



# Ethical Responsibility of Financiers

## Project Management Perspective

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## Abstract

This chapter will address the ethical responsibility aspects of funders, from the perspective of project management, with the government context as the focus. From this perspective, the managers face significant challenges and dilemmas, since they are required to conduct themselves professionally and make decisions regarding ethical performance on a day-to-day basis, which is not easy to manage, even less so when.

On the one hand, there is no common ethical action guide for the institutions – public and private – with which projects are linked and articulated; and on the other hand, in the existing documents or ethical frameworks to which they must be subjected, they are not considered situations or circumstances in which they must exercise their judgment. It is understood that it is through public projects with the social value that the future is outlined for the benefit of citizens, where governmental organizations, companies, economic, material, human, and intellectual resources are also articulated.

In the current context in which projects are developed, the resulting social value does not coincide with the expected value; the initial requirements diverge from the results regarding compliance with the technical and management standards required; also, the motivations and conduct of the people involved in the projects could be incompatible about social conscience, the common good, and the adoption of codes of ethics.

Most of the projects and their management have not yet managed to offer the expected value or satisfy the expectations. The results of these projects kind, often, carry on tremendous economic, financial, political, and social impact. Therefore, the field of project management has faced for years, and since its creation, questions related to the contrast between theory and rigor of practice, technical relevance, organizational philosophy, behavior, and social consciousness of practitioners.

Due to the above, this chapter devotes attention to the standard in project management, the ethics code, and action guides linked to the public sector.

## Keywords

Ethics code

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## Introduction

Project managers and senior managers of major multinational companies are increasingly being singled out for unethical or unlawful conduct, which notoriously resulted in bankruptcies, financial losses, and job losses. However, this situation is not exclusive to the private sector, as there are many pages in the newspapers devoted to observations or complaints by high-ranking public officials in many countries, this type of incident being even more severe, due to the national property damage and the high social cost involved.

At the end of the Second World War, due to the devastation it caused, economic resources began to be applied to numerous social projects at the international level, with emphasis on projects for the reconstruction of war-affected cities through public and private financing. Other types of projects were also evaluated, such as those aimed at providing education, urban development, and housing, as well as preventive actions in health, nutrition, and job training.

All of this led to the execution of huge budgets, generating evaluation processes that sought to reduce investment risk and make the results of these projects more effective.

It is through public projects with a social value that the future is outlined for the benefit of citizens, where governmental agencies, companies, economic resources, materials, human, and intellectual resources are also articulated.

In the current context in which projects are developed, the resulting social value does not coincide with the expected value, the initial requirements diverge from the results regarding compliance with the technical and management standards required, and the motivations and conduct of the people involved in the projects could be incompatible about social conscience, the common good, and the adoption of codes of ethics.

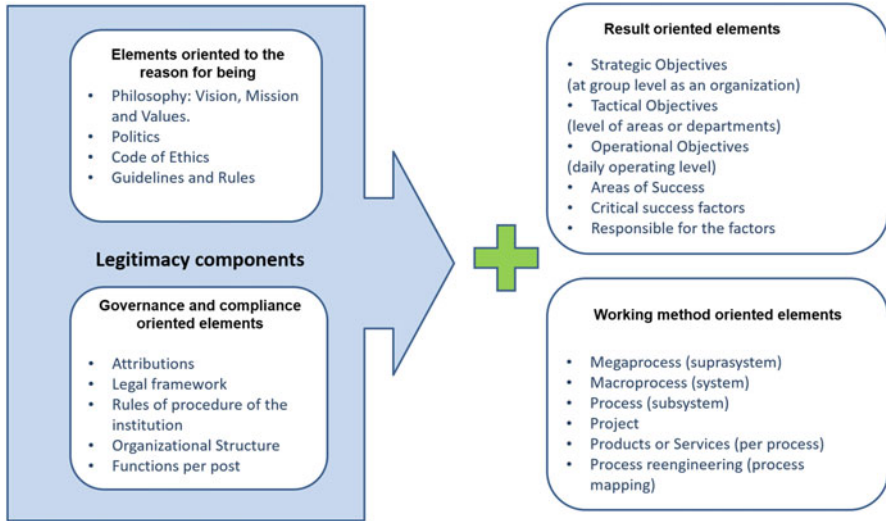
The field of project management in the governmental context has faced, for years and since its creation, questions related to the contrast between theory and rigor of practice, technical relevance, organizational philosophy, conduct, and social consciousness of practitioners.

Several of the approaches in this work are derived from the compilation and review of own research study, for the development of a strategy model for the engagement of ethical commitment in the project management within the governmental context (Altamirano 2018) and a vectorial hierarchical model for the evaluation of social projects with a sustainable approach (Macedo 2019).

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## Strategic Planning in the Establishment of Projects

One of the crucial aspects for the incorporation of ethical principles in project management is strategic planning because it establishes how an organization will survive or prosper and links a starting point of the organization with the long-term vision (Hernández 2002), and for this, it is necessary to know the organizational conditions and situation, with an internal and external focus.



**Fig. 1** Elements that integrate the strategic planning

From the process of strategic planning derive the definition of initiatives and the establishment of intermediate objectives; a suitable strategic plan is oriented in the viability of execution, turning it into an operative reality, centered in the achievement of goals and the obtaining of results. Indicators and indices are established to measure this result or progress toward the goals.

## Elements that Integrate the Strategic Planning

From the analysis and reflection of the proposals of diverse authors, a scheme is presented in Fig. 1, which frames the common elements that integrate the strategic planning (Hernández 2002; Münch 2005; Herrera and Didriksson 2006; Hellriegel et al. 2009). This scheme has the purpose of giving visibility to the impact and influence of the strategic plans in the inclusion of the organizational ethical sense in the ways of raising the strategic objectives, measuring the results, and establishing the work methods. Besides, four types of elements stand out, according to their purpose: (1) elements oriented to reason for being; (2) elements oriented to the governability and fulfillment of the regulation; (3) elements oriented to the result and to the measurement to reach said result; and (4) elements oriented to the work method, to produce products or services, and that are organized by functions, processes, or projects (Altamirano 2018).

Under this consideration, organizations could more assertively present their strategic plans without confusing the strategic objectives with the compliance objectives of the normative framework or with the purposes to implement components oriented toward the work method. When the objectives pursued by

organizations are congruent with the values of society, they are being legitimized to access scarce resources.

### **Elements Oriented to the Reason for Being**

Thus, the organizational philosophy in which the vision, mission, values, and policies are presented aims to be for organizations that constitute their personality and character as an organism.

### **Governance and Compliance-Oriented Elements**

Elements that, by the way, give legitimacy to organizations, which, from an institutional theory perspective, need to be recognized by other organizations, institutions, or groups with which they could establish exchanges of resources, such as customers, suppliers, distributors, authorities, and employees, as well as for their activities to be perceived as appropriate and desirable (Díez et al. 2010). Therefore, elements such as the corporate name of the organization, policies, and guidelines spilled into the constitutive act, as well as all those ordinances that grant it legality and therefore legitimacy, are included in policies that form part of strategic planning, since this brings with its greater possibilities of achieving success.

### **Result-Oriented Elements**

Once the vision of the future scenario has been defined, strategic planning focuses on the definition of objectives and goals to measure the results of the organization's work. For this, it will be necessary to determine the structure of the organization, which in turn is related to the hierarchy of objectives that can be strategic, tactical, or operational.

### **Working Method-Oriented Elements**

The operation of the organization will depend on the form of production or the methods to organize the work, which a generic way could be by functions, by processes, by projects, or even combinations of these; this will depend on the type of product or service that the organization offers to society.

In short, the fundamentals of any organization will be described by its philosophy, which will give rise to the development of the organizational culture. This philosophy starts from the vision, mission, values, policies, guidelines, and rules, which in turn form the strategic planning. This philosophy will determine the path, direction, or route to follow to achieve the vision, besides it will also contribute character and personality to the organization, thus conforming the organizational culture; this culture, in turn, will permeate both the results-oriented elements and those oriented to the work method and its products, which are generated by processes and projects.

This chapter focuses on the elements oriented to the reason for being and those oriented to the working method, specifically by projects.

