

Understanding Your Ethical Responsibilities

HEALTHCARE LEADERS AND those aspiring to be leaders must recognize first and foremost that character and integrity constitute the very cornerstone of leadership. Organizations have failed and promising careers have been derailed when ethics have been relegated to secondary importance or, worse yet, ignored in the pursuit of more bottom-line considerations. Healthcare managers must understand their role and responsibility in creating an ethical healthcare environment that is honest, just, and always in the best interests of those being served. Whether you are the CEO, an assistant administrator, a department head, a program manager, or a clinician, if you are “in charge,” you have the ultimate responsibility for establishing the culture and setting the standards of conduct in your sphere of influence.

This task is not always an easy one. Nor is it easy for well-intentioned managers to always make ethical decisions themselves. For this reason, healthcare managers must recognize the importance of ensuring that organizational resources are available to assist them and their staff in making ethical decisions.

Now and then, managers may question the difference between morals and ethics. People generally agree that the terms *ethics* and *morals* are interchangeable. Even professional ethicist Bruce Weinstein (2018), CEO of the Institute for High Character Leadership, says that business leaders can use the terms interchangeably, with the caveat that they must be clear about what they want to accomplish; instead of talking about “ethics” or “morals,” they should refer to what the terms are broadly about: “doing the right thing, leading an honorable life, and acting with high character.”

Those who do see a difference between ethics and morals often define *ethics* as an external set of standards for conduct, usually established by an institution (e.g., an organization, business, or religion). Codes of ethics provide professional or legal guidelines for physicians, nurses, lawyers, healthcare managers, and the

like. Conduct that violates these codes typically incurs punishment of some sort by the profession or licensing agency. *Morals*, on the other hand, are often defined as the internal compass of right and wrong that guides an individual's beliefs and behaviors (Diffen 2019).

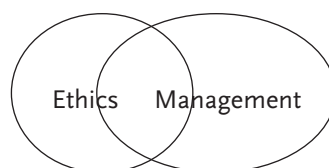
Recognizing the cultural, racial, religious, and professional diversity in a healthcare organization, management must clearly establish the values espoused by the organization and the norms of ethical conduct required of all.

BARRIERS TO ETHICAL DECISION-MAKING

In our book *Healthcare Leadership Excellence: Creating a Career of Impact*, James A. Rice and I identify some of the common barriers to ethical decision-making and seven pitfalls for managers to avoid (Rice and Perry 2013, 29–37). We then make recommendations for building a solid culture and infrastructure to support ethical decision-making throughout the organization. The following summarizes those pitfalls and our recommendations for overcoming them:

1. *Failing to recognize that ethics and management decisions are interrelated.*
Management decisions are too often based solely on financial data, market share, and other bottom-line considerations without regard to ethical implications. Ethics and management are, in fact, not only closely related but also inseparable (exhibit 1.1).
2. *Failing to recognize that management decisions directly affect clinical care.*
Operational decisions must take into account how actions affect patient safety and healthcare needs.
3. *Failing to integrate ethics into the way you conduct business.* Ethical standards must be more than a well-crafted values statement published in the annual report. They must be incorporated into the work life of every staff member throughout the organization, from the boardroom to housekeeping.
4. *Failing to understand that just because something is legal does not mean it is ethical.* Pushing legal boundaries does not build leadership character. Wise leaders recognize that the role of the attorney is to advise regarding the law; the healthcare leader must decide what is morally right.

Exhibit 1.1: Relationship Between Ethics and Management



5. *Believing you are above the rules and laws of others.* Hubris is often at the root of unethical behavior. Leaders cannot operate by one set of standards and expect their employees to function under different, higher ones.
6. *Rushing to judgment.* Ethical mistakes are often the result of hasty decisions made without reflection and consultation with others. Aspiring leaders may mistakenly believe that rapid, independent decisions are expected of them and are the mark of a leader. Technology has further compounded our time crunch. Healthcare managers who are hard pressed for time suffer from information overload. Always-on, multitasking work environments leave little time for thoughtful analysis of ethical dilemmas and the implications of decisions.
7. *Believing that when everyone else does it, you can do it, too.* The creep of moral relativism, in which the standards of right and wrong are mere products of time and culture, may become more pronounced during economic downturns and as healthcare is confronted with new challenges. If everyone else is bending the rules, don't we need to do the same to remain competitive? Experienced healthcare leaders know that bending the rules for short-term gains may have long-term negative consequences. Inevitably, questionable legal or ethical behavior has a price. Actions will come to light and competitive gains will be lost.

So, how do you avoid these pitfalls and build an ethical infrastructure and an organizational culture that make ethics the only acceptable way of doing business?

