**Organisational ethics**

BY M U R A D M OOS A K H A N & S A M E E R N I Z A M U D D I N 2021-03-15

MANY organisations include `ethics` in their vision and mission statements and policies without truly understanding what it means to be an ethical organisation. Outside a few countries in the West, the concept of Organisational Ethics is largely unknown. OE is defined as `everyday practices in which organisational values are demonstrated in organisational structures and behaviours, as well as in day-to-day practices and decision-making processes at all levels of the organisation`.

In daily organisational life, ethical values are not only about doing things right but also doing the right thing. Rules-based organisations emphasise the former. The latter relates to ethical organisations.

Often ethics is restricted to legal codes and regulatory compliances. But OE is beyond these. It is about having an ethical perspective to every action and decision that takes place in an organisation.

Amongst others, this includes conflict-of-interest issues, appointments and promotions, appraisal systems, institutional policies, compensation and benefits, moral distress in employees, resource allocation, as well as the organisation`s business model.

The last is particularly important, as it is not only about making profits but how profits are made.

Historically, organisations, especially the manufacturing and service industry, placed great emphasis on quality, starting as early as the 1920s. This gained momentum in the 1950s post Second World War as the demand for cheap goods rose. Quality control developed quickly and became a main theme, initially of the Japanese style of management and later in other countries. Over time, the idea of improving not only the quality of products but also every aspect of organisations` functions became popular. This was the start of total quality management, which encompassed concepts such as customer focus, the involvement of employees, continuous quality improvement and the integration of quality management into the whole organisation.

While the quality movement improved the efficiency at production lines and quality of products, it did little to address corruption in industry, highlighted by several highly publicised scandals in some of the largest global corporations such as Enron, WorldCom, Arthur Andersen and Big Pharma amongst others. Part of the reason was because in their desire to improve quality andincrease profits, few organisations paid attention to their organisational culture. As long as profits were being made no one was concerned about culture, not realising that the ethical culture of an organisation is critical to its performance. Staf f commitment and turnover, job satisf action and morale, as well as stress and burnout are directly linked to it. Few organisations understand that quality is always the by-product of ethics and not vice versa.

An important element of OE is ethical leadership, ie `the duty of leaders to foster an environment that engages and supports ethical values at all levels of the organisation`. Prioritising ethics is the primary duty of leaders, as integrity always flows f rom top down. One cannot expect employees to behaveethically if they see the leadership not adhering to organisational values. An ethics-driven decision made by a leader has ramifications that can have a lasting impact on the organisation.

Similarly, many organisations have policies that are vetted from the legal, financial and administrative aspects but rarely f rom the ethical aspect. This leads to ethical principles being frequently compromised.

Examples include inequitable distribution of resources, favouritism and nepotism in appointments and promotions, harassment and abuse of employees amongst others. Carriedoutfrequently andrepeatedly this leads to a culture of corruption, resulting in erosion of credibility and reputation of the institution.

While the principles of OE apply to all organisations, they have particular relevance for healthcare organisations. HCOs deal with a highly vulnerable population, whose health and life is at risk. The power differentialbetween a healthcare provider and patient has the potential of exploitation of the latter by the former. A strong OE programme can prevent this.

Unfortunately, in many HCOs there is `ethical bifurcation`, where clinicians and researchers are held accountable for ethical standards when dealingwith patients but there is no similar requirement for the administrative and policymaking areas. This weakens the overall ethical culture of an HCO.

Today, many HCOs have been transformed into big businesses and terms like `patients`, `compassion`, `ethics`, `caring`, and `humanism` have been replaced with terms from the business world such as `customers`, `clients`, `volumes`, `revenues`, `projections`, `targets` and `incentives`. Such terms devalue the medical profession,making it more like a business than a moral enterprise. Also, in today`s highly complex healthcare systems, where AI and algorithms are becoming norms and healthcare is highly commercialised, it is imperative that all systems and processes of an HCO are strongly embedded in ethics and integrity.

In countries like Pakistan with weak governance structures, the problem is further compounded: despite legislation and policies, there is lack of accountability. Leaders may behave unethically and are not answerable to anyone. Conflict of interest, lack of transparency, giving and taking bribes, misappropriation of funds, nepotism and favouritism in appointments are some of the issues that plague many organisations in Pakistan.

Similarly, there is a booming multibillion-dollar private healthcare industry here that is totally unregulated. Without any oversight, exploitation of patients through various means is not uncommon.

Almost 90 per cent of healthcare expenditure in Pakistan is out of pocket, which means patients end up paying the high cost of corruption in HCOs.

Willem Landman, head of the Ethics Institute of South Africa, wrote, `In an organisation, ethics needs to be institutionalised and operationalised, with a view to building an ethical organisational culture.

Organisations should actively manage ethics by having an unwavering board and executive commitment to ethics, (re)writing Codes of Ethics,induction training on ethics and ongoing ethics awareness training, Ethics Lines (helplines and hotlines), and effective ethics communication. This can only be done through an Organisational Ethics programme.

In today`s challenging world, all organisations need to invest in ethics through an organisational ethics programme. The writers are members, Bioethics Group, Aga Khan University.