## The State and Its Roles in Project Design

It is necessary to understand the purpose and the reason for being of the state and contrast it with that of private enterprise. The functions of the state are to administer, regulate, and organize war and peace, as well as the justice, wealth, culture, customs, religion, health, education, and industry – among others – of its citizens. Likewise, in this sense, the author explains that it is the state that empowers other citizens, granting them legal freedom within the framework of private law. However, its most important role is the adequate organization of men and resources to achieve the well-being and happiness of citizens in the society it governs, the latter being what it grants to the State, scientific legitimacy, because happiness is related to the survival, life, and well-being of community and constitutes its motive and function as a social science (Guerrero 2000).

Those in charge of this function are called civil servants, administrators, or public servants, who commit themselves to make smart and intelligent use of federal funds for the benefit of the republic. These civil servants are the foundation of the economy and the treasury, and they are the ones who determine the administrative matter corresponding to the diverse collective or social needs, and beyond what is indicated by the law without contravening, it is the essence of the public administration, conceived in the form of power that corrects and improves society, and its object of study is medicine, engineering, finance, law, and service, in short, professions directed to the benefit of community (Ibidem).

For such immeasurable importance of the role of the state and its transcendence, it is that this chapter has dedicated its focus to ethical responsibility of financiers since project management perspective for the direction of the projects linked to the public sector, on which depend the development and welfare of the society in the broadest sense, preferring it over aspects and private interests, as in the case of the private company.

## Evaluation of Public Projects

During the decade of the 1950s, social researchers participated in evaluations of projects funded by governments in the world, to address problems of different social nuclei; some of the issues that were sought to address are crime prevention, public housing programs, economic development of community organizations, educational activities, among others.

Project evaluation mechanisms at that time took qualitative variables generated by experts into account; these were highly biased according to experience.

It is, therefore, appropriate to address some considerations concerning project evaluation, which is a tool or set of techniques that facilitate decision-making to allocate public resources efficient means of carrying out those programs and projects that maximize the well-being of the country, so it is essential to determine which are the most convenient since it allows selecting the most profitable projects, as well as

prioritizing to carry out two of the main objectives of good governance: economic growth and combating poverty (Meixueiro and Pérez 2008).

The evaluation of projects could be considered as applied research, of interdisciplinary tendency, carried out through the application of a systematic method, whose objective is to know how to explain and value a reality (Cardozo 2006). Evaluation, as opposed to management control, audit or audit, as Cardozo explains, involves a set of activities, the sequence of which varies according to the type of evaluation to be carried out:

- (a) Identify the effects of the action, program, policy, or assessment to be evaluated and the costs incurred.
- (b) Apply a measurement scale to the identified impacts (nominal, ordinal, interval, or ratio).
- (c) Compare the measure achieved with another action that serves as a parameter for the evaluation (e.g., the measure of effects obtained in previous periods by the same organization, policy, or program; in the current period by similar organizations, policies, or programs; the one determined in organizational plans as an expected goal, etc.), primarily, in the case of social programs, to determine whether there was an improvement in the population's welfare conditions.
- (d) Explain the comparative results found, depending on the design and conditions of application of the program.
- (e) Issue a value judgment that qualifies the activities carried out, the services provided, their effects, and their overall impact.
- (f) To make the necessary recommendations to address the problems identified and to build on the strengths of the program to contribute to the higher achievement of its objectives.

Evaluated actions could be linked to various evaluation objects: people, organizations, policies, plans, programs, projects, or evaluations. And they can be of diverse types such as evaluation of objectives, relevance, coherence, context, inputs or means, process, achievements, results or outputs, effectiveness, goals, efficiency, effects, impact, and satisfaction (Ibidem).

At this point, note the forcefulness of García Sánchez (2009), in the *Diccionario Crítico de Ciencias Sociales*, in the technical sheet *Metaevaluación*, published electronically and quoting various authors, which he tells us:

The importance that evaluation has been acquiring in both academic and institutional circles does not reside only in its character as scientific research -as one might think in principle- but very especially in its notable political implications. Many of the most recent theoretical elaborations in the field of evaluation revolve around the political dimension of evaluation:

- (i) Evaluations are about elements – public policies – that are proposed, elaborated, debated, financed, and approved in the political process (Weiss 1991; Palumbo 1987).
- (ii) Evaluation reproduces the dynamics, the features of the political context in which it arises, and the procedures, structures, and actors that make it up to have a significant impact on its implementation.

- (iii) The impulse towards its consolidation comes, fundamentally, from the public powers, in the form of institutionalization and financing. Governments see it as an element of legitimacy, as well as an opportunity for control. Thus, the government legitimizes evaluation, and evaluation legitimizes government action (House 1993).
- (iv) Evaluation is also an intrinsically political activity, since it involves politically relevant, opposing interests that struggle to obtain a more significant share of power and influence in the negotiation.
- (v) The criteria according to which the policy is judged, the design of the evaluation itself, do not cease to be political, since they imply adopting one position or another for such controversial issues as the access of certain groups to the evaluation, the ownership of the information produced, etc. (Weiss 1991).
- (vi) Evaluations are carried out with the purpose – implicit or explicit – of informing and influencing, in one way or another, the political decision-making process. They are often used as a means of making the political effort profitable or even become a weapon between options of different sign. Evaluation produces information, and information provides power. They are, therefore, especially prone to be instrumentalized, used for political or partisan ends (García 2009).

Some methods of evaluating social projects were no longer of interest to social researchers, due to the lack of maturity and stability in their implementation in the government sector. However, private sector organizations took up these methods again and integrated them into their feasibility analyses to establish indicators and criteria for socio-economic impact.

In this sense, the application of hierarchical evaluation methods should be considered an integral part of social policy actions and public and private administration.

### **A Vectorial Hierarchy Model for the Evaluation of Social Projects with a Sustainable Approach**

The sustainable social approach arises from the World Commission on Environment and Development of the United Nations who in the report entitled the Brundtland report: “Our common future” carried out in 1987 establish different policies for global economic development that allow a balanced growth and that assure the existence of human society. It mentions that governments and companies in their quest to satisfy human needs have devastated the environment around them, making it indispensable to consider at least three dimensions of the impact of their actions or projects; these are:

- Social dimension: Social equity, health, poverty, gender equity, housing, and educational level population
- Environmental dimension: Atmosphere, agriculture, desertification, urbanization, oceans, seas and coasts, coastal zone, drinking water, and biodiversity
- Economical dimension: Economic structure, financial level, profitability, consumption, and production patterns waste management and generation



The dimensions of sustainability seek that governments or companies establish policies that allow them to satisfy the needs of current and future society, carrying out actions that are economically viable, environmentally friendly, and per the cosmovision of the community receiving the good.

In a sustainability approach, economic development obtains a balance in function with respect for society and its environment, in such a way as to ensure the existence of humanity in the long term. That implies a significant challenge that requires the collective drive of society. Therefore, governments and private companies should consider in the evaluation of projects the three dimensions of sustainability.

Each dimension considers several elements; therefore, it is possible to define several indicators per theme so that carrying out an evaluation process under a conventional approach could be a complicated task.

### Mathematical Model Conception

It is in this sense that the vectorial hierarchy model for the evaluation of social projects with a sustainable approach has its strength in offering an orderly mechanism to attend an evaluation process of this nature, for the case the reference criteria can be given by three unique dimensions which in turn can be integrated by vectorial subspaces (Macedo 2019).

