market share in corporate office machines in the U.S. and it had branched out into hosting and maintaining corporate computer servers.

In early 2015, the company (*See Exhibit 3*) reinvented itself, as its founder Hamaga launched the strategic plan to transition Ganbatte from an office machines firm to a digital cloud expert. It rebranded itself as Ganbatte Systems and it provided cybersecurity systems, ransomware protection and mitigation, application and web page development services, and data migrations from archaic paper systems to the digital cloud. In calendar year 2021, Ganbatte had sales of \$13.1 billion and a profit of \$227.3 million.

BrainFaze

One of the ways that Ganbatte reinvented itself was by acquiring smaller companies with expertise in web and cloud technologies. BrainFaze was such a cutting-edge firm that operated in the United States and Canada, having been acquired by Ganbatte in 2007. BrainFaze specialized in projects such as building corporate web sites; developing custom Microsoft PowerBI applications; performing SharePoint and ShareGate data migrations; and managing third-party software implementations for clients. While not able to compete with top-tier business service firms such as IBM or Hewlett Packard in terms of winning large government or corporate contracts, BrainFaze was a solid boutique shop that excelled in customer service and catered primarily to public sector and small public companies on contracts in the range of \$10,000 to \$1 million.

Ganbatte Business Services Unit

Following BrainFaze’s acquisition, in a reorganization most of its employees were assigned to what became the Ganbatte Business Services unit. Its mission did not change significantly from the BrainFaze days, but it was strapped for technical resources. It went to a model of having a one-person technical resource split between several projects instead of having a complementary three-to-five-member team per project.

Most contracting work between Ganbatte and external clients was done by the Business Services Pre-Sales unit. Sometimes, the Pre-Sales staff had project management experience, but usually they were long-tenured salespeople who were promoted into the job. Ostensibly, the Business Services project management organization (PMO) reviewed the contracts to provide approval on the cost and work estimates before the agreements were signed, but this process was followed sporadically.

From a project management perspective, on most projects there was significant overhead, with an assigned project manager, a product owner who served as a customer proxy, and a single technical resource. All resources were split between multiple concurrent projects.

When resources were spread too thin, the unit employed a “bait and switch” resource model, with an experienced, senior technical resource being used to win the contract and perform work estimates. When project execution began, the technical resource manager typically would pull the senior resource from the project and the work would be assigned to a junior, often newly hired resource. Inside the Business Services unit, this practice became known “ghosting the project”, as the senior resource would serve as the face of the project and attend customer-facing meetings but would delegate the work to the new resource. As a result of this practice, the Pre-Sales work estimates were invalid (i.e., underestimated) and the project schedules frequently exceeded the original time estimates. This often resulted in client dissatisfaction with the project delivery.

Ethical Standards and Whistleblower Procedures

Ganbatte had specific policies on corporate ethics for its employees, all of which were published on the company’s intranet site. Moreover, it required its employees to partake in annual ethics training. Ganbatte’s corporate values were codified in a treatise known as The Ganbatte Path (*See Exhibit 4*), which highlighted fundamental ideals such as integrity, honesty, and transparency. The company encouraged its employees to go to their supervisors as the first step in addressing any ethical concerns.

If employees were uncomfortable speaking to their supervisors, there were several ways (*See Exhibit 5*) to initiate company investigations or to file formal ethical complaints – through an intranet ethics portal, a whistleblower portal, or by calling a toll-free hotline. Ganbatte had several categories through which employees could initiate investigations, including conflicts of interest; criminal violations; employee relations; ethical issues; health & safety issues; inappropriate use of company assets; corporate policy violations; sexual harassment; and unauthorized contractual commitments.

Superba Health Innovations, Inc.

Superba Health Innovations, Inc. (SHI) was a publicly traded healthcare firm that specialized in running independent physicians associations (IPAs), specialty hospitals, hospital-based emergency departments (HOEDs), and managed service organizations (MSOs) in the U.S. SHI also had a cloud-based proprietary

application that made it a leader in healthcare data analytics and managed care solutions. From 2020 through 2022, SHI had increased in size through several prominent mergers and acquisitions. By 2022, SHI operated in 15 states, with much of its work in Tennessee, Texas, and Florida. In calendar year 2022, SHI had sales of \$50 million and a profit of \$4 million (or 8%).

