

6. Organizations as Moral Agents

Groups are moral agents. A partnership of three dentists can enter into contracts, establish protocol for the office, be sued, enrich the community by their charitable work, and so forth. In fact, the partnership can engage in every kind of behavior that is called good or bad ethical conduct just as an individual can. It can suffer consequences of its actions just as an individual can. This applies to study clubs, academic department in a school, component societies, the Alaska Native Tribal Health Consortium, off-shore dental labs, the American Dental Association, and the Centers for Medicare & Medicaid Services.

This requires some rethinking of the ethics business. We saw in Chapter 4 that there were advantages in going beyond ethics as the relationship of independent individuals and their interpretation of the principles they wanted to live by. In every interesting ethical situation there are at least two agents who make uncoerced commitments to acting together for their mutual benefit in ways that neither has any reason to wish were different. In this chapter we extend the logic further still and consider those cases where there are three parties. This includes the two who are creating a relationship and the interested third parties. A dentist and patient may think it fine to weave a copayment, but the benefits carrier usually has a determining opinion. Dentists may want to advertise procedures they are not qualified to perform and patients would be none the wiser in many cases. But the profession would not and should not stand for this.

In Chapter 4 we say that the ethics of one person standing under the favorable light of a principle is a bit theoretical. When our behavior affects no one else it is academic whether to struggle with an ethical analysis. It will turn out now that the ethical dyad often involves an audience. We have not tended to think of three-person or systemic ethics, the ethics that involves organizations, as part of what we ought to do to make things go better. That oversight has left a whole part of the field unexplored.

Those who had misgivings in the earlier chapter that a pair or small group of individuals can go wrong without the check of principles, will draw satisfaction from the fact that compacts of convenience are not the last word in ethics. There is nested oversight in the form of the entire office and community where a practice is located, component and state societies, state practice acts, and numerous national entities, professional, commercial, societal, and governmental. Each of these can be expected to weigh in with interpretations of what is right.

It is just a shortcoming of the extent to which ethics has so far been developed in dentistry to limit our attention to the individual dentist. There are books about the ethics of individual dentists at chairside, but none yet about the ethical dental office. There are ethics seminars for dentists but one for dental organizations would be passing strange. Dentists who violate the practice act are mandated to take ethics courses. Members of the board are sometimes given individual training on how to function in that role. But conversations about how boards should function in the public's interest are usually thought of as political rather than ethical matters.

The naive view is that the way to make organizations ethical is to give members of the group ethical training. This is the approach of raising the average, one individual at a time. The assumption is that we can take people out of context, give them a few hours of instruction, and reinsert them into an environment that may or may not support the values emphasized in the instruction, and they will function ethically on their own, or perhaps even raise the general level of ethics in the organization. A nearly universal complaint among those who teach ethics in dental schools is that much of what is

discussed in seminar is undone by volunteer faculty in the clinic who explain “how things are in the real world.”

The defendants at the Nuremberg Trials certainly felt they had done nothing wrong. They had simply chosen to place greater value on loyalty (following orders) than on the individual rights of certain classes of people they had been taught were inherently of lesser value. Had the military outcome of the war been different, the trials certainly would have gone that way. Harriet Beecher Stowe’s *Uncle Tom’s Cabin* has an almost incompressible scene where a domestic slave in New Orleans who was a bit sassy needed to be whipped so she understood her place. She was given a note and small amount of cash and told to report to the local establishment that administered such punishments and to return with a receipt. These stories illustrate three points: individual ethical behavior is context specific, individuals and small groups receive “ethical correction” from superordinate groups, and ethical norms are not fixed in time.

Our court system is a good illustration of how, at least in the legal area, decisions at one level are nested in higher-order decisions. A personal decision is subject to check at the level of department or organizational policy, then it might go to administrative or regulatory review, followed by lower level courts, and possibly all the way to the U. S. Supreme Court. Each level claims the prerogative of reviewing the actions of lower levels. The same happens, but less formally, for nested ethical decisions. What is fine among friends may be judged unacceptable in a local group such as a school or dental society. But larger organizations act as gyroscopes making ethical course corrections, and so on even to society as a whole. Sometimes there are superordinate groups that hold conflicting views of moral review. This causes jurisdictional battles and legitimizes the competing principles that cause dilemmas. It also underwrites the cultural wars that are tearing this country apart at the moment with some groups telling others how they should behave.