The former can be structured as follows:

- The vectorial evaluation space will be determined by the dimensions for sustainable development, which will be considered as a vectorial subspace, i.e., the vectorial space for project evaluation will be constituted by the three subspaces (social, economic, and environmental).
- To ensure the orthogonality of each dimension or subspace is necessary to weight the projection of the vector. Therefore the evaluation of the criterion must be multiplied by the scalar of the corresponding projection before generating the evaluation vector. This weighting should be made according to the expected impact of each of the dimensions in the evaluation process.
- Each subspace should be constructed according to the characteristic indicators of the respective dimension.
- The respective weighting criteria will be established for each vector subsystem for ensuring adequate weighting.
- The definition of the above criteria of the system of equations representing the projects to be evaluated will be as follows:

$$A = (C_{3 \times m} \ U_{3 \times 3})P$$

where

A is the matrix of polynomials

C is the criteria evaluation matrix

U is the matrix of unit vectors of the evaluation criteria

P is the weighting matrix

From the above the following structure is developed:

$$\begin{bmatrix} A_1 \\ A_2 \\ \vdots \\ A_n \end{bmatrix} = \left( \begin{bmatrix} C_{11} & C_{12} & C_{13} \\ C_{21} & C_{22} & C_{23} \\ \vdots & \ddots & \vdots \\ C_{n1} & C_{n2} & C_{n3} \end{bmatrix} \begin{bmatrix} \hat{i} & 0 & 0 \\ 0 & \hat{j} & 0 \\ 0 & 0 & \hat{k} \end{bmatrix} \right) \begin{bmatrix} P_1 \\ P_2 \\ P_3 \end{bmatrix}$$

The preceding generates vectors that characterize the hierarchy and then:

$$\begin{aligned} \bar{A}_n &= \|\bar{A}_n\| \left( \frac{C_{n1}P_1\bar{i}}{\|\bar{A}_n\|} + \frac{C_{n2}P_2\bar{j}}{\|\bar{A}_n\|} + \frac{C_{n3}P_3\hat{k}}{\|\bar{A}_n\|} \right) \\ \|\bar{A}_n\| &= \sqrt{\sum_{i=1}^m (C_{ni}P_i)^2} \end{aligned}$$

where

$\bar{A}_n$  = Characteristic vector of evaluation of the alternative  $n$ -th

$P_1$  = Weight of the social variable

$P_2$  = Weight of the economic variable

$P_3$  = Weight of the environmental variable

$C_{n1}$  = Evaluation of the  $n$ -th alternative for the social dimension

$C_{n2}$  = Evaluation of the  $n$ -th alternative for the economic dimension

$C_{n3}$  = Evaluation of the  $n$ -th alternative for the environmental dimension

$\|\bar{A}_n\|$  = Vector module  $\mathbf{A}_{n-th}$

$\bar{i}$  = It's the unit vector of the social variable

$\bar{j}$  = It's the unit vector of the economic variable

$\bar{k}$  = It's the unit vector of the environmental variable

Likewise, the construction of the criterion evaluation will be represented by vectors that characterize the hierarchy for social subspace and then:

$$\begin{aligned} \bar{A}_{S_n} &= \|\bar{A}_{S_n}\| \left( \frac{C_{S_{n2}}P_{S_1}\hat{i}}{\|\bar{A}_{S_n}\|} + \frac{C_{S_{n2}}P_{S_2}\hat{j}}{\|\bar{A}_{S_n}\|} + \dots + \frac{C_{S_{nm}}P_{S_m}\hat{m}}{\|\bar{A}_{S_n}\|} \right) \\ \|\bar{A}_{S_n}\| &= C_{n1} = \sqrt{\sum_{i=1}^m (C_{S_{n1}}P_{S_i})^2} \end{aligned}$$

where

**Table 1** System of hierarchical vectorial evaluation for social projects

Dimensions	Social	Economic	Environmental	Hierarchy
Weight	$P_1$	$P_2$	$P_3$	
Projects or alternatives	$A_1$	$C_{12}$	$C_{13}$	$\sqrt{\sum_{i=1}^m (C_{1i}P_i)^2}$
	$A_2$	$C_{22}$	$C_{23}$	$\sqrt{\sum_{i=1}^m (C_{2i}P_i)^2}$
	$\vdots$	$\vdots$	$\vdots$	$\vdots$
	$A_n$	$C_{n2}$	$C_{n3}$	$\sqrt{\sum_{i=1}^m (C_{ni}P_i)^2}$
	Social subspace	Social criterion 1	Social criterion 2	Social criterion m
Weight	$P_{S1}$	$P_{S2}$	$P_{S_m}$	
Projects or alternatives	$A_{S1}$	$C_{S12}$	$C_{S_{1m}}$	$\sqrt{\sum_{i=1}^m (C_{S1i}P_{Si})^2} = C_{11}$
	$A_{S2}$	$C_{S22}$	$C_{S_{2m}}$	$\sqrt{\sum_{i=1}^m (C_{S2i}P_{Si})^2} = C_{21}$
	$\vdots$	$\vdots$	$\vdots$	$\vdots$
	$A_{S_n}$	$C_{S_{n2}}$	$C_{S_{nm}}$	$\sqrt{\sum_{i=1}^m (C_{Sni}P_{Si})^2} = C_{n1}$

**Table 1** (continued)

Economic subspace	Economic criterion 1	Economic criterion 2	Economic criterion m	Hierarchy of economic subspace
Weight	$Pe_1$	$Pe_2$	$Pe_m$	
Projects or alternatives	$Ce_{11}$	$Ce_{12}$	$Ce_{1m}$	$\sqrt{\sum_{i=1}^m (Ce_{1i}Pe_i)^2} = C_{12}$
	$Ce_{21}$	$Ce_{22}$	$Ce_{2m}$	$\sqrt{\sum_{i=1}^m (Ce_{2i}Pe_i)^2} = C_{22}$
	$\vdots$	$\vdots$	$\vdots$	$\vdots$
	$Ce_{n1}$	$Ce_{n2}$	$Ce_{nm}$	$\sqrt{\sum_{i=1}^m (Ce_{ni}Pe_i)^2} = C_{n2}$
Environmental subspace	Environmental criteria 1	Environmental criteria 2	Environmental criteria m	Hierarchy of the environmental subspace
Weight	$Pa_1$	$Pa_2$	$Pa_m$	
Projects or alternatives	$Ca_{11}$	$Ca_{12}$	$Ca_{1m}$	$\sqrt{\sum_{i=1}^m (Ca_{1i}Pa_i)^2} = C_{13}$
	$Ca_{21}$	$Ca_{22}$	$Ca_{2m}$	$\sqrt{\sum_{i=1}^m (Ca_{2i}Pa_i)^2} = C_{23}$
	$\vdots$	$\vdots$	$\vdots$	$\vdots$
	$Ca_{n1}$	$Ca_{n2}$	$Ca_{nm}$	$\sqrt{\sum_{i=1}^m (Ca_{ni}Pa_i)^2} = C_{n3}$

$\overline{As}_n$  = Characteristic vector of evaluation of the alternative  $n$ -th in the social subspace

$P_{s_m}$  = Variable weighting  $m$ -th of social subspace.

$C_{nm}$  = Evaluation of the  $n$ -th alternative to  $m$ -th criteria of social subspace.

$\|\overline{As}_n\|$  = Vector module  $As_{n-th}$ .

$\widehat{m}$  = It is the unit vector of the criterion  $m$ -th of social subspace.

That is applied to the other two vector subspaces, so that represents the system for the evaluation using Table 1.

However, to be able to carry out the selection process according to hierarchies, the decision-maker must select the projects according to the vector module  $\|\widehat{An}\|$ .

In such a way that projects with a module of greater absolute magnitude will have a higher preference, that is to say, projects that are better evaluated in the three dimensions of sustainability and therefore have more top hierarchy will be preferred.

The main limitation of the hierarchical vector evaluation system is the need for computer systems for its implementation.

In short, the work of financial evaluation of projects plays an essential role as a phase before the establishment of government programs and projects, which lays the foundations, purposes, objectives, and character of such projects.

## The Role of Auditing in Projects

The purpose of audits is to ensure compliance with provisions established by the organization for the development of work and, thus, the involvement of a group of trained professionals to review the management, its results, and production requirements, products, services, or delivery and verify that they have complied with the guidelines, standards, policies, processes, procedures, and so on. This auditing function may be performed internally within the organization or be entrusted to other companies, through external auditors, who will have the task of certifying or attesting to compliance with established provisions, which does not exempt the organization from having its group of internal auditors (Hernandez 2002). In other words, the audit is a measurement or evaluation to measure the productivity of a system to determine whether the purposes and objectives have been achieved (Garza 2000).

The scope of internal auditing within an organization is broad and may include issues such as governance; risk management of an organization and management controls over efficiency; the effectiveness of operations – including safeguarding assets; reliability of financial and management information; and compliance with laws and regulations. Internal auditing may also involve conducting proactive audits to identify potentially fraudulent acts and conducting subsequent reviews to identify control failures or establish financial losses (Al Hosban 2015).

The audit function has extended beyond the revision of accounting and financial standards (SOX USA 2002) to other productive areas, among them the audit of marketing, which includes the evaluation of a company's commercial strategies; the quality audit, for ISO standards; the reviews of computer systems (Information Systems Audit and Control Association 2010); the environmental audit; the administrative audit, focused on verifying the adequacy of legal and administrative procedures (Cardozo 2006), which is common in cases of public organizations, financial compliance audits, and performance audits; both institutional and public officials are carried out through internal control organs.