Background

SHI had a legacy proprietary product called HealthSurround[®] that it marketed to regional health plans, physicians' groups, and hospitals. Across its customer base, HealthSurround[®] covered 10 million members (i.e., individual patients), had 1.5 million healthcare provider users, and processed 100 million annual transactions.

In terms of functionality, HealthSurround[®] had: A member portal for patients to verify their insurance and check the status of medical claims; a provider portal for staff to authorize patient services, enter medical claims, and refer patients for specialized treatment; and a claims engine that electronically processed medical claims. Additionally, SHI had built a suite of reports that could be launched manually by providers or patients. Some of these reports were standard as mandated by HIPAA (i.e., The Healthcare Insurance Portability and Accountability Act of 1996), while others focused on cutting-edge predictive healthcare analytics needed by medical providers (CDC, 2022).

While still generating revenue for SHI, HealthSurround[®] was near the end of its product lifecycle. It was excruciatingly slow at times, causing frustration both for users and SHI staff. The claims engine and the analytics reports often had to be run over the weekend to avoid total system shutdown. Finally, its architecture was haphazard and largely undocumented, having been through multiple developers over the years.

The Austin Healthcare Project

In a recorded Zoom call of the initial joint meeting between SHI and Ganbatte, SHI's Chief Executive Officer Harvey Cohen said that his vision was to modernize the HealthSurround[®] product with cutting-edge technology. The new cloud-based product had to maintain all current HealthSurround[®] functionality. In addition, the application had to: be built on a big data platform to reduce report run time and improve scalability; incorporate machine learning; and allow users to do ad hoc reporting. Ganbatte also had to load all of the HealthSurround[®] legacy data (e.g., 30 million records for the Claims table) into the new application, which was code-named the Austin Healthcare project – so named for the firm's base of operations in Austin, TX.

Ganbatte Project Manager

Tina Thurston, PMP[®], CSM, had twenty years of industry experience running complex healthcare projects and was cross-certified as a project manager (PMP[®]) through PMI and as a scrum master through the Scrum Alliance. She was relatively new to Ganbatte; after six months, she was assigned to the Business Services unit to lead the Austin Healthcare project. Tina thought, "This project is really in my wheelhouse, as I've done similar healthcare application development and third-party implementation projects."

Discoveries

As preparation for the customer-facing project kickoff meeting, Tina read the statement of work (SOW) for the project. The SOW typically contained a high-level description of the project, the baseline scope, work, and cost estimates provided to the customer, and the mechanism for performing change orders (CO) if the scope changed.

However, when Tina read the SOW for the Austin Healthcare project, she was astounded by its omissions. The description and architecture diagrams appeared to be generic information pasted in from another project, while there was no mention that the development work was for a healthcare application that had to adhere to HIPAA requirements. Even though the contract was a time and materials one, the estimates seemed to be quite low based upon her experience, with summary numbers that were otherwise undocumented. Something was definitely wrong. She called a meeting with the Pre-Sales signatory of the SOW, Michelle Aguilar, and her own PMO manager, Herb Streicher, to clarify the issues.

Management Meeting

Michelle Aguilar was a fellow PMP[®], so Tina suspected that there was an explanation for the omissions in the SOW. Aguilar revealed that some of the lack of formality was because the signatory for SHI was for A. J. Brown, SHI's Chief Financial Officer. "After all," Michelle said, "this bid was for A. J. Brown. He's my husband and we all know what the Austin project is about." Tina responded, "So you provided a bid for your husband, who's a C-level executive at SHI? Isn't that a conflict of interest? Is that ethical?"

During the meeting, other revelations came out. Neither Michelle nor Herb could provide Tina with any documentation as to where the work estimate came from. When Tina raised the issues about her perceived omission in the SOW content, Michelle snapped, "Just do your job. Stop rocking the boat about the contract! We all have numbers to meet." At that point, Michelle abruptly left the meeting. Herb said, "Look, we've been doing things this way for years. Yes, we can improve the way we work, but causing arguments with Pre-Sales isn't going to help matters." After a long discussion, Herb finally agreed to Tina's request to allow her to get new work estimates on the Austin project as a reality check.