The ethical status of organizations is subject to the mistaken belief that individual’s behavior the same way in communities that they do individually. That is clearly not the case for a professor of ethics who physically abuses his child at home and rants at the umpire in Little League over a questionable call. Some dentists bridle at having to wait at the DMV but routinely schedule their own offices so patients wait needlessly. Each of us becomes part of the ethical context of others who are members of our groups. A candidate may change party affiliation depending on who else is running. The platforms of office candidates, even in dental organizations, often drift depending on what is going on in the profession. We tend to exaggerate our positions for the sake of strengthening our [identity](#) [Ross L, Nisbett RE. *The person and the situation: Perspectives of social psychology*. London: Pinter & Martin, 2011].

There are also some dynamics that operate in groups independent of the internal structure or personal characterizes of group members. We do not act the same way in every group. We tend to sport a little in crowds of our friends and remain cautious among strangers. We certainly dress differently for occasions and at home. We are even suspicious of those who seem to preserve private standards. The larger the group, the more their interactions are dominated by emotion. Groups over a dozen or so simply cannot think in common. Listening to someone talking doesn’t count as the group being rational.

System dynamics thinkers and anthropologists have worked out the nature of these relationships [[Holland JH. Emergence: From chaos to order](#). New York, NY: Basic Books, 1998; [Miller JH, Page SE. Complex adaptive systems: In introduction to computational models of social life](#). Princeton, NJ: Princeton University Press, 2007; [Waldrop MM. Complexity: The emerging science at the edge of order](#)

and chaos. [New York, NY: Simon & Schuster, 1992](#)]. Humans as the quintessential social creature must live in community. They must also protect themselves from hostile groups. These two dynamics can be worked out mathematically to determine the optimal size for various groups needed to provide mutual support and protection from others. It has even been worked out that there is a small sliver of behavior where the advantage of belonging to a self-protecting group outweighs the loss of sacrificing to strengthen the group. That is called pure altruism.

As astounding as this may seem, each of us is influenced by the norms of the multiple groups we belong to at the same time we contribute to creating those norms. We are simultaneously guided toward what others think is right and good and we guide others. Good behavior in a group is a complex topic, one that has been largely passed over because it cannot be understood with the old tools of naming other's behavior by principles. In this chapter, the word morality will be used rather than ethics because that is the proper term for the good and the right when more than one person is involved.

My father once told me that for every there is a solution that is simple, obvious, straightforward and wrong. The ethical challenges facing dentistry today are complex and they involve multiple interests. It is improbable that any solution put forward by a party that solves its own interest will be generally useful or sustainable.

The Special Moral Issues in Organizations

Morality means the same thing whether we are talking about individuals or organizations of various sizes. Morality is still the uncoerced mutual thriving of those whose futures are affected by others. Organizations reflect on their needs and those of relevant others groups. Naturally, they touch base with their own deepest values. But when that is all they do, and try to impose their values on others, the behavior is ethically questionable. When one group really does understand the situation more realistically than do others, that is an educational challenge, not a public relations challenge. A solution that does not honor the interest of all concerned is inherently immoral and will be maintained only as long as a power differential can be maintained. Thus organizations can be moral, or not.

Morality is inherently a social phenomenon. Individuals and organizations may orient toward divergent principles, but they are generally nested in hierarchical structures [[Jackall R. Moral mazes: The world of corporate managers. Oxford, UK: Oxford University Press, 2010](#); [Goldstein J, Hazy JK, Lichtenstein BB. Complexity and the nexus of leadership: Leveraging nonlinear science to create ecologies on innovation. New York, NY: Palgrave, 2010](#)]. In the place of academic arguments over whose principles take precedent, we have moral engagements between organizations and between organizations and their members. For example, students may bridle at some educational practices of their schools, the schools may have difficulty defending some practices at the Commission on Dental Accreditation, while CODA is itself accredited by the U. S. Department of Education. The nesting of organizations serves as a coordinating mechanism. Norms for how individuals are expected to behave in groups or how individuals who share common principles expected to be treated are valuable ethical aids among those who share such principles. The nesting of individuals and groups in moral engagements is relevant in all situations, regardless of prior agreement or lack of agreement on principles. There is an imperative to treat others morally even without imposing a precondition that others will share the same values one does.

There are numerous examples of organizations performing morally across boundaries of divergent or imprecisely understood principles. This is actually the norm. Dentistry, as an engagement that

simultaneously satisfies the needs of patients and oral health professionals is designed on this basis. The function of organizations that harmonize and support this kind of engagement -- such as education, research, industry, organized dentistry, benefits carriers, and government -- are the nesting structure that strengthens the first-line engagement.