OVERCOMING BARRIERS TO ETHICAL DECISION-MAKING

Ethics leader Paul Hofmann says (quoted in Rice and Perry 2013, 26), “Organizational culture always has been and always will be largely determined for better or worse by the CEO.” While this is certainly true, middle managers, supervisors, and other staff have a responsibility to promote and role-model ethical decisions in their sphere of influence and to advocate for an infrastructure that supports ethics in their corporate organization. After all, “an organization’s policies and practices, allocation of resources and expectations for its leaders are indicators of its culture. Equally telling is what the organizational leaders encourage and reward, discourage and punish and what they tolerate” (Freund 2010, 32).

Managers can promote ethical conduct in their organization by taking the following steps:

1. Establish ethical standards, expectations, and a written code of conduct. Rethink the code of conduct regularly, to ensure that it is current with ethical demands.

2. Hire ethical people. Consider presenting ethical dilemmas as part of your organization's interview process. Include an ethics dimension in performance appraisals.
3. Cultivate a relationship with a trusted colleague within or outside your organization who can provide candid, honest feedback regarding the appearance of your personal and professional conduct. Invite colleagues to continually review and enhance your ethical culture.
4. Serve as a role model of ethical standards.
5. Complete an ethics self-assessment from time to time and address areas that need improvement (see Appendix A for the ethics self-assessment of the American College of Healthcare Executives).
6. Establish an ethics committee to address both clinical and business ethics issues. Since the lines between organizational and clinical ethics are often blurry, consider expanding the role of the traditional ethics committee to ensure it can comprehensively and capably serve as a needed resource for both management and clinicians (Nelson 2017). Expanding the role of ethics committees acknowledges the impact that management decisions have on patient care.
7. Require ethics training and education of all employees and staff. Ensure that training and education are up-to-date and widely disseminated. Use of real-life cases has proven to be an especially effective teaching methodology.
8. Ensure compliance with ethical standards that includes enforcement, reprimands for improper actions, and rewards for ethical conduct.
9. Create an ethical environment with fair and equitable personnel practices and workforce reduction policies—one that is free from harassment, discrimination, and pressure to perform or ignore illegal or unethical actions.
10. Address impairment in the workplace with education, reporting mechanisms, counseling, and treatment options.
11. Integrate patients' rights into operations. Implement patient advocacy and customer service programs as needed.
12. Adopt a framework for ethical decision-making consistent with the mission, vision, and values of the organization.

THE IMPORTANCE OF CULTIVATING A “LEARNING ORGANIZATION”

As the case studies in part II of this book demonstrate, many moral dilemmas are the result of management mistakes and the reluctance of executives, managers, or employees to own up to these mistakes and be accountable for their actions. Many organizations have a “blame and shame” culture, where the punishment may far

outweigh the mistake and where organizations fail to learn from their missteps. In such a culture, employees learn very quickly to hide their mistakes and thus compound potential ethical dilemmas.

In contrast, a “learning organization” takes a systems approach rather than a personal one and, through such mechanisms as root-cause analysis, attempts to locate the cause of errors and make changes in the system to prevent errors from occurring again. A learning organization provides venues for employees to candidly explore ethical concerns and conflicts and ask questions without fear of retribution or scorn. In such an organization, under-recognized ethical issues may come to light. Hofmann identifies three such issues that warrant attention and discussion (summarized in Buell 2009, 56):

1. *Promoting unrealistic expectations on the part of the public that an organization can do more than it can deliver.* Promoting unrealistic expectations is an issue that calls for organizations to closely examine their marketing and advertising claims to make certain they are valid. Gershon and Buerstatte (2003) recommend that healthcare organizations develop internal marketing and advertising guidelines and share them with everyone who develops these materials. They suggest that the guidelines address such practices as “use of actors or models instead of actual patients and staff; inclusion of awards information and patient satisfaction surveys; avoidance of unsupported claims that create unrealistic expectations; and addition of messages that create a demand for unnecessary services.” Van Hook (2013) tells us that ethical public relations is “not an oxymoron”—public relations professionals can be “a company’s conscience,” stressing honesty above all else.
2. *Rationalizing inappropriate or incompetent behavior.* Rationalizing inappropriate or incompetent behavior can have a negative effect on patient safety and quality of care. It certainly has a dispiriting effect on staff morale and productivity.
3. *Failing to acknowledge mistakes.* Failing to acknowledge mistakes is not only unethical in and of itself; it also means that the mistake may not be avoided in the future or, in the case of medical errors, that the patients affected may suffer further harm because important information was withheld from them.

ADOPTING AN ETHICAL DECISION-MAKING FRAMEWORK

Those who study decision making consider the ability to make decisions with farsighted consequences a “strangely underappreciated skill” (Johnson 2018, 13). History offers many examples of decision-making strategies. Darwin, for example,

used two columns to organize the pros and cons of his actions, while Benjamin Franklin used what he called “prudential algebra” to assign a numerical value to each item on his list of pros and cons (Johnson 2018). The ancient Persians made important decisions by deliberating them “once while drunk and once while sober” (Rothman 2019).