Subsequent Work Estimates

Because she believed that the Pre-Sales cost estimates in the SOW were quite low, Tina assembled three other estimates for the Austin Healthcare project to help both Ganbatte and SHI management gauge the effort involved (*See Exhibit 6*). The first estimate came from the Business Services technical team – the people who would ostensibly do the work. The second came from one of Ganbatte's preferred offshore software development contractors. Finally, Tina got a bid from a vendor for the implementation of a customizable off-the-shelf enterprise suite that contained most of the functionality that SHI wanted. Of these three estimates, the average estimate was 10,900 work hours and \$2 million – which was significantly more than the SOW's Pre-Sales estimates of about 1,200 work hours and \$225,000. The offshore contractor's bid was the most economical route, but this didn't include the time and risk that Ganbatte would assume in managing the vendor.

Armed with this information, Tina presented it to Herb Streicher. His reaction was, "You did your due diligence. But now you're putting me in the position of having to tell both our management and SHI that we can't do the project for what we originally said. This isn't going to go over well at any level." Tina responded, "What is *so* hard in this organization about telling the truth? These are project management best practices. And I'd like to ask what your plan is for dealing with Michelle's conflict of interest and the low original bid. The problem here is not me." At the end of the meeting, Herb remained noncommittal about escalating this matter at all.

A Project Manager's Ethical Dilemma

Deep down, Tina was worried that she had discovered multiple ethical breaches that violated the PMI Code of Ethics and Professional Conduct. She believed that Michelle at least had a conflict of interest.

She also suspected that Michelle was working with her husband to get SHI to commit to a much larger, more expensive project once Ganbatte had started the work. Finally, Tina didn't understand the culture in which some of these things had occurred, as well as Herb Streicher's reluctance to deal with this at a management level. While Tina didn't commit the acts, she wondered about her level of responsibility to report them. Should she escalate this herself? Would she be labeled a troublemaker or be made the scapegoat? What would happen to her if she said nothing more?

Tina Thurston did have several options, including:

- Option 1: *No action*. Tina could stay put and hope things get better in the Business Services unit. She could try to keep her head down and hope that her inquiries to Herb about the Austin Healthcare project blew over.
- Option 2: *Quietly look for another job and leave the organization*. The conflict of interest and the lowball project estimate on the Austin Healthcare project that Tina discovered were serious concerns for her. Perhaps it would be better for her to seek other employment.
- Option 3: *Make an internal whistleblower complaint*. Although Ganbatte Systems had an anonymous whistleblower mechanism, based on her conversations with Michelle and Herb, there would be no doubt where any internal complaint came from. That might make Tina's future in the Business Services unit untenable, particularly given Herb's (i.e., the PMO manager) apparent indifference to the situation. However, making an internal whistleblower complaint may insulate Tina against any retribution from Michelle or Herb while Ganbatte investigated it.
- Option 4: *Make an ethics complaint against the offending PMP® to the Project Management Institute*. Tina knew that PMI had a process through which she could file a formal ethics complaint against fellow PMP®, Michelle. This complaint would not be anonymous, so Tina had to have solid documentation to substantiate the complaint and be prepared to defend her accusation.
- Option 5: *Initiate multiple options*. These options were not mutually exclusive, so Tina might consider pursuing more than one pathway.

This was the right time for Tina to put the issues on the Austin Healthcare project through PMI's Ethical Decision-Making Framework to generate the best possible outcome for all stakeholders involved – herself, Ganbatte, and SHI. This needed to be a decision based on the supporting data available to her. Tina had some serious thinking to do.

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Acknowledgements

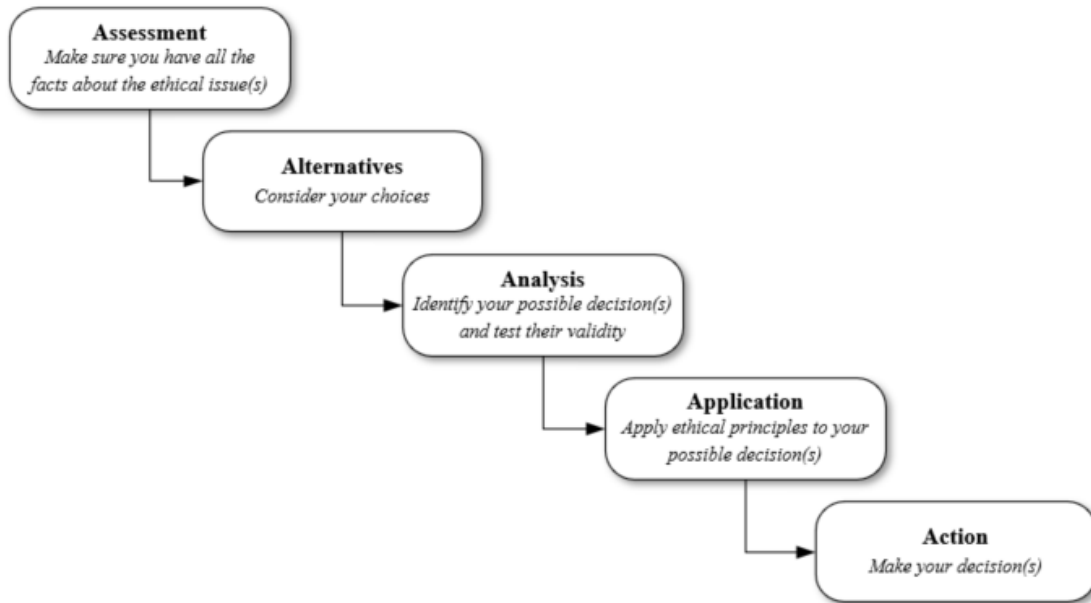
This case came from an original idea from the author, based on real world events and interviews with participants. Names have been changed and some of the essential facts have been augmented to generate classroom discussion. Thanks to students at UC-San Diego Extension and in various PMI Chapter seminars for their participation in evaluating earlier versions of this case.