To the extent that organizations facilitate moral oral health care, the entire process is strengthened. This chapter will present a sampling of dysfunctional moral behavior at the organizational level.

Who Does the Organization Serve?

The use of power, justified by private principles, is an alluring alternative for those individuals or organizations that believe they can manage it. A famous teaching case in business schools involves Ford Motor Company's handling of problems with the design of the Pinto model sold during the 1970s [Gilbert J. *Ethics for managers: Philosophical foundations and business realities*. New York, NY: Routledge, 2012]. The gas tank was positioned in such a position that accidents involving rear impact triggered explosions, fires, and ultimately 27 fatalities. Management at Ford performed an analysis of the costs of settling law suits (about \$49M) versus redesigning the car (about \$137M). It was clear that the less expensive option was to pay damages, and return to shareholders is a paramount principle in any organization that handles money. So Ford used lawyers rather than engineers to solve its problem. The flaw in the logic was that the public included more their calculation than money. The public outrage over Ford's solution of the moral problem on its own terms eventually forced discontinuation of the Pinto line and damaged Ford's overall profits. Ford came up with the correct solution to the wrong question because it treated the public as "customers" rather than moral agents in their own right.

Organizations persist in substituting power for morality when they can pass costs on to others. For example, tax payers carry the burden for bad dentistry and practice from those who are not authorized to do it. Enforcement of state dental practice acts are the responsibility of boards that are not funded by the profession. Civil suits to stop practices by organizations such as benefits carriers or corporate entities are adjudicated in the public courts. States have reduced their support of professional education because private loans rather than the previous system of government sponsored loans has passed the burden on to individuals. Organizations often invest substantial amounts in lobbying of other attempts to make the playing field advantageous to their interests.

A century ago, the relationship between industry -- called "supply houses" -- and the profession was openly acrimonious. The profession complained loudly that manufactures were intruding on the prerogatives of treatment decisions and information availability through control of journalism [Johnson EA, O'Rourke JT, Partridge BS, Spalding EB, Palmer BB. *The status of dental journalism in the United States: Report of the commission on journalism of the American College of Dentists 1928-1931*. New York: The College, 1932] much in the same way organized dentistry views benefits carriers today. By the 1930s, several states had created regulations barring individuals from supply houses from attending, let alone participating in, state dental association meetings. There was a strongly supported movement that all journals must have a sponsor that was either organized dentistry, a dental specialty, or an honorary. That antipathy collapsed because it was recognized that the profession and industry have mutual interests that outweigh the advantages each might enjoy working independently or antagonistically. Perhaps the same is the case for the relationship between organized dentistry and professional groups representing hygienists, recognized and unrecognized specialties, and benefits carriers. Commercial ownership of dental practices and independent auxiliaries are current widely debated topics in the area of relationships among groups in dentistry today.

This is the same sort of logic, stacking one agent or community of agents inside another, that is at work when multiple public entities vie for the attention of legislators who are ultimately responsible for the massive burden of regulation that exists today. It is a sign or moral failure: rather than working out the best stable direct relationship, we use power to entangle government to hamper others on our behalf. Just as there is a moral dimension to the relationship among organizations, there is also an ethical aspect of the relationships between organizations and their members. Each member is like a group in the larger American society. Their portfolios of interests and values are not identical, but they share the common feature that together on an uncoerced basis they will thrive by cooperation. We join because we are stronger together than we would be otherwise [Putnam RD. *Bowling alone: The collapse and revival of American community*. New York: Simon & Schuster, 2000; Stiglitz, JE. *The price of inequality: How today's divided society endangers our future*. New York, W.W. Norton, 2013]. In most cases, the anticipated reward from stable or self-enforcing mutual action exceeds the expectations from going along and saving the cost of joining.

The fact that members join groups for various reasons raises the issue of joint action. Complete satisfaction of everyone's hopes all the time is out of the question. Consensus is achieved when *all* members agree that moving forward in a particular direction is better than doing nothing. Majority rule is achieved when *most* members agree. When a *minority*, either through deceit or partitioning and manipulating rules, circumvents the interests of most members, this is called abuse of power.

Most organizations have formal rules for ensuring at least majority rule. These are normally codified in bylaws. Although there are exceptions, the fundamental understanding is moral in nature. Members have an uncoerced choice between going along with the will of the majority or leaving the group. Trends in membership are a vivid indicator of the moral character of an organization.