Today’s decision makers draw on more sophisticated methods. Decision Sciences Institute (DSI) is an association of interdisciplinary researchers whose stated mission is to provide forums “to create, disseminate and use knowledge to improve managerial decision-making involving systems and people” (DSI 2019). Through conferences, publications, and job placements, DSI shares the latest research and opportunities in decision science.

No one denies that decision making is fraught with problems and uncertainties. Nowhere is this more evident than in today’s dynamic healthcare environment. However, one thing that philosophers and researchers tend to agree on is that “sound decisions flow from values” (Rothman 2019). Experienced healthcare executives know this to be unequivocally true. Successful healthcare organizations have adopted and follow an ethical decision-making framework. A decision-making framework can help employees recognize an ethical problem and encourage them to question the ethics of actions and decisions—both their own and those of others. If an ethical issue is not recognized, it cannot be addressed.

Healthcare managers are confronted with ethical dilemmas on a daily basis. Most of the time, they make the right decisions unconsciously and do the right thing. For the most part, those who work in healthcare are decent, moral individuals who are attracted to the healthcare field because they wish to contribute something of value to society. Nevertheless, they occasionally make errors in judgment, detrimental decisions, and unintentional mistakes. More often than not, mistakes are the result of the barrage of decisions that must be made by managers who are pressed for time and strained by the demands of the job. Decisions are made without any opportunity for the sort of thoughtful reflection or consultation with others that might permit managers to consider the implications of their proposed actions (including unintended consequences—a law of nature long observed by social scientists).

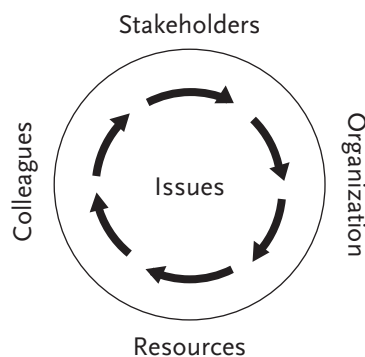
Theoretical constructs and ethical decision-making frameworks abound, but as the busy practitioner knows only too well, the exigencies of time and place often preclude their proper usage. Competing priorities prohibit “seeking out diverse perspectives, challenging . . . assumptions, [and] making an explicit effort to map the variables” (Johnson 2018, 186). Healthcare managers are simply expected to know all the answers, to make decisions quickly and authoritatively, and to lead their staff down a path of moral integrity.

This book is intended to provide some practical guidance to healthcare managers who are confronted with these challenges. What useful thought process can healthcare managers employ to make this task easier? What steps can they take to move staff in the direction of ethically sound decisions?

The process suggested here for arriving at such decisions is a relatively simple one—a series of questions that healthcare managers can ask to determine if additional time or resources need to be brought to bear on the decision-making process and the situation at hand. These questions focus on identifying the issues in any particular situation, as well as the stakeholders, colleagues, resources, and organizational impact surrounding those issues (exhibit 1.2):

- *Issues.* What are the ethical issues in this situation? Relatively few situations involve a single issue. More often, the ethical dilemma comprises several interrelated issues. Each issue must be isolated and thoughtfully explored.
- *Stakeholders.* Which persons or groups will be affected by this situation and the actions taken? What will each feel is in his or her best interest?
- *Colleagues.* Which trusted colleagues may have insights, experiences, and knowledge to share relating to this matter? Can they be consulted in confidence?
- *Resources.* What resources are available? Does the organization have a mission statement? Values statement? Ethics committee? Ethics officer? Code of conduct? Compliance officer? Guiding principles? Policies? Laws? Regulations? Decision-making models? Legal counsel?
- *Organizational impact.* What will be the effect on the organization that pays the executive's salary and has expectations that the executive will act in its best interests?

Exhibit 1.2: Issues Wheel



Leaders must exercise caution to avoid assuming that if no law, rule, regulation, or policy addresses an action, then the action must be ethical. This is simply not true. Moral women and men do not need situations to come with written instructions to do the responsible thing.

Nash (2009) offers the following 12 questions for examining the ethics of a business decision:

1. Have you defined the problem accurately?
2. How would you define the problem if you stood on the other side of the fence?
3. How did this situation occur in the first place?
4. To whom and to what do you give your loyalty as a person and as a member of the corporation?
5. What is your intention in making this decision?
6. How does this intention compare with the probable results?
7. Whom could your decision or action injure?
8. Can you discuss the problem with the affected parties before you make your decision?
9. Are you confident that your position will be as valid over a long period of time as it seems now?
10. Could you disclose without qualm your decision or action to your boss, your CEO, the board of directors, your family, or society as a whole?
11. What is the symbolic potential of your action if understood? If misunderstood?
12. Under what conditions would you allow exceptions to your stand?