Biography



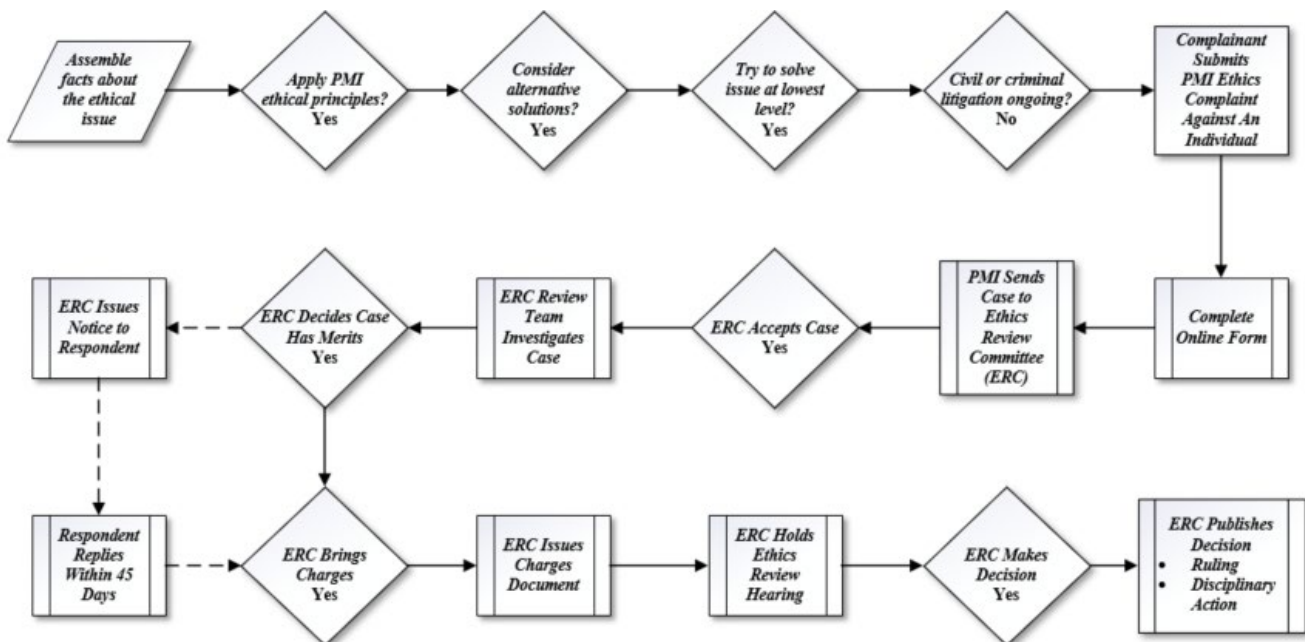
The late Bryan D. Berthot, PMP[®], CSM, is a doctoral candidate in the DBA program at the University of South Florida. He holds master's degrees in Supply Chain Management (Penn State University), Project & Program Management (Brandeis University), and Business Administration (University of Maryland University College). He was a project manager and scrum master practitioner, with expertise in coaching scrum teams and helping firms make the “waterfall-to-agile” paradigm shift. Bryan passed away in fall 2024.

