The Motives Behind Collaboration

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The news is increasingly full of stories about mergers between healthcare organizations, and this trend is likely to continue. Are mergers good or bad? How do we begin to think *ethically* about them? Perhaps examining the following case history will be of some help.

Hospital A, a mid-sized metropolitan Catholic hospital, had a chief executive officer (CEO) who saw trouble coming. Escalating costs, a shrinking patient base, and an oversupply of area healthcare services indicated that Hospital A's future was doubtful. The CEO reviewed several options, which he shared with the hospital's trustees and sponsor. Partnership with another healthcare organization appeared to be the best option.

The city had no other Catholic facility, so the CEO initiated a dialogue with Hospital B, which was sponsored by another Christian denomination. Hospital B was selected for its values, the kinds of services it offered, its solid financial status, and its position in the managed-care market.

Hospital B's CEO was also interested in discussing a merger. Both CEOs thought that a partnership–the creation of a single facility with campuses in two different parts of the city–would increase the overall number of patients, while introducing new efficiencies and cutting operational costs.

A merger committee, including officers from both hospitals began scrutinizing the values of the two organizations. The committee was delighted to find that Hospitals A and B had nearly identical views on the primacy of human life, the delivery of healthcare as a service, and the maintenance of quality at the lowest possible cost.

The talks then gathered momentum. The leadership teams of each organization established a shared vision. The medical staffs gave their agreement. Questions of sponsorship, governance, and Catholic identity were quickly resolved to the satisfaction of the bishop. An announcement was made to the media. The two hospitals were now one.

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How might this case be reviewed from the perspective of corporate ethics as it applies to the common good and to collaboration?

Motives for Collaboration

The case history indicates that the executives of both hospitals had good reasons for agreeing to the merger. Hospital A needed a partner simply to ensure its survival. Hospital B, which was financially sound, wanted to expand to a different part of the city. And the merger allowed both facilities to introduce efficiencies and cut costs. The thinking behind the merger decision was apparently sound, fitting in with the national movement for healthcare reform.

The decision itself, moreover, was not made hastily or arbitrarily. The CEOs of Hospitals A and B consulted with their sponsors, trustees, and staffs and, in the case of Hospital A, with the bishop. What more needed to be done?

The Common Good

Despite appearances to the contrary, it could be argued that the decision to merge was based on narrow self-interest. Creating economies of scale, even in an effort to develop an integrated delivery network, is *not* the primary purpose of healthcare reform. Building networks, developing new relations, reducing duplicative services, and introducing economic efficiencies are but *means* to an end. The end is the enhanced health status of the community. Because the development of new relationships is so complex, it is easy to lose sight of the end or to confuse the means of reform with reform itself.

Decision makers should take into account the legitimate interests of *all* of the healthcare organization's stakeholders: employees (including the medical staff), patients, and persons and businesses in the surrounding community. Hospitals A and B may have succeeded in developing a shared vision for the future of their organizations. But they failed to come up with a shared vision for the common good.

When community members and an institution's leaders and staff work together for the good of the community by offering healthcare services that are based on community needs, that institution will have a future. When the healthcare organization responds to community needs by offering high-quality medicine cost effectively, it will likely have a solid position in the community. When the healthcare organization is able to redirect its considerable resources—both technological and financial—toward the root causes of the community's health problems, the organization will have realized its responsibility as a public trust.

Working together to realize the common good is an attempt to maximize value in a way that benefits everyone involved. Patients, employees, physicians, and the community at large stand to benefit from a strong institution. Self-interests are satisfied, but they are realized within the context of the common good. However, working together toward realization of the common good requires a collaborative work style.

NEGOTIATION OR COLLABORATION?

Collaboration and *negotiation* are different processes that can lead to different results.

Negotiation is basically a defensive, controlling enterprise. Skilled negotiators have a talent for defining the limits of a relationship; they will quickly decide what they will or will not give up. Negotiators do not rely much on trust, a belief in the other party's goodwill and integrity. Because of the defensive posture associated with negotiation, the parties involved can easily overlook opportunities for developing new and creative ways of doing things.

Collaboration, on the other hand, is a trusting, open undertaking based on shared authority and responsibility for a task. Participants begin, not by protecting themselves against loss, but by assuming the good intentions of the other party. This, in turn, reduces anxiety, freeing energy for creativity. Collaboration thus builds on the assets, nurtures the good ideas, and supports the strengths of all parties involved.

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EXAMINE YOUR MOTIVES

The starting point for all ethical decision making is an understanding of the issues and the values involved. In addition to gathering appropriate data, decision makers must also identify the essential values that are at stake. Ethical dilemmas emerge when the interplay between the data gathered and the desired outcome reveals a conflict in values.

In the case study, the leaders of Hospitals A and B failed to thoroughly examine their motives in developing the merger plan. They *assumed* that the survival of Hospital A—in partnership with Hospital B—was for the common good. But the good of the healthcare organization and the good of the community represent competing values. Thus, because the leaders did not consult with members of the community in a participatory process, they could not understand all the issues involved, all the values at stake, and how their decision could maximize the benefits for all stakeholders.

As a result, the new healthcare facility may or may not succeed. The leaders would have done much better to collaborate with community members on the merger issue. Full collaboration would have reduced anxiety, released creativity, and enlarged the range of possibilities for healthcare reform in the city.

Inviting persons to work toward a common vision and goal requires the ability to risk. Risk presupposes a trust in each other's good intentions and in the positive effects of working together for common interests. The measure of satisfaction, renewed energy, and hope that spring from the new venture may be signs of its success. □