Normally, there is a precaution designed to protect against the "tyranny of the majority." Parliamentary procedure is a bit off-putting these days because a few have violated the ethical intent by using arcane procedure to gain power. There is really only one tenant in the process. As Alice Sturgis states in *The Standard Code of Parliamentary Procedure*: "By the act of joining a group, a member agrees to be governed by the vote of the majority. Until the vote on a question is announced, every member has an equal right to voice opposition or approval and to seek to persuade others. After the vote is announced, the decision of the majority becomes the decision of every member of the organization. It is the duty of every member to accept and to abide by this decision" [Sturgis A. *The Standard Code of Parliamentary Procedure* [(3rd ed), New York: McGraw-Hill, 1988, p. 8]. Most organizations manage fine as long as they stay close to this ethical principle even if they brutalize the fine points of rules.

Understanding the moral calculus of the benefits and costs of moving with a group helps to explain the size of the group. To the extent that potential members face common threats that are easier to manage as a group and to the extent that individuals are incapable of putting together on their own a collection of resources to address their unique concerns, membership in groups will grow. Large groups face the burden of divided interests, and when an individual can satisfy his or her particular needs by joining several groups that uniquely match the temporary needs better than one large group that imperfectly approximates them, the larger group will suffer loss of membership. In what has been claimed to be the most often cited publication in the management literature, Ronald Coase argued that the size of an organization is determined by its utility. Otherwise there would only be one large organization in the world. It is not the relationship between the organization and its members that matters; it is the ability of the organization to negotiate mutually beneficial engagements between members and the changing

environment [Coase, R. *The nature of the firm. *Economica*, 1937, 4, 386–405*]. Biology and systems dynamics scholars have extended this logic as a rule that allies to all living systems [Holland JH. *Hidden order: How adaption builds complexity*. New York, NY: Basic Books, 1995; Ostrom E. *Governing the commons: The evolution of institutions for college action*. Cambridge, UK: Cambridge University Press, 1990; Sober E, Wilson DS. *Unto others: The evolution and psychology of unselfish behavior*. Cambridge, MA: Harvard University Press, 1998].

Moral Hazard and Free Riding

Moral hazard and free riding are related phenomena that erode the moral tone of group activity [Dembe AE, Boden LI. *Moral hazard: A question of morality?" *New Solutions*, 2000, 10 (3), 257–279*; . Hardin, G. *Science*, 1968, 162 (3859), 1243–1248]. They are not solo performances of doubtful ethical nature: they are the result of the way communities treat members when what is good for the group is not uniformly best for all.

Moral hazard is a dirty trick played on society when it works to help those in need. The community tries to correct a deficiency, and in the process magnifies the problem. The common example is insurance. If a family has health insurance or fire insurance, they are more likely to engage in practices such as smoking in bed. Sometimes writing a dues check to an organization that works on behalf of a professional is considered appropriate to satisfy obligations for becoming engaged in advancing the interests of the group. “The professional lawyers, lobbyists, and PR folks are at work on my behalf, so I will just get out of the ways.” Pooling risk relieves individuals to personal responsibility [Fraser J, Simkins BJ (eds). *Enterprise risk management*. New York: Wiley, 2010; Haski S. *The arrogance of distance: Moral hazard and the rise and decay of individual freedom and responsibility*. New York, NY: iUniverse. 2005].

Moral hazard is a self-reinforcing process dynamic process [Axelrod R, Cohen MD. *Harnessing complexity: Organizational implications of a scientific frontier*. New York, NY: Basic Books, 2000]. All of us from time to time have felt we should only “pay for what we use.” This is not an ethical principle, but it does have moral consequences. If some are allowed to opt out on the grounds that they are unlikely to benefit as much as others do, that will increase the resources of those who opt out. It would also increase the cost to those remaining in the pool. The increased cost to those favoring shared protection will cause additional members to perform the personal calculation and leave the community. In many cases this process destroys the benefits that can be achieved from pooling our risk. There are natural differences among individuals in terms of how generally they favor provisions for sharing risk within a community, and these play out in political affiliations. Organizations that start on the slope of declining membership face a substantial challenge in overcoming the “I’ve got mine” force that erodes group moral strength.