Exhibit 1: PMI Ethical Decision-Making Framework (EDMF)



Source: Figure adapted from O’Brochta et al. (2012).

Exhibit 2: PMI Ethics Complaint Adjudication Process



Source: PMI (2020).

Exhibit 3: Ganbatte Systems Logo



Exhibit 4: The Ganbatte Path



Exhibit 5: Ganbatte Systems Whistleblower Procedures



Exhibit 6: Austin Healthcare Project Work and Cost Estimates

Estimate Stage	Source	Hourly Rate	Work Estimate (Hours)	Total
Baseline Bid for SOW	Ganbatte Pre-Sales <i>(No documentation)</i>	\$185.00	1,216	\$225,000
After \$80,000 of Project Budget Spent	Internal estimate by Ganbatte project technical team	\$185.00	<i>Best case: 10,270</i>	<i>Best case: \$1.9 MM</i>
			<i>Worst case: 13,514</i>	<i>Worst case: \$2.5 MM</i>
	Estimate provided by external contracting vendor (India)	\$185.00	<i>Best case: 9,459</i>	<i>Best case: \$1.75 MM</i>
			<i>Worst case: 12,162</i>	<i>Worst case: \$2.25 MM</i>
Quote provided to PM by healthcare vendor for off-the-shelf implementation		\$185.00	12,973	\$2.4 MM

Note. SOW = Statement of Work.

Source: Author.

Exhibit 7: Case Teaching Notes

Synopsis

This case describes a real-world ethical dilemma faced by a project manager in the workplace and the possible decisions available to her to resolve the situation. It educates students about projects and project management as a profession. It also describes the types of ethical dilemmas that the project manager might encounter. Finally, the case delves into the pathways that project managers have for making ethics complaints – both within a specific company and within the Project Management Institute (PMI).

Target Audience

This is an introductory to intermediate level case study. In development, this case has been used with post-undergraduates in both academic courses within a university project management certificate program and in PMI chapter seminar environments. It is an appropriate vehicle for training undergraduate and graduate students as well as aspiring Project Management Professionals (PMP®) on business ethics and project management as a discipline.

Learning Objectives

The objectives introduce discussants to the project management profession, highlight PMI's ethical principles and decision-making framework, and emphasize having the individual take a fact-based approach to resolving ethical dilemmas in the workplace.

- Distinguish between virtue ethics, deontological ethics, and consequentialist ethics.
- Define what a project is and describe project management as a discipline as well as the general types of project management frameworks.
- Name the four core ethical principles that PMI expects its member project managers to follow.
- Outline the major elements of PMI's ethical decision-making framework (EDMF).
- Identify the ethical dilemmas that Tina Thurston, PMP®, faced on the Austin Healthcare project.
- In addition to Tina Thurston, specify what other players in the case may have had a responsibility to raise the issue of ethical dilemmas to management or professional organizations.
- List the data available for Tina Thurston should she decide to file an internal whistleblower complaint or an ethics complaint with PMI.

Within a course in a postgraduate project management certificate program or a corporate training course, these learning objectives orient students to the potential ethical dilemmas faced by project managers, the ethical standards expected of Project Management Professionals (PMP®), and the politics involved when an ethical issue occurs in a corporate environment. They also introduce the PMI ethical decision-making framework as a means of helping the project manager decide what to do.

Student Assignment

Read the following documents in preparation for a discussion of the Austin Healthcare project case.

- Start by reading the Berthot (2023) case study.

- Review the PMI (2006) Code of Ethics and Professional Conduct: <https://www.pmi.org/about/ethics/code>.
- Familiarize yourself with the PMI Ethical Decision-Making Framework (O'Brochta et al., 2012): <https://www.pmi.org/learning/library/leaders-choice-ethical-decision-making-6031#>.
- Finally, the Ogunlere et al. (2019) article highlights ethical issues in information technology project management: https://www.researchgate.net/publication/338577867_Ethical_Issues_in_Information_Technology_Project_Management.

Teaching Plan and Analysis

- Instructor Reviews the Case with Students (10 minutes)
- Instructor Highlights the Decision Options (5 minutes)
- Discussion Questions (30 minutes)

1) *Q: What are the core ethical principles that project managers should follow?*

A: PMI's rubric contains principles of responsibility, respect, fairness, and honesty. Other PM professional organizations such as the Association for Project Management (APM) and the Scrum Alliance have similar orientations.