From the above, it is concluded that regardless of the rigor with which these types of audits are carried out, it is observed that the application is left out of opportunity, to correct deviations, since most of the time it has the purpose of inspection and sanction, when the projects have concluded, and these presented irregularities.

Therefore, it is considered that a rigorous practice of early quality auditing of project management, from all perspectives, would mitigate deviations or risks that could impact results; but audits with preventive purposes and with mechanisms to implement preventive and corrective actions require the political will of the responsible institutions and those involved in project management.

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## **Project Management Challenges in Multinational Environments**

To reinforce social policies is common for international organizations to provide funding to growing countries for health, education, infrastructure, energy, and agriculture projects, exerting enormous pressure on public administration today. Because of this situation, the public sector has been forced to adopt criteria, procedures and standards for project management, as well as elements of the philosophies and organizational culture coming from private multinational corporations, given by Ríos, the public and private are so intertwined that it is almost impossible to analyze the consequences of the actions of supranational or multinational companies with the so-called political decisions of governments and that the major political decisions contain a high percentage of consideration toward the interests of these supranational organizations (Ríos and Paniagua 2007).

At the same time, essential deontological elements are omitted or made invisible in the current context in which the most significant pressure on ethical aspects is related to the phenomenon of globalization (Velásquez 2006). Thus, the future of social policy and the moral commitment immersed in it require the confluence and compatibility between state and private initiative (Alemán and Garcés 1998).

To provide higher elements of understanding is pertinent to describe previous events. After the Second World War, the United States and the allied countries set themselves the objective of reproducing in the countries of the south the processes of industrialization and modernization, as well as establishing new markets since the

industrial revolution would allow the West to dominate the world because of its wealth and technological level.

As the leading strategy, relevant technical and financial resources were made available, in the form of credits, for the newly independent nations and developing countries (Brunel and Guerre 2005); international organizations such as the Organization for Economic Cooperation and Development (OECD); the World Trade Organization (WTO), and the so-called Bretton Woods Institutions, such as the World Bank (WB); the International Monetary Fund (IMF); among others.

More than 60 years after their establishment, they are still controlled by a small group of industrialized countries that keep developing countries as less representative partners in decision-making, even though they contribute in real terms with more than half the world's production, a large part of consumption, and the majority of the population (Buirea and North 2007).

Thus, the member countries of the mentioned institutions, which consider themselves creditors, have attributes to decide on the policy, norms, and rules of operation of these institutions, while the developing countries, in course or potential debtors, are subject to the policies, standards, regulations, and plans of structural adjustment formulated by the other previous ones, in spite of being the main contributors of the international reserves.

Under these conditions, the international environment shows a rapid increase in both the size and importance of the economies of developing countries in the world economy, particularly those with emerging markets. This trend has made the governance structure of these institutions, which reflects the political agreement reached at the end of the Second World War, increasingly obsolete; thus, they begin to suffer from a crisis of legitimacy (Ibidem).

That and the various economic events have forced an adaptation of the functions of these institutions to respond to the new configuration of international financial markets and the needs of their member countries and, above all, to the World Bank's strategies for financing projects in health, education, infrastructure, energy, and agriculture (Dávila 2005).

With this purpose and strategies, these institutions have been the promoters and responsible for the international flow of capital and the propagation of multinational corporations, which are companies that support manufacturing, marketing, services, or administrative operations in many countries (Velásquez 2006). It is pertinent to point out that this derives the great difficulty in handling different moral, cultural, political, social, and legal standards that influences the adoption of ethical relativism (Ibidem).

For this reason, the WB's efforts have focused on establishing and placing policies in an institutional context of "*governance*" without which welfare contributions seem to lose a large part of their meaning, value, and effectiveness, which poses very complex challenges for the following decades (Dávila 2005).

## Adoption of the Standard for Project Management

Due to the pressure of compliance with international treaties for “governance,” in countries that are debtors of international financing, for example, in Mexico, the conditions for the professionalization of officials have been met public sector, providing as a study the Guide to the Project Management Body of Knowledge. (Governance: The Governance Global Practice supports client countries to build capable, efficient, open, inclusive, and accountable institutions. This is critical for sustainable growth and is at the heart of the World Bank’s twin goals of ending extreme poverty and boosting shared prosperity. Countries with strong institutions prosper by creating an environment that facilitates private sector growth, reduces poverty, delivers valuable services, and earns the confidence of its citizens – a relationship of trust that is created when people can participate in government decision-making processes and know that their voices are heard (<https://www.worldbank.org/en/topic/governance/overview>. World Bank Last Updated: Sep 27, 2018).

In addition, it has also been required that companies providing services for bidding projects linked to the state should assign as responsible for such projects project management professionals certified in the practices of the standard of the Project Management Institute.

Since then, some organizations intending to provide services, works, and projects have adopted, among others, the practices of the standard in project management. This requirement contributed to the methodological and procedural incorporation of the chosen standard, with the expectation that by establishing clear goals, concrete objectives, standardized planning, and execution of their projects, a high performance, efficacy, and efficiency in the short term in the result of the projects would be glimpsed.

On the other hand, in academia, higher education institutions began to incorporate the study of project management standards into their graduate and master’s degree plans in administration and business.

Currently, the courses of instruction and training of the standard of project management chosen by the public sector are part of the academic offerings of multiple educational institutions in the world.

## The Standard of Project Management

The set of disciplines, techniques, and practices of the project management arises from the contributions of the administration, in the context of the private sector; but there are initial adoptions by the state for norms and protocols of the military agencies of the United States and, later, by the aerospace industry – National Aeronautics and Space Administration (NASA), in its Apollo project. More afterward, these sets of disciplines were adopted for the coordination of construction projects, and so the Project Management Institute was founded in 1969, of private



character, to share experiences and solve similar problems (Project Management Institute 2015).

In general terms, the composition of the standard to which reference is made includes a compilation of techniques and tools that, for its application, is organized in ten areas of knowledge, scope management, costs, time, risks, resources, quality, acquisitions, communications, integration, and stakeholders, and establishes a group of processes related to the stages of project management: initiation, planning, execution, follow-up and control, and closure.

It also incorporates, among others, a code of ethics and professional conduct, a frame of reference for ethical decision-making, a frame of reference for the competencies to be developed by a project manager, a requirements guide for maintaining project manager certification, and an organizational implementation guide that suggests the incorporation of unified processes, methods, and principles about organizational structure, technology, cultural aspects, and human and material resources, for the follow-up of projects in organizations and to support strategic objectives.

### **Competences Required of a Certified Project Manager**

The framework of competencies that the project manager must continually develop to maintain certification as a project manager is established in the standard as the talent triangle of the project management, describing competencies that are classified and grouped into three types: skills in technical knowledge, which are referred to the understanding and application of the disciplines of the standard; performance-oriented competencies in the achievement of objectives and alignment to organizational strategy, which establish performance criteria and evidence that a project manager must show; and leadership skills, which include the description of behaviors and skills such as communication, leadership, cognitive skills, achievement orientation, managerial skills, and professionalism (Project Management Institute 2017).

### **Ethics in Project Management**

When it is talking about professional ethics, could diverse positions focused on technical elements, related to the administrative process; those based on normative forces; those focused on economy as efficiency, performance, and competition; concerned about rationality as cost-benefit; and those of alignment to law that establishes norms and prohibitions, interacting with technoscience under the conception of “good practices” (Canto-Sperber 2001).

Once the standard was adopted and accepted in the practicing community, in 1981, a set of principles was incorporated into project management practices, establishing a code of ethics and professional responsibility of the project manager.

## **Social Responsibility**

It should be clarified that social responsibility is a set of organizational practices adopted voluntarily; these practices respond to the impetus given by the United Nations (UN), since 1999, for the adhesion and commitment of companies, mainly private, to the global pact, which establishes ten universally accepted principles to promote sustainable development in the areas of human rights and business, labor standards, environment, and anti-corruption in the activities and business strategy of companies, for corporate sustainability.

## **Considerations**

Numerous organizations that are concerned about their effectiveness; efficiency and effectiveness, both public and private, have defined codes of conduct, philosophies, policies, and organizational guidelines, tending to influence civic behavior, ethical, humanistic, and respect for human rights; however there is still a significant distance to travel, in terms of ethical commitment in the practices of project management linked to public bodies, despite the adoption of standardized rules for project management – the Project Management Institute – which includes a code of ethics; but they do not always obtain the expected benefits and, even also it is observed in some cases, the omission of their policies and guidelines established in their organizational philosophies and the lack or null adoption of codes of ethics, in the development of projects (Project Management Institute 2014).