Another way of expressing moral hazard is the effect known as “bounce off.” As organizations mature and as the environments around organizations shifts, different types of members receive the maximal reward from belonging. A church, to use this example, may become established in a new community and strongly meet the needs of young families who are seeking affordable housing in the suburbs. It thrives and grows. But as housing costs increase, fewer new families replace the gradually gently aging members. The church begins to emphasize social causes as teen agers move away. Eventually, the church becomes a support system for those who are losing spouses and friends. It would be understandable, but wrong, to wonder why such a church has difficulty replicating the success of its early growth years. A young couple with every need identical to those who joined in the early years

would look around and not find their counterparts. It is not that they are made to feel unwelcome or even that young folks have different values now. The organization has just grown up to the point where it no longer reflects the needs of those it once served. The new potential members bounce off and find a better fit. The only possibility of placing new arrivals in top leadership positions following a very short internship is unappetizing to those who have been patiently waiting their turn to lead a group like themselves. Bounce off is most commonly seen in organizations where the path through the leadership chairs is longer than the response time needed by the organization to make adjustments to a changing environment.

The related concept of free riding is also grounded in the tension between individual and group cost and benefit. Free riding means taking more of the common resources than one is entitled to or contributing less than one's fair share. It is a stable characteristic of groups when the amount taken from the community is smaller than the cost to the community of correcting the abuse. Think of up coding. An example of this practice is submitting an insurance claim for an impaction rather than a simple extraction since the case was "difficult" anyway. This is worth perhaps a hundred dollars to the immoral dentist. The benefits carriers would have to spend more than that amount to block this practice across the boards or to prosecute outrageous offenders. The result is that insurance premiums are passed along to plan purchasers and the upright members of the profession bridle at gestures by insurance to put measures in place to curb the abuse generally. The cost of sustaining a few bad actors is passed on to the public and the rest of the profession. This is a systemic moral problem more so than in individual ethical one.

Free riding is natural and inevitable. Every community, every profession, has its characteristic level of free riding. This can be worked out mathematically, as demonstrated in Chapter x [Geuss R. *Public goods, private goods*. Princeton, NJ: Princeton University Press, 2001; Miller JH, Page SE. *Complex adaptive systems: An introduction to computational models of social life*. Princeton, NJ: Princeton University Press, 2007; Sober E, Wilson DS. *Unto others: The evolution and psychology of unselfish behavior*. Cambridge, MA: Harvard University Press, 1998; Waldrop MM. *Complexity: The emerging science at the edge of order and chaos*. New York, NY: Simon & Schuster, 1992]. As the benefit of taking a little extra or skimping on the contribution to the common good increases and as the cost of detection and enforcement go up, the level of free riding also increases. State boards, for example, will more likely take action against a dentist convicted in the public courts of a minor drug offense than against a corporate entity with many lawyers and much at stake that has damaged many patients through questionably legal staffing patterns. Prosecution of dental students who cheat is often determined by the legal policies of the parent university.

Organizations can free ride and abuse moral hazard.

There is a rich body of literature showing that the level of free riding is most sensitive to the willingness of one's peers to make a small sacrifice [Fehr E, Gächter S. *Cooperation and punishment in public goods experiments*. *American Economic Review* 2000, 90, 980-994; Fehr E, Schmidt K. *A theory of fairness, competition, and cooperation*. *Quarterly Journal of Economics* 1999, 114, 817-868]. [See the discussion elsewhere in this report on justifiable criticism.] I will summarize this literature with a simplified example of what is known as the "common good game." Individuals are given a stake, say \$25, and can invest up to \$5 in each round by investing in the common pool. A benevolent banker multiplies the total investment by a fixed amount, perhaps 20%. That means that if the pot was \$20 from each of four participants putting in \$5, the investment would grow to \$24. The investment is returned to the participants, but each gets an even distribution regardless of what they put in. In this example, each of

the six participants would have a return of \$6. That would be \$1 more for each of those who placed money at risk and \$6 for the renegs. All professionals are like this, the best result across the boards will follow from everyone putting in the best. The best result for any individual will be to free ride on other's efforts.

The results are predictable. After a few rounds, no one is investing. Among the many variations on the common good game that have been studied, one is particularly relevant here. Sometimes the banker offers to impose a penalty on free riders. Anyone can purchase the opportunity to penalize a fellow player by paying the banker an amount, perhaps \$2. Those who pay can nominate who is to be penalized, and the amount might be nominal, such as \$1 for each dissatisfied colleague who contributes to the penalty fund. The results are quite predictable and spectacular. A few players "invest" in cleaning up the game, and by the third or fourth round after the penalty is possible, free riders have become contributors and all players are doing many times better than in the early rounds.