2) *Q: What mechanisms exist to help project managers make decisions about ethical issues?*

A: No guideline, such as the PMI Code of Ethics and Professional Responsibility, can prepare project managers for the gamut of ethical issues that they might encounter. PMI's Ethical Decision-Making Framework (EDMF) outlines a process which helps project managers make ethical decisions in the workplace. Most organizations have their own ethical guidelines as well as procedures for making complaints.

3) *Q: What ethical issues did Tina Thurston discover in the Austin Healthcare project case?*

A: At first, Tina identified a discrepancy between what appeared in the SHI CEO's video on his product vision and the scope that appeared in the project statement of work (SOW). The SOW had a generic architecture and did not state that this was a healthcare project that had to meet HIPAA requirements. This gave her some information that the project had been underestimated.

The SOW also contained low cost and work estimates that conflicted with her knowledge of similar healthcare projects. This view was reinforced when neither Michelle nor Herb could provide any documentation about the estimates. This belief was cemented when the subsequent estimates provided by multiple sources (i.e., internal Ganbatte team, external contractor, off-the-shelf vendor) all were much greater than those in the SOW.

The revelation that Michelle Aguilar submitted the Ganbatte SOW to her husband A. J. Smith at SHI brought the issue of a conflict of interest to the forefront. That, in addition to the low project estimate and Michelle's response during the management meeting, seemed to merit further investigation.

PMI's response that they had no record of Michelle Aguilar being a PMP® suggests that Michelle lied about her credentials, which would trigger an internal ethics investigation in most organizations.

Finally, Herb Streicher's reticent behavior may have been merely exemplary of a passive manager, or it may have been unethical on its own. The facts of the case leave that judgment to the reader.

- 4) *Q: How would you describe Tina Thurston's behavior during this case? That is, was she just being cautious and doing her due diligence, or was she naïve in her approach?*

A: Tina did not jump to any conclusions and did her due diligence by getting additional estimates to substantiate her suspicions.

One of the frustrating things for Tina was that evidence of any wrongdoing came out over time. The conflict-of-interest issue was revealed during the management meeting and the low SOW estimate was confirmed after the multiple estimates were obtained. Finally, Tina had no way of knowing that Michelle had lied about being a PMP®.

- 5) *Q: What would you do if you were in Tina's predicament and why?*

A: Here, there is no correct answer. During the discussion, the facilitator should be seeking a well-reasoned argument from the discussant. The facilitator also should reinforce the learning objectives here. A discussion of right versus wrong and how that feeds into ethics may be anticipated.

- Case Outcome Discussion (15 minutes)

During this part of the activity, the facilitator reveals what happened (as described below) in the case.

Update: What Actually Happened

After running through the PMI Ethical Decision-Making Framework, Tina Thurston, PMP®, believed that the issue merited filing an ethical complaint against Michelle Aguilar, PMP® with PMI. Given her manager's reticence to escalate the issue within Ganbatte, Tina wanted the PMI Ethics Review Committee to perform an external investigation as to whether Michelle had a conflict of interest. As supporting documentation, Tina provided PMI with the Austin Healthcare project Statement of Work, the subsequent meeting minutes she issued after her meeting with Michelle and PMO manager Herb Streicher, and the subsequent work and cost estimates she developed.

After submitting the complaint, Tina received no update from PMI for three months. At that time, PMI contacted her with the decision that they declined to investigate the matter further. As it turned out, PMI had no record of Michell Aguilar ever being a Project Management Professional (PMP®) and thus had no authority to adjudicate the complaint. PMI issued a cease-and-desist letter to Michelle Aguilar, asking her to refrain from presenting herself as a PMP® and threatening further legal action if she persisted.

Armed with this information, as well as the documentation she had earlier provided to PMI regarding the Austin Healthcare project, Tina filed a whistleblower complaint against Michelle Aguilar with Ganbatte. She included Herb Streicher in the complaint, for his inaction on the matter. Disgusted with the process, Tina started investigating the job market and left Ganbatte for another company.

The Ganbatte Ethics Committee's internal investigation took four months before it issued a decision. By that time, Tina was already gone; Michelle Aguilar also had left the company and had gone to work for Ganbatte's customer SHI. No disciplinary action was levied against Herb Streicher, but it recommended that the Business Services PMO forbid any internal personnel from working on projects for their spouse's companies.

Tina Thurston was happy in her new role as a project manager for a telecommunications firm. Ganbatte's human resources group later contacted her about coming back to the company, but she declined.