For this reason, it is necessary to know the aspects that encourage ethical commitment in projects related to the governmental sector, and it is required to promote or emphasize this standard.

In cases of this type, reflections arise on why the principles of the United Nations Global Compact have not been observed, in the guidelines of transparency, government regulations imposed by internal control bodies, where a significant gap is identified in the adoption of the code of ethics in the project management.

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## **A Strategy Model for the Encouragement of Ethical Commitment in Project Management Within the Governmental Context**

Despite attempts to achieve high performance in the implementation of large projects, it has been evident that even adopting standardized practices of project management and conducting quality audits in project management, some organizations, both public and private, see their efforts to adopt such methodologies minimized and even diminished and sometimes discarded, with a learning curve and change too long to evaluate the benefits of procedural implementation.

In this context, it is considered an indispensable condition that elements of the organization's philosophy are present such as mission, vision, values, policies, and objectives, both in public organizations that generate projects and in the

organizations that are linked to such projects. Likewise, it is assumed that these elements are necessary to influence civic, ethical, humanist behavior, respect for human rights, and collective welfare when proposing, developing, and executing projects. However, codes of professional or organizational ethics are not always adopted, even when there is an explicit commitment to the organizational philosophy.

The challenges inherent to projects linked to the governmental sector are profiled toward covering deviations and omissions on the management of stakeholders concerning ethical conduct, collective welfare, evaluating sustainability and foresight that give rise to projects, developing complements to the code of ethics, and conforming models of its application.

Project management, as part of administration, has had to incorporate elements, tools, and strategies of the various contributions to administration into its work, so that today’s project management is oriented toward efficiency, organization by processes, quality, learning, labor relations, control in decision-making, organizational behavior, leadership, and ethics, which suggests that the latter, the element of most significant challenge and challenge, insofar as project management – as project managers say – is confronted with its results and evidence, that is, the successful completion of projects in scope, cost, in the established time, with the expected quality, the obtaining of benefits, the satisfaction of its beneficiaries, and minimizing risks and assuming the expectations of those involved, all immersed in the environment and organizational culture of the instances that give rise to the projects.

In some cases, although there are enough elements in the organizational philosophy that could guide the ethical conduct of the project manager, there are no mechanisms established in the standard to encourage ethical commitment in the work team or others involved.

In the standard mentioned above, these aspects are considered only as external and internal cultural, environmental factors within the organization, in which the project is immersed, which do not fall within the scope of control of the project manager, and which, without any justification, is attributed to the project manager the responsibility for any deviation from the purposes of the project, which invariably impacts on the financial aspects.

Regarding the nature of government projects, it has been observed that more often than not, the benefits offered by the projects lack the real impact on the common

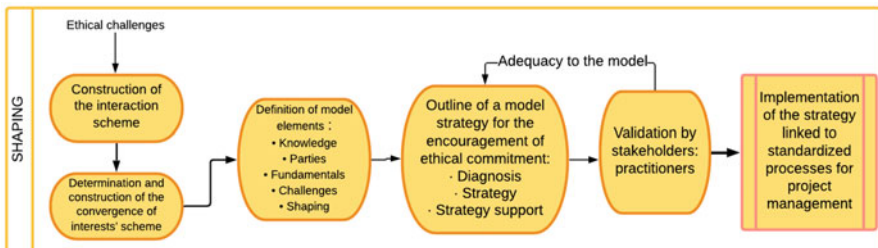


Fig. 2 Stages in the shaping

welfare of citizens, despite the implicit monetary costs; this is explained by the lack of visibility of social benefits on the part of those involved in the development of the projects and the lack of understanding of the ethical commitment to the common welfare.

There is still a gap to be bridged between the existing methods for project management and the formalization and adoption of ethical commitment, where project managers face multiple challenges to align organizational philosophies to daily performance, where it is observed in a general manner the adoption of codes of conduct oriented mostly to the fulfillment of “labor duty,” having as a guideline the use of strategies and methods developed in the contributions to scientific management before the 1990s, leaving aside ethical behavior as professionals, as citizens, and as human beings, belonging to a social group.

## Shaping

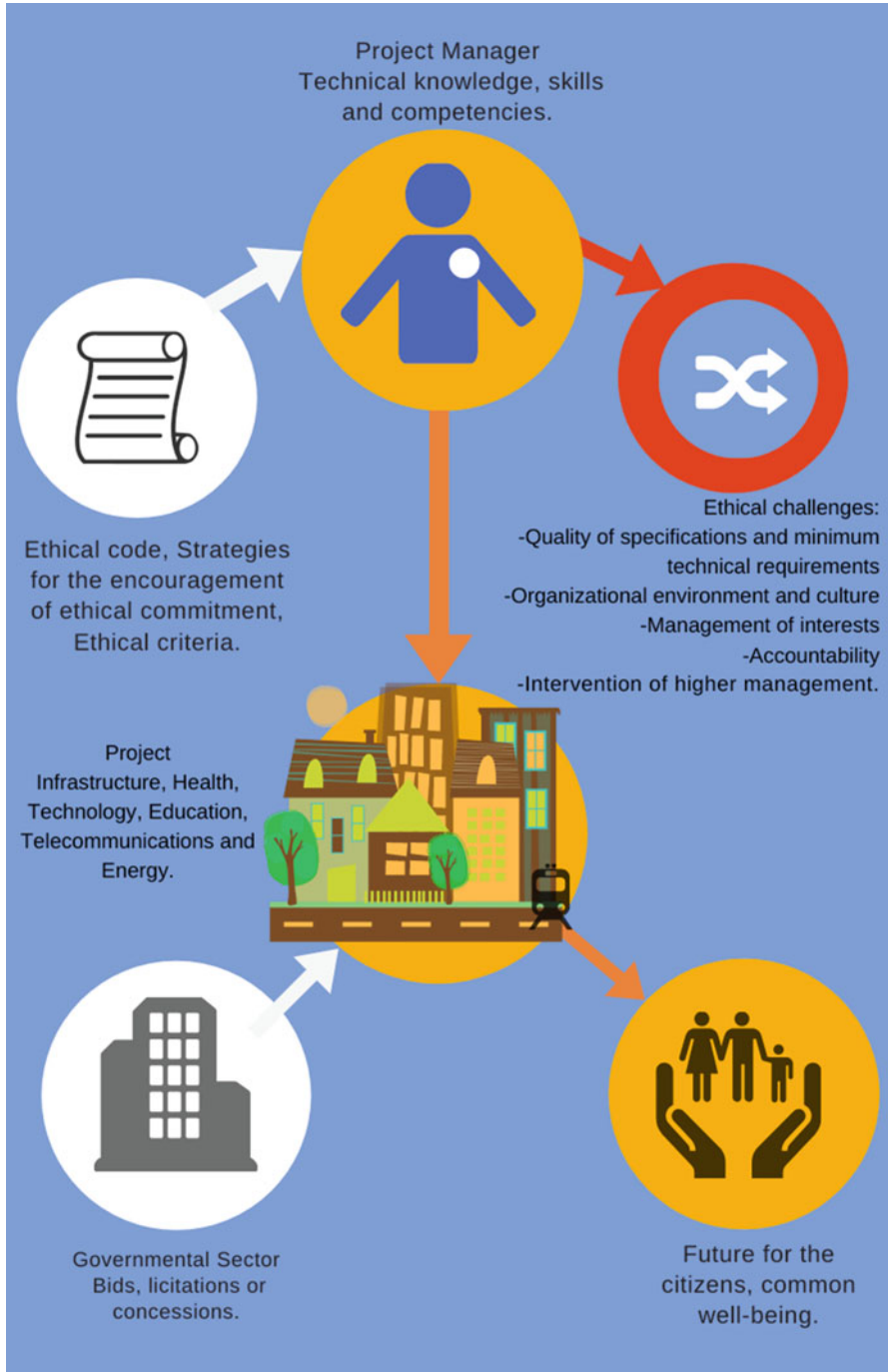
Then in order to reduce the mentioned gap, it is presented a shaping scheme in Fig. 2. for the development of a model strategy for the encouragement of ethical commitment associated with the practice of the project management standard in the governmental context (Procedure -see Altamirano 2018), which consists of the following six stages:

- Construction of the interaction scheme
- Determination and construction of the convergence of interests’ scheme
- Defining model elements
- Outline of a model strategy for the encouragement of ethical commitment
- Validation by stakeholders
- Implementation

## Construction of the Interaction Scheme

In general, it is observed that the project manager, certified in the standardized standard, may be required to intervene in a project from three different roles, functions, or perspectives:

- Project manager, for the overall direction of the project, management from the initial stages, until its closure.
- Dictaminator or expert for quality assurance, when entrusted with the surveillance and supervision of the monitoring of processes, whether technical or administrative, in the project.
- Public officials attached to the government institution, which, most of the time, acts as the person in charge of the project within the organization. Even if he or she does not lead the project, he or she is involved in the strategic decision-making of the project.



