

# Organizational Ethics: WHY BOTHER?



**BY RON HAMEL, PhD**

*Dr. Hamel is senior director, ethics, Catholic Health Association, St. Louis.*

**A**n executive from a faith-based health care organization once said to me: "We don't need organizational ethics here." Granted, that was before the Enron, Tyco, and WorldCom scandals and the scandals involving HealthSouth; Allegheny Health, Education & Research Foundation; HCA; and Tenet. It was also before the issuance of the Office of Inspector General's Fraud and Abuse Provisions in 1998 and just after Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) added a section on organizational ethics to its accreditation standards. Had these events been fresh in the news, they might have given him pause. But then again, they might not have. I suspect he would have deemed as sufficient a strong compliance program housed in the legal department. Know the law. Keep within the boundaries of the law. There's no need for anything more.

Not surprisingly, the law and the compliance program are not much help in a major layoff, in budget reductions and cuts in clinical programs, in a strike by medical residents, in physician relations, in charity care allocations, in billing and collection practices, in union activity, and in a host of other challenging and disruptive organizational issues.

For the most part, these challenges have nothing to do with legal infractions. Rather, they are ethical in nature. They have to do with how human beings were being treated in the everyday life of

the organization, where there are no laws to prescribe or proscribe what should be done. They have to do with the values that guided and are embodied in the decisions that are made, decisions that affect so many inside and outside the organization. Ultimately, these challenges are a test of the organization's *integrity*. Does the organization walk its talk in its decisions and actions? If it does, that is to its credit. If it doesn't, that's a major loss. If it does, is it by accident or out of conviction? If the former, that too is a loss.

## INTEGRAL TO AN ORGANIZATION'S LIFE

I suspect the executive did not understand what organizational ethics entails. If he had, he would have known that it is integral to the life of an organization. It is not one more thing added on, like quality initiatives or palliative care programs, as important and valuable as these are. Rather, it has to do with the *identity* and the *integrity* of the organization itself—with *who* the organization *is* and *becomes* and with *what* the organization *does*. The organization's *character* and *behavior*, these are the concerns and the scope of organizational ethics.

In other words, faith-based health care organizations (and most other organizations) claim to stand for something, claim to be a certain kind of organization (their identity or character). They have a mission statement and a set of values. In the most general way, we in Catholic health care claim to be carrying on the healing mission of Jesus. We say we are committed to respect for human dignity, care for the poor, the common good, and stewardship; and to abide by the *Ethical and Religious Directives for Catholic Health Care Services*.

Individual organizations have their own mission statement and set of values that are grounded in, and expressive of, the above. These are the *claimed* identity of the organization. Its *real* identity consists of the values it actually lives by in its day-to-day activities, operations, and decisions. Hopefully, there is a congruence between who it claims to be and who it actually is. This

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congruence relates to the *integrity* of the organization. Is it in reality who it claims to be?

### ETHICS IS NOT FLUFF

Organizational integrity doesn't just happen. Achieving and maintaining it require sustained attention and ongoing efforts. It is hard work. It requires that the organization's values permeate the organization at all levels and in all areas—from executive leadership to housekeeping; in planning, budgeting, and all other decisions; in policies, procedures, and practices; in internal and external relationships. To the extent that who the organization claims to be is not expressed in what it does in its daily activities, there is something lacking at its core. It lacks "wholeness."

"We don't need organizational ethics here." I can think of at least one reason why we do. Explicit attention to ethics in all dimensions of the organization's life can support and foster the organization's identity and integrity, ultimately making for a better organization (and, probably, improved staff morale). It can help ensure that the organization is developing its identity, its character, and that this identity is consistently expressed in its decisions and actions. This can occur only if ethics is integral to the organization, whether by "being at the table"; through a decision-making process, a committee, educational programs, policies, or a host of other methods; or, preferably, a combination of these.

"We don't need organizational ethics here." I had the sense that the executive who made this comment thought that ethics was fluff. Perhaps he was right. But only if an organization's identity and integrity are also fluff. ■

Picture this: In a corner of New Orleans battered by Hurricane Katrina, hope is coming back. This is *Cafe Reconcile*, a popular restaurant where inner city youth can find an alternative to life on the streets — by learning the skills they need to find good jobs and build a future. Damaged but not defeated, Cafe Reconcile is working to reopen, so that young people can return to learning, and the community can once again enjoy the results. Today, 37 million Americans live in poverty. But a taste of hope can work wonders. For easy ways you can help, visit [www.povertyusa.org](http://www.povertyusa.org).

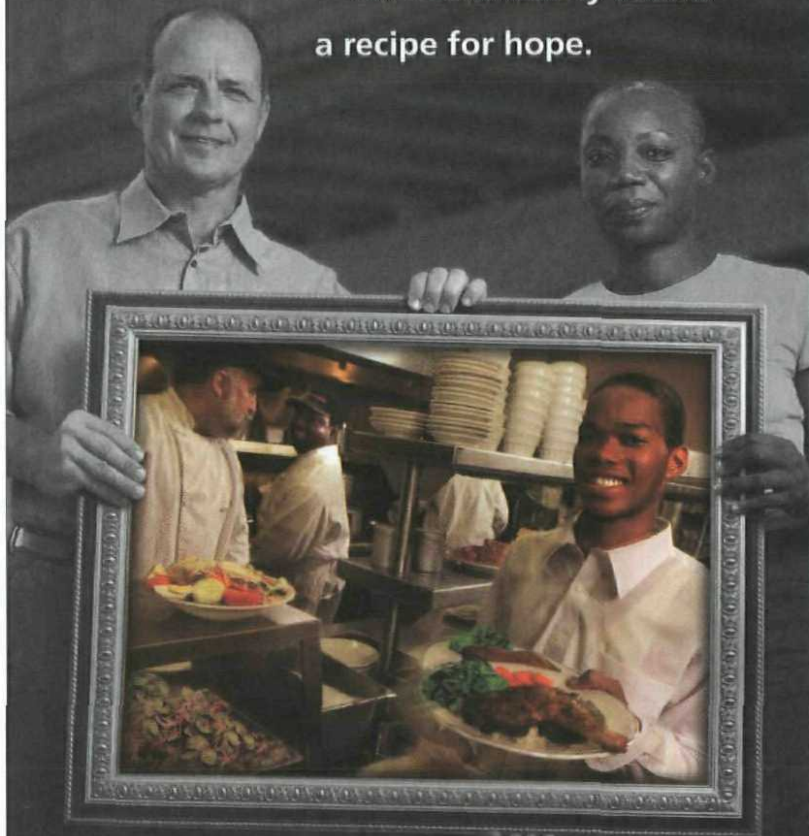


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One community found  
a recipe for hope.



Cafe Reconcile, New Orleans, LA