The common good game is an apt metaphor for dentistry. It is a positive-sum game. That means that there are win-win opportunities and generally the more dentistry that is done the better for dentists, patient, support industries such as benefits providers and industry, and society at large. The dispute is over dividing the pie: who pays and who benefits. No part -- the profession, the public, or any other -- should be allowed to ride free. Penalizing free riders is effective in raising the rewards of everybody. It is useless to wait for others to sacrifice to do the penalizing; a little bit from everyone affected is the best approach. Morality in community is not an entitlement; it is an investment.

Moral Decoupling

When the web site says "Dr. Kind will always be there for you," but there is no provision for emergency services or they are inadequate, this is called hypocrisy. When you phone the organization and are greeted with the reassuring message "you call is important to us" and then wait three minutes while they cycle through a series of public relations and internal sales messages, that is called decoupling.

The term refers to an organization's simultaneously affirming its commitment to ethical standards but dragging its feet on any action related to meeting those standards [Weaver GR, Treviño LK, Cochran PL. *Integrated and decoupled corporate social performance4: Management commitment, external pressures, and corporate ethics practices. Academy of Management Journal, 1999, 42 (5), 539-552*]. This differs from the individual case of hypocrisy because the former involves an obvious inconsistency by a single individual, organizations can separate responsibility (decouple) so some send the public one message and different parts of the organization send a different message. There can even be parts of an organization assigned to perpetuate the questionable practice while others are working to correct it. The ethical problem is that organizations that decouple pocket the financial advantage of bad practice in one pocket why getting public relations credit in the other pocket for cleaning up its act. Sometimes advertisements simply add the term "ethical" to practices that are entirely matters of self-interest as a marketing ploy. This is both doubly unethical because it devalues the very concept of ethics.

A week's watching the evening news is apt to turn up an example or two of decoupling. An interview with the president of Volkswagen when it was revealed that they were gaming smog tests, began with the claim that "Volkswagen is committed to the highest level of regulatory standards." In California, Pacific Gas & Electric is being sued for improper maintenance of their power lines which sparked widespread fires. That launched a massive ad campaign around the theme that PG&E is committed to your safety." The company may spend more on PR than on clearing brush from power lines.

Research shows that decoupling follows a predictable pattern where positive public messages affirm generalities while concrete corrective measures are late and partial Crilly D, Zollo M, Hansen MT. *Faking it or muddling through” Understanding decoupling in response to stakeholder pressures. Academy of Management Journal. 2012, 55 (6), 1420-1448; Heese J, Krishnan R, Moers F. Selective regulator decoupling and organizations’ strategic responses. Academy of Management Journal, 2016, 59 (6), 2178-2204].* The closer the corrective action is the organization’s financial bottom line, the slower and more incomplete the corrective action is.

Decoupling is often associated with lack of transparency. In commercial setting, this is justified by appeal to proprietary interests – the capacity to make money as long as others do not know what is being done. The proprietary argument is even used by non-for-profit organizations on the grounds that their non-dues revenues must be protected. Sometimes information is blocked from public view by regulation or legal precedent or the threat of lawsuits. Sometimes, organizations simply needlessly obscure a clear view of what they are doing in order to reduce hassle. In rare cases, lack of transparency covers ethically questionable practices, or at the least makes it difficult for other moral agents to know what is at stake in the engagement.

It is said from time to time that schools bury ethical violations in order to cover irregular or uncertain due process procedures or to avoid potential legal action. This is normally associated with discussions of “academic integrity” – the euphemism for absence of cheating [Andrews KG, Smith LA, Henzi D, Demps E. *Faculty and student perceptions of academic integrity at U.S. and Canadian dental schools. Journal of Dental Education, 2007, 71 (8), 1027-1039].* State dental boards are quick to taut their role of “protecting the public.” They certainly do accomplish this to an extent, but the public is left without any clear means of knowing what that extent is. It is a legal requirement that the names of practitioners with disciplined licenses be made available to the public. While that is done in every state, to the best of my knowledge, getting the names is easy in some states and not so easy in others. The proportion of licenses disciplined varies from state to state, with some states having less than half the national average. In such cases, it appears that the only prosecutions are for patient death, DUI, or narcotics violations, - all of which are public records. Based on records from medical boards, fewer than 1% of confirmed patient complaints result in investigations and disciplinary action. Conversations with state dental boards suggests that the issue is limited state funding. This follows the pattern of decoupling by virtue of public publicity about the high intent of being ethical, complexity of the system that makes ethical management difficult, protection of the bottom line, and lack of transparency.