Hosmer (1995) discusses ten ethical principles that can help healthcare executives determine an ethical course of action:

1. *Self-interests*. Never take any action that is not in the long-term self-interests of yourself and/or the healthcare organization to which you belong.
2. *Personal virtues*. Never take any action that is not honest, open, and truthful and that you would not be proud to see reported widely in national newspapers and on television.
3. *Religious injunctions*. Never take any action that is not kind and that does not build a sense of community, a sense of all of us working together for a commonly accepted goal.
4. *Government requirements*. Never take any action that violates the law, for the law represents the minimal moral standards of our society.

5. *Utilitarian benefits.* Never take any action that does not result in greater good than harm for the society of which you are a part.
6. *Universal rules.* Never take any action that you would not be willing to see others, faced with the same or a closely similar situation, also be free to take.
7. *Individual rights.* Never take any action that abridges the agreed-upon and accepted rights of others.
8. *Economic efficiency.* Always act to maximize profits subject to legal and market constraints, for maximum profits are the sign of the most efficient production.
9. *Distributive justice.* Never take any action in which the least among us are harmed in some way.
10. *Contributive liberty.* Never take any action that will interfere with the right of all of us to self-development and self-fulfillment.

Nelson (2005, 10–13) provides an eight-step process reflecting procedural justice:

1. *Clarify the ethical conflict.* What is the specific ethical question or conflict? If the question or conflict is not an ethical one, it should be referred to another person or process.
2. *Identify all of the affected stakeholders and their values.* Who are the individuals or programs affected by the ethical question?
3. *Understand the circumstances surrounding the ethical conflict.* Identify the economic, patient care, legal, and/or community concerns.
4. *Identify the ethical perspectives relevant to the conflict.* Explore the relationship of the ethical question to professional codes, ethics literature, and the organization's policies and procedures.
5. *Identify different options for action.* What is the ethical reasoning for each?
6. *Select among the options.* Is the selected option practical? Does it have a clear ethical foundation? Does one ethical concept or stakeholder value appear to be stronger than the others?
7. *Share and implement the decision.* Organizational decisions should be publicly disclosed along with the ethical reasons behind them.
8. *Review the decision to ensure it achieved the desired goal.* If it becomes clear that the course of action did not achieve the anticipated outcome, then the organization should reconsider the decision and explore other options based on the current information.

In chapter 15, Joan McIver Gibson provides detailed guidance and a helpful elliptical diagram for identifying values and applying values-based decision-making

to the analysis of ethics situations. She also provides a tool for a “values analysis on the fly” when time is short but values still must be considered.

Before codes of conduct and ethical frameworks for decision-making were available, the young hospital administrators who reported to me looked to me for sage advice on how to do the right thing when they were on call. They knew that they could call me if they really got into trouble, but they also knew I expected them to have a plan of action when they did call. To help them formulate this plan of action, I gave them four simple questions to apply to any situation:

1. What action is in the best interests of the patient(s) involved?
2. What action is in the best interests of the organization?
3. If this action is taken, what is the worst possible thing that can happen?
4. What is my contingency plan to deal with all possible ramifications of the action?

Although this thought process did not easily solve every problem, my objective was to focus the administrator’s thinking on what was best for the patient and the organization (instead of on subjective concerns, such as personal power, authority, or control) in solving the problem at hand. For the most part, it worked—the process did lend itself to the quick resolution of the kinds of problems an administrator tends to see at three o’clock in the morning.

Whichever strategy healthcare managers use to arrive at a sound ethical decision, they must examine all of the consequences of each action considered. The key to ethical decisions is an awareness of the need to ask thoughtful questions and to take the time to formulate ethically sound answers. Doing so will help healthcare managers avoid hasty decisions that are not always attentive to the ethical implications of actions taken. Aristotle considered contemplation the best activity, remarking that “it is the most continuous, since we can contemplate truth more continuously than we can do anything” (Ross 2019).

Hofmann reminds us that managers of character and integrity demonstrate certain behavioral traits (Buell 2009, 54). They are ethically conscious of ethical dimensions and implications. They are ethically committed to doing the right thing. They are ethically competent, possessing the knowledge and understanding required to make ethically sound decisions. They are ethically courageous even when actions may not be accepted with enthusiasm or endorsement. They are ethically consistent and do not make inconvenient exceptions. They are ethically candid, open, and forthright and are active advocates for ethical analysis and conduct.

A wise and experienced healthcare executive whom I know once observed that “working in healthcare gives you the opportunity to do something ethical every day.”

TOOLS

To further assist healthcare managers in future decision-making, the appendixes at the end of the book include the following:

- American College of Healthcare Executives Ethics Self-Assessment (Appendix A)
- American College of Healthcare Executives *Code of Ethics* (Appendix B)

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