**Fig. 3** Interaction of the project manager in the governmental context

The project manager linked to government sector projects, regardless of their designated intervention role, faces enormous challenges related to ethical aspects in which they are exposed to various dilemmas, grouped into five main categories:

CDM\_1 Quality of specifications and minimum technical requirements

CDM\_2 Organizational environment and culture, concerning the control of its environment, immersed in organizational culture.

CDM\_3 Management of interests (personal, political, and private), those situations in which political or private benefit precedes or contradicts the stated objectives of the project and its beneficiaries or is detrimental to the benefits that the project will offer.

CDM\_4 Accountability, related to its designation of responsibilities for accountability and transparency

CDM\_5 Intervention of senior managers, when people from the highest institutional hierarchy give them indications, which contravene ethical principles (Ibidem)

The interaction of the project manager scheme – presented in Fig. 3 – facilitates understanding of the project manager's interaction for his role, responsibilities, aspirations, the challenges he faces, his points of support, and the pressures he receives within the governmental context; in the central part of that, there is the project manager, who is invested with attributes, which he sustains with the technical knowledge, skills, and competencies in which the project manager has been trained; he assumes the enormous task of managing and giving way to projects, promoted by government agencies, for the benefit of and for the future well-being of citizens and the society to which he belongs (Ibidem).

These projects can be, among others, education, technology, health, infrastructure, telecommunications, or energy; in their daily work, they face multiple challenges related to the type of quality of specifications and minimum technical requirements, environment and organizational culture, management of interests (personal, political, and private), accountability, and intervention of senior management. To face them, it has a standard and points of support that helps it to make decisions, its ethical principles, the code of ethics, its strategy for the encouragement of commitment, and ethical criteria.

To develop the strategy for encouragement, ethical commitment is necessary for the project manager to know the context and environment of the organizations involved; to do so, he needs to observe and analyze the form, type, and structure of the organization, economic and social conditions and organizational culture, market conditions, and technological advances and trends related to the project.

In the area of structure, social object, and productive sector, it will be necessary to understand the differences and characteristics of the type of organization where the model is implemented, since it will require a different treatment of governmental organizations, nongovernmental organizations (NGO's), or private industrial sector than those of services or even small- and medium-sized enterprises, to infer the conditions in the dynamism or obstacles faced by the organization and understand its

culture, access to capital, material, and technological resources at its disposal, computer processes and systems, intangible assets, and knowledge management.

Likewise, it will be necessary to know the openness and normative flexibility of the organization, to adopt intervention schemes, as well as internal mechanisms – formal – to resolve conflicts on ethical aspects, such as accusation, complaint, mediation, arbitration, conciliation, and remediation that institute justice policies for the whole group concerning rights, obligations, and sanctions, which foresee and prevent typified conflict situations.

### Convergence of Interests

When the private organization intervenes in providing services to the government sector and from the perspective of the private sector, the search for higher rates of profitability, higher profit margins, increasing competitive advantage in the face of globalization, and satisfying requirements in bidding are some of the motivations to implement strategies and standards of project management or hire project managers certified in the standard. That is because the project manager assigned to such a function is the only one responsible for the success or failure of such a project.

At this stage, it is necessary to identify the appropriate approaches for private sector organizations to adopt a strategy model for the encouragement of ethical commitment in project management, whether, in such methods, appeal, among others, to the interest of the benefit of sustainable investment, compliance with legal provisions, avoid fines or sanctions, competitive advantage, achieve reliability and corporate stability, and be a candidate to obtain higher demand for projects by the government, trend, and prospective, expansion, social responsibility, or increase in social value.

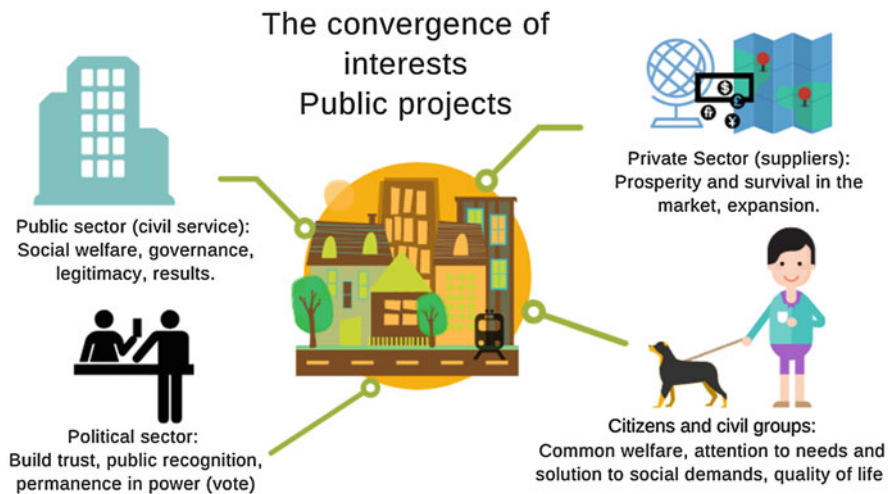
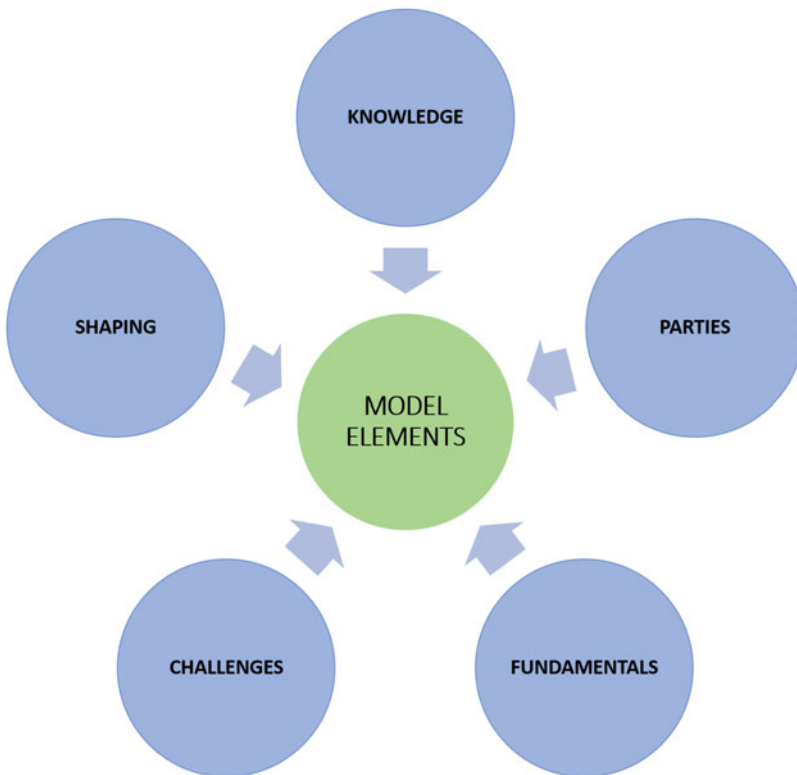


Fig. 4 Convergence of project interests in the government context

However, the most significant impetus could be found in compliance with the “Anti-corruption Law that will also oversee the private initiative.” Therefore, when formulating a strategy for the encouragement of ethical commitment, it will be indispensable to have full knowledge of these motivations to be assertive in proposing a proposal that opens the way, guides the change in the conduct of those involved in such projects, and becomes a reality.