The lack of transparency in decoupling is usually intended to prevent some parties from participating in the search of a stable relationship in the belief that a framing without them would be more advantageous. To the extent that it excludes agents with a just stake in a moral engagement, it is immoral.

Moral Bleaching

Also called ethical fading [Tenbrunel AE, Messick DM. *Ethical fading: The role of self-deception in unethical behavior. Social Justice Research, 2002, 17 (2), 223-236],* this practice resembles decoupling in that both individuals and organizations can engage in it, but it is more common in groups, especially those that are legally recognized as persons. Here is an example: A large dental corporation settles a suite with the U.S. government over using unlicensed employees to deliver patient care for which they are not qualified. There is a large monetary penalty. The public does not know the details of the matter

and the company admits no wrong doing. The last part is the critical element in moral bleaching. Legally, no admission or finding of wrong-doing protects the firm from having this behavior introduced in subsequent legal action over new misconduct. Good legal and economic maneuvering.

But there is something more going on here. A moral abuse has been reclassified from the ethical to the legal or commercial sphere. A price is place on bad behavior, and those who can afford it pay the price, thus discharging the ethical obligation in the same stroke used to buy off the financial one. The moral matter has been bleached out of existence, or bought off.

It is a common enough trope in fiction and history where the scion of a wealthy family is caught with his pants down and the female servant gets some cash for a nondisclosure deal.

Central to morality has been the notion that bad acting alters one's relationship with the community. One becomes untrustworthy by lying, feared for use of coercion, disrespected for violating social norms. Normally, one regains acceptance by a slow process of repentance and good behavior that demonstrates both awareness of what is right and a willingness to change one's ways. This is usually reinforced by internal feelings of guilt and shame. Guilt is awareness of having done wrong and acceptance of the community's right to hold a disrespectful attitude. Shame in the internalization of this attitude in the form of self-recrimination that tends to reinforce corrective behavior. In moral bleaching, there is no need for reworking the relationship with the community or of experiencing shame or guilt. The debt is converted to legal-commercial currency, paid off, and that is the end of it.

Organizations are in an excellent position to engage in moral bleaching because they face light penalties relative to their operating budgets and they can pass the expenses on to those who had not part in the culpability such as shareholders, members, or customers. Consent decrees are an institutional form of ethical fading regularly used by organizations. Plea bargaining is more common among individuals, but this practice only changes exchanges prosecutorial costs for lighter penalties. The ethical stigma remains.

Here is another example. There is a dental honorary that announces on its web page that it welcomes commercial memberships as partners in their mission. The benefits to commercial partners are enumerated, including the amount of mention in the honorary's material and the number of minutes of face time with fellows for each level of donation. That is a clear example of moral bleaching, even so blatant as to place an announced price on the dignity of that group.

The second book of the ancient Chinese text on ethics, the *Tao Te Ching*, begins this way (loosely translated): "When virtue was lost, there were customs (principles) particular to one's group; when these were lost, there were laws; when laws fail there is war." The point of this ancient wisdom is to establish an order in the way people treat each other. Virtue or morality is the highest and most natural way. The consequence of failure to follow morality or to try to short circuit it begin a cascade of increasingly less desirable and effective ways of relating. It is often remarked that the ethical and the legal are different. It is the view of the American College of Dentists that ethics stands higher.

Gifting

By definition a gift is something given with no expectation of any reciprocation. If it is expected or implied that the gift creates an obligation of reciprocity – a quid pro quo – it is not a gift, it is a

transaction [Rodwin MA. *Medicine, money & morals: Physicians' conflicts of interest*. New York, NY: Oxford University Press, 1993].

Despite this, it remains the case that most professional organizations have policies prohibiting “gift” receiving by their members. Often this is limited to a specific dollar amount. For example, occupational therapists are expected to refuse a gift in excess of \$25. There are federal regulations now in place requiring the reporting of certain gifts from pharmaceutical firms to physicians and the reporting of these transactions online so that the public can see them. The management of intangibles such as positive Yelp postings, even though they may be of great value, is more difficult. Journals and convention sponsors have sought to separate themselves from the taint of gift giving, in the form of endorsements and commercial conflicts of interest, by requiring disclosure, thereby transferring responsibility to the consumer. Australia’s code of ethics and Canada’s code, when it had one, specifically prohibited gifts.

It may not be obvious at first glance, but the moral matters surrounding gift giving is more than a two-party arrangement between the one giving and the one receiving the gift. That would be a straightforward ethical transaction involving the concerned agents. It is a three-party agreement or, at the very least, the imposition of a third party’s rules on others. A dentist may be very willing to accept a Caribbean cruise sponsored by an equipment manufacturer; it is one’s colleagues who are looking sideways. Individuals who receive no regular dental care may be grateful for charity services and the dedicated professionals who give it deserve our respect, despite the fact that these can run into substantial amounts. Organized dentistry is proud of the service it gives to members. What matters to third parties is who has access to professionals. Professional associations would like to narrow access, and placing barriers in the way of outside agents accomplishes that purpose. Industry has recognized this fact and directs much of its resources going to the profession through dental organizations in the form of advertisements and collaborative programs, thus coopting those who want to control access to members.

Moral Shifting

In moral fading, an organization, or occasionally an individual, pays for the opportunity to rid itself of a moral misstep. In moral shifting it sells assets with questionable moral odor for cash. The IRS licenses collection agents for both economic reasons and to avoid a negative public perception. Dental conventions do not market commercial products to dentists: they rent commercial space to vendors and change them for advertising. The less-attractive patient interactions such as financial arrangements and nagging about home care are usually delegated to staff. Commercial sounding activities such as advertising and bad debt collection are outsourced entirely.

Nonprofits spin off for-profit subsidiaries, partly for matters of efficiency, but always because the laws and the ethical standards are different. For example, the U. S. government cannot market drugs developed by its researchers or those on government grants. But universities that develop patentable innovations based on federal grants can under the Bayh-Dole Act of 1980. And they usually do. The majority of medical device innovations are ideas from physicians [von Hippel E. *The dominant role of users in the scientific instrument innovation process* *Research Policy*, 1976, 5 (3), 212-239], but medical doctors are not renowned for their entrepreneurial skills, although they make to an active role in promoting innovations they have a financial interest in when being marketed by others. Dentists may feel “ethically uneasy” about pitching standardized high-end treatment plans to all patients, including

those they have known for years and believe cannot afford them. But they might be okay with working on a salary basis for a corporation that does this, since their obligation is now limited to providing only the best quality technical care in their capability.

Moral shifting is most common in organizations since they deal in products and services that can be compartmentalized and sold off piecemeal. The practice is most often observed in organizations that have invested heavily in building a recognized brand that would be tarnished by association with questionable practices. It is no accident that the hangman of old wore a mask.

Soenen and colleagues have studied this practice [Soenen G, Melkonian T, Ambrose ML. [To shift or not to shift? Determinants and consequences of phase shifting on justice judgments. *Academy of Management Journal*. 2017, 60 \(2\), 798-817](#)]. In one complex example of moral shifting a well-known pharmaceutical firm arranged with a generic manufacturer to have the latter illegally begin marketing the drug generically a few years before the patent was due to expire. As agreed in advance the firm with the high-end image sued the generic drug maker and a settlement was reached that permitted the "illegal" product to be sold out-of-patent. Thus amounted to a win-win for the two firms and a blow to the court system that legally sanctioned a questionable financial transaction. There are currently attempts to rewrite law to prevent this practice, as it is growing.

Another example concerns the choice by patients between generic and patented medications. Physicians may feel bound to advise patients of both alternatives and benefits carriers have been locked into agreed prices and copays for the more expensive drugs. The physician cannot ethically waive the copay or exaggerate the severity of patients' conditions to increase reimbursement rates (although surveys so that this is quite common [Wynia MK, Cummins DS, VanGeest JB, Wilson IB. [Physician manipulation of reimbursement rules for patients between a rock and a hard place. *Journal of the American Medical Association*, 2000, 283, 1858-1865](#)]). The manufacturers of the more expensive drugs have found a way around this by offering to reimburse patients an amount equal to the copayment if they request the more expensive drug. The amount of reimbursement is smaller than the markup of the drug. Thus the benefit is shifted to the manufacturer and the burden is shifted to the public in the form of costs for insurance coverage.

Conclusion

All of the examples in this chapter move beyond the simple ethical logic of one individual conforming his or her actions to a personal principle or of two individuals working in harmony toward an agreed mutually satisfactory future. They involve at least three parties or nested groups. There are many moral issues in dentistry that would otherwise remain undetected and undiscussed without allowing that morality often, indeed regularly, involves more than two parties and that organizations are moral agents.

Organizations are powerful and all-pervasive moral forces. Their impact cannot be assessed by looking only at the behavior of individuals within the organizations. Organizations have a responsibility to act ethically, over and above what their members do.