It should be noted that many organizations adhere to policies and standards and that also respond to the sense of humanistic, social responsibility, and philanthropic as part of their philosophy or subscribe to the Global Compact of the United Nations (UN), by pressure and condition of the international market. That also imposes the implementation of codes of ethics for OECD multinational companies; this presupposes the abundant availability of legal and procedural references that support the operative reality in a framework of ethical action.

Joint, coordinated, convinced, and agreed participation will determine the success of the organization itself for the project, provided that the organization is identified as a plural organization, in which the agents assume and accept not only a legal contract but also adopt and commit themselves to an ethical, moral contract, together



**Fig. 5** Main elements in a model strategy



with a social contract, for the future shared welfare, having in it, the opportunity of transcendence, where the project is a convergence of interests between the private sector, the public sector, the political sector, and the citizens – see Fig. 4 – that require to be harmonized assertively for the real success of the project, always maintaining the superior purpose, for the maximum benefit of the citizens, while they are the ones who pay, through taxes, the cost of public projects (Altamirano 2018).

### **Defining Model Elements**

For the definition of a model strategy to encourage ethical commitment, items such as knowledge, parties, fundamentals, challenges, and shaping, which derive from the previous approaches and reflections, are considered – see Fig. 5.

#### **Knowledge**

For the required knowledge and disciplines involved, it is essential to remember that the work of project management requires the support of various disciplines and specialists. Thus, for implementing the model, it will be necessary to be assisted by professionals in multiple areas of knowledge such as project management, administration, industrial engineering, organizational psychology, information technology, pedagogy and law, and maybe other discipline in accord of project type.

#### **Parties**

The appropriate strategy for encouraging ethical commitment will depend to a large extent on the visibility of most of the actors involved, achieving proper communication and collaboration with them on aspects of ethics, legality, and civility, to make visible opportunities and restrictions based on risks. In general, they will be involved: project management team, area principals, shareholders, suppliers, advisory groups, social groups, governors, and politicians.

#### **Fundamentals**

Once the appropriate frame of reference has been identified, it will be necessary for all those involved to formally know and understand it, including the study of the standard updated materials. Such support would be in existing documents such as laws and regulations, organizational strategic planning, the social value of projects, research reports and trends in ethics, prospection, and projection of the state of results and risk plan.

Additionally, depending on the nature of the project, it will be necessary to consider some other livelihoods, such as estimation of the social value of projects, risk plan (plan validation), and project integration plan.

#### **Challenges**

Based on the above, it should be clarified that the formulation of a strategy model for the encouragement of ethical commitment is involved in its conception and development. To do that is necessary to observe the challenges faced by the project

**Fig. 6** Main elements in the model strategy for the encouragement of ethical commitment



manager in carrying out his work. Some examples of these challenges could be the follows:

- Understand organizational motivations and purposes.
- Anticipate all environmental and contextual factors that affect or could affect the project.
- Orient axiological dimensions to business strategies.
- To have assistive technologies at their disposal.
- Contribute to the value of the organization.
- Betting on social responsibility.
- Generate trust and give legitimacy to motivations in the organization.
- Adhere to organizational governance mechanisms.
- Generate facilitating mechanisms for innovation in the encouragement of ethical commitment.
- Optimize investments.
- Increase efficiency and productivity of the organization.
- To have substitution tables, either by contingency or separation.
- To reduce the distance concerning civic, ethical knowledge, among others.

Based on former definition, a synthetic scheme was generated, shown in Fig. 6, to keep visualized the main elements involved in the design of the model for the encouragement of ethical commitment (Ibidem).

Once these challenges are taken up and there is the will to face them, a viable strategy model can be outlined; the following section describes the model shaping in further detail.

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## **Implementation of the Strategy for the Encouragement of Ethical Commitment in Project Management**

It is true that although it has been observed that the standard documentation of project management practices is insufficient to guide ethical performance, it is also important to mention that this model is intended to be a complement to such literature, to strengthen the project manager and his team working in the government context by providing additional tools and guidelines for the encouragement of ethical commitment.

At this stage, the main challenge has been to offer parameters and criteria that strengthen the ethical positions of the project manager, in his performance, in the various moments associated with the application of the practices of the standard, with the full knowledge that, on the one hand, projects linked to the public sector respond to strategies in the economic, political, social, cultural, intellectual, and technological management of various areas of society and, on the other, involve the participation of stakeholders immersed in a specific organizational context.

The model implies the active involvement of people who participate in the project of government institutions and supplier organizations, making them co-responsible

for facilitating the means and establishing the mechanisms to achieve the ends of such projects.

It is pertinent to point out that, for the design of this model, the findings and results of the research from which this work derives (Altamirano 2018) have been considered, but, also, additional elements were included in the design of the model for facilitating the understanding of the model. The aspects included are the following:

1. Description of the model
2. Scope of application
3. Suggested sources of reference:
  - About the standard
  - On ethical issues
  - On legal and regulatory aspects
  - About the organizations involved
  - On change management
4. Model strategy for the encouragement of ethical commitment in project management:
  - Diagnosis
  - Strategy
  - Strategy support
5. Validation by stakeholders: practitioners
6. Implementation of the strategy

## **Description of the Model**

Project management, as a specialized branch of administration, arises from the integration of the contributions of scholars, of the physical-mathematical sciences and engineering, and the social disciplines and humanities. Since then, the practice of this specialization has promoted the generation of technical standards, such as that of the Project Management Institute, PMI. Therefore, the strategy model for the encouragement of ethical commitment in project management within the governmental context offers a set of elements that contributes to encouraging an ethical performance of the project manager and those involved to achieve the successful execution of public projects.

The purpose of this model is to encourage the majority of those involved and interested in the projects to understand, appropriate and exercise full ethical responsibility for the actions they carry out in dictating, directing, and supervising projects in the governmental context, in addition to providing mechanisms that contribute to the achievement of the objectives and in the enormous task of managing public sector projects for the welfare of the social future.

The model considers the confluence and harmonization of interests, both private sector organizations, interested in their survival and prosperity, and of the public sector and the political sector, interested in giving visibility to government actions.

The premises for its use suggest the training of the project manager for the incorporation from early stages to the beginning of projects to maintaining rigorous control in the stages of planning, execution, and closure of projects. The model also suggests steps for the management of change, for the assurance of ethical, civic, legal, social coexistence, and even human rights knowledge and organizational intervention actions, through the establishment of mechanisms for compliance with statutory provisions, with emphasis on the encouragement of commitment rather than sanction.

The objective of the strategy model is to strengthen the management practices of standardized projects, providing a set of guidelines, tools, and methodological support points that contribute to the success of the projects and the achievement of social benefits.

### **Scope of Application**

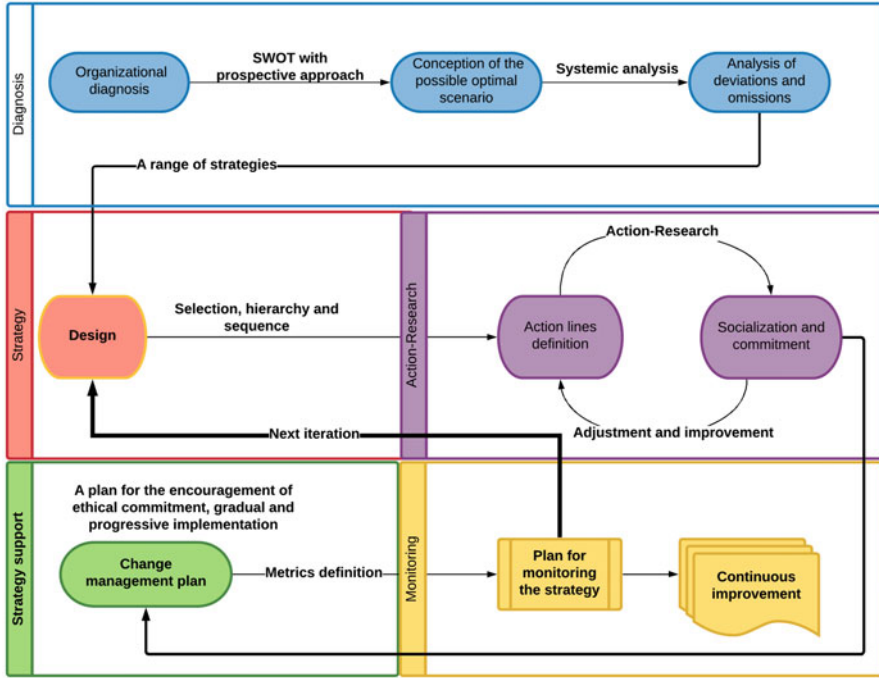
The main scope of application of the model is in public sector projects, to facilitate the development of mechanisms for transparency and accountability, interest management, quality control and compliance with technical requirements. It promotes the ethical commitments adoption by the organizations that participate in such projects, and the awareness of the managers in the institutional hierarchy. Similarly in projects with social purposes, in order to promote their sustainability.

Also in productive sector projects, the evaluation of the organization ethical conditions, leads to the establishment of policies and guidelines that guarantee the stability and prosperity of the companies. Even in innovation and development projects, the suitable policies and guidelines that foresee the ethical conduct in all the cycle of life of the products derived from these projects could be determined early.

### **Suggested Sources of Consultation**

To have documentary sources to accompany the implementation of the strategy model and with the premise that the standardized practices of project management have been adopted, additional references will be required:

- About the updated standard, documentation
- On ethical aspects
- On legal and regulatory aspects
- About the organizations environmental
- On change management
- On good practices fostered by global agencies



**Fig. 7** Implementation path of model strategy for the encouragement of ethical commitment in project management within the governmental context

### Implementation Path of Model Strategy for the Encouragement of Ethical Commitment in Project Management

The elements that comprise the implementation path of strategy model for the encouragement of ethical commitment in project management, with a practical framework, located in how. It will be defined as a life cycle of three main phases of the model and which in turn include the following stages:

- Diagnosis
  - Organizational diagnosis
  - The conception of the possible optimal scenario
  - Analysis of deviations and omissions
- Strategy
  - Design
  - Action lines definition
  - Socialization and commitment
- Strategy support
  - Change management plan
  - Plan for monitoring the strategy

– Continuous improvement

The generic schema for visualizing the strategy implementation path is shown in Fig. 7, which includes three main phases that group together nine key stages (Ibidem).

The diagnostic stage includes various aspects of the context, both internal and external to the organization focused on issues of ethics, for the next step, under a prospective approach which will continue with the stage of conception of the optimal scenario possible, returning to the theoretical references, best practices, and trend in insertion of ethical commitment.

This scenario should be presented under a systemic approach that helps to visualize the subjects, objects, procedures, tools, and resources available, the environmental conditions, as well as the theoretical-ideological elements, which will facilitate the immersion in the next stage, for the analysis of the deviations and omissions in an integral way between the real scenario and the optimal possible scenario.

As a result of this diagnostic phase, a range of potentially viable strategies to be implemented as part of the developed strategy model is derived.

The strategy phase involves two stages: first, a design stage, to develop a plan for the promotion of the ethical commitment, ad hoc to the organizations of the context of the project and its diverse actors, second, an execution stage under the perspective of action research, which includes the iterative execution of adjustment and improvement, between the stages for the definition of lines of action for the promotion of the ethical commitment and that of socialization with the project team and the main stakeholders; to achieve the consensus of the project manager and the adoption of the ethical commitment of the main stakeholders, on a set of policies and procedures; to generate then, a plan for the encouragement of ethical commitment, which contributes to ethical performance throughout all phases of development of the project and with various actors and stakeholders.

Finally, the strategy support phase will accompany the execution of the plan for the encouragement of ethical commitment, establishing stages generating control points, evidence and indicators in the change management plan, and the strategy follow-up plan and a continuous improvement stage.

In general, the purposes of these stages are, among others, to put into practice the incorporation of ethical criteria, from the early stages to the beginning of the project; the development of competencies oriented toward the ethical sense, in all the members of the project team; the encouragement of commitment and ethical action, the practice of values; the establishment of mechanisms for the adoption of codes of ethics; and sensitization of those involved, which emphasize and give visibility to the achievement of benefits for the common welfare, through the project that is managed.

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## **Validation by Stakeholders: Practitioners**

In the modeling and design phase, a graphic representation emerged, which exposes the interaction of the project manager linked to the public sector; a scheme to give visibility to the convergence of interests in public projects, which proves of interest groups to be involved in the encouragement of ethical commitment; a set of elements to be integrated in a strategy model of the encouragement of ethical commitment; and elements that establish the theoretical bases and clarify the necessary premises for the design of the model.

## **Implementation**

Concerning the implementation phase, the main product is the detailed description of inputs, outputs, technical, and methodological elements of each one of the components of the strategy model, which contributes to consider methodological and documentary elements, proper to the practice of the standard; but above all, it provides adequate details to strengthen and complement the methods oriented to encouragement of ethical commitment in project management within the governmental context.

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## **Conclusions**

It should be noted that, from a teaching and research perspective, this chapter contributes to the field of knowledge of administration and finance by providing various products that are additional to the model of encouragement of ethical commitment within the governmental context and the system of hierarchical vectorial evaluation for social projects.

Initially, the scheme of the elements, which integrate the strategic planning according to its purposes, facilitates the understanding of the location and relation that keeps the organizational philosophy relative to principles and ethical values, which by the way is what distinguishes the role of the private company contrasting with the one that keeps the state in its function to watch over the interests of the citizen for the common welfare.

That facilitates the visualization of those organizational strategies, oriented to the promotion of the ethical commitment, which also drives the generation and understanding of codes of ethics by those involved in the projects and processes. At the same time, it generates a spirit of synergy and collaborative work toward the objectives of the projects and encourages work with high professional values.

Theoretical elements of criticism and analysis were provided for the understanding of the state kept by the standardized practices of project management in the governmental context and the challenges in multinational environments. That reiterates that the rigorous exercise of standardized practices can be used whenever they



help to encourage ethical commitment to decision-making in the face of ethical dilemmas.

Nevertheless, and with greater relevance, these products helped to identify those elements that were absent despite their needs, to foster ethical commitment in those involved and interested, as well as to guide the conduct of project managers in the face of possible ethical dilemmas; this mitigates the need for sanctioning, coercing, or punishing measures.

From there, the common challenges faced by a project manager when managing projects linked to the public sector were described, which help to establish mechanisms for prevention and early correction of behaviors that may lead to misconduct, sensitize the involvement and linkage with citizenship, facilitate the work of new professionals committed to ethical action, who are integrated into government contexts, and foster the development of an ethical sense in diverse environments and groups.

It should be emphasized that the strategy model provides a pathway map for the encouragement of ethical commitment in project management within the governmental context and beyond for manage change, adaptation, and improvement; establishes viable strategies implementation iterations in diverse environments and groups; and socializes the planning of different types of projects.

Since another perspective, the main limitations could be the model depends on the ethical approach of the stakeholders involved, including the project manager; the limit model scope to the stakeholders identified by the project management team. The model implementation requires the project manager expertise, also project cost could increased due to the raise in the hours of effort of specialists dedicated to the project.

This work responds to the deficiencies in the adoption of ethical principles, which have been the main barrier to economic development and productivity in countries like Mexico, comparable in importance to national challenges in four other areas: institutional strength, social development, equal opportunities, and international projection. Although the government is the main actor responsible and promoter of social progress, and involves co-responsibilities of institutions at the three levels, federal, state, and municipal. However such responsibilities involves authorities of both public and private educational institutions too, like directors, teachers, researchers. In the legislative sphere, it means deputies and senators; in the social field, it includes foundations and civil society organizations; and in the economic area, it includes business chambers. Therefore, this work has oriented its purpose to propose a set of instruments and a strategy model for mitigating etical deficiencies around the project management in governmental contexts, in which diverse actors of society intervene.

From the organizational perspective, both public and private, it can be inferred that the implementation of model requires the vision of high-level shareholders and directors; the work of coordinating middle management, aimed at achieving objectives and goals; the enthusiastic participation of the rest of the people in the organization who work on the projects; and, in short, the consensus of union parties.

It is indisputable that the joint, coordinated, convinced, and agreed participation will determine the success of the project in its social mandate.

For the project manager in the governmental context, the main challenge is to maintain the course of the project's purposes, toward the vision of the optimal possible scenario, to transcend toward a shared future well-being, to be willing to confront and anticipate threats, to observe the context and the environment, knowing that in the adoption of the model for the encouragement of ethical commitment, it will require persistence and visibility of the obstacles, and to adjust the path toward the primary goal of public projects, which is to provide the maximum benefit for society. For this reason, it considered project management as a bridge between a vision for the future and the shaping of a shared reality.

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