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Ethical Audit Practice in Hospital Units – the Pillar of the Third Generation of Ethics

Daniela Tatiana AGHEORGHIESEI (CORODEANU)¹, Vladimir POROCH²

Abstract: This article represents a manifest point of view with regard to the need to adopt the ethical audit in assessing the performance of the hospital unit in Romania, in the context of the accreditation and of the increasing pressure of the internal and external stakeholders for transparency, ethical and responsible behavior in assuming and fulfilling the mission. In support of the arguments, there is an overview of the opinions of several authors found in the profile specialty literature, but also of the research carried out at international and national level on this topic.

Keywords: ethics; audit; medical system.

1. Introduction

Our article opens a debate on the importance of practicing ethical audits in the medical system in the context of the third generation of ethics, which, in addition to the first two generations, also highlights the need for the public recognition of institutional efforts meant to respect ethical values and norms in achieving performance. From this viewpoint, the main direction which we are suggesting is that of introducing the practice of ethical audits as a criterion in the accreditation requirements of Romanian hospitals.

Our endeavour is based on literature review as well as on highlighting several results obtained through our own empirical research (among the very little academic research of its kind in Romania) conducted among decision makers in Romanian hospitals.

The Ethical Audit under the Umbrella of the Third Generation of Ethics

The hospital units are nowadays in front of the challenges of the third generation of ethics (Agheorghiesei (Corodeanu), Dabija, Copoeru,

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2014). The concern must focus on the ethical behavior management, on identifying the ethical risk areas, so as to maintain a high degree of confidence of the stakeholders and to “pass the test regarding the fulfillment of the accreditation standards imposed by the external evaluators”. As compared to the previous generations of ethics, the third generation calls for the identification through auditing of the impact “of the initiatives adopted in order to ensure an ethical climate and prevent the ethical risks within and outside the organization”, but also “the assessment of the integrity and ethical reputation of the organization” (the degree of confidence) and the compliance with the accreditation system.

The ethical audit becomes therefore the important pillar in supporting these requirements.

In metaphorical terms, the audit means listening to the pulse of the organization (the root of the word originates from Latin – “audire”, listening) and to the voices of the stakeholders with regard to the manner in which it fulfills its legal obligations, but also the moral ones in achieving the mission.

Ferrell, Fraedrich and Ferrell (2012, p. 243) define it as being “a systematic assessment of the ethical program or performance of the organization, for the purpose of determining whether they are efficient or not” and which “involves regular, complete and documented measurements of the compliance with the declared policies and procedures of the organization”. It can bring to light deviations between the ethical policies and practices of the institution (Krell, 2010).

Managers can choose to implement this ethical audit within an ethical program, or as a preamble of it, obtaining therefore “a realistic diagnostic of the ethical values, of the manner in which the ethical policies are understood and implemented, of the behaviors adopted by the employees as compared to the formulated and communicated ethical standards of the organization (if appropriate), but also of the risk areas, sensitive from a moral point of view, in the activity and relationships of the organization. Moreover, the ethical audit brings recommendations and suggestions which can prevent problems, rectify weaknesses, but also on the methods and instruments which can be enforced so as to consolidate the ethical climate”. In the opinion of Garçia-Marzà (2005), the ethical audit is a “basic mechanism in order to obtain the *confidence* of the stakeholders of the organization, as it can transparently prove how it fulfills its economic, social

and environmental responsibilities ...; a dialogue resource which helps to solve and remove many conflicts of interest”.

Advantages, Stages and Types of an Ethical Audit

The advantages of implementing an ethical audit are numerous (Ferrell, Fraedrich, Ferrell, 2012, pp. 244-245; Menzel, 2007, p. 72), which justifies the favorable recommendations of numerous authors for this practice: offers the opportunity to identify in good time the incorrect actions and behaviors, before becoming main problems and crises for the organization; it presents a realistic picture of the operation of the ethical program implemented in the organization (if it already exists); it draws a realistic picture on the internal and external impact of the ethical performance of the organization; helps at improving the organizational efficiency and performance, by discovering and removing the ethical issues, the “strangulations” which could affect employees’ productivity, contributing to the increase of the degree of satisfaction, of the loyalty for the organization and to the reduction of the fluctuation of staff; helps at protecting a good image and reputation of the organization, by bringing to light in good time the ethical risks and the moral weaknesses and by preventing the unethical behaviors, minimizing the negative external impact; increases investors’ interest for the organization, offers them the guarantee that it is worth investing and allocating funds in order to support its activities and operations; improves the relationship with the stakeholders, in that it sends a message of confidence on the part of the organization, the fact that it is permanently concerned in improving the performance, in their expectations and in the manner in which they can be achieved without violating the morals; it highlights the tendencies, it improves the organizational learning process and the ethical climate of the communication and of the work relationships; it proves organization’s interest and efforts in observing the law or the progress made if there were deviations in this regard in the past; it helps in a proactive way in creating a new integrity system in the organization, starting from an objective reporting.

David Murray (1995, p. 145) identifies several types of ethical audit, which suggests that it can be partially carried out, by sections, according to the needs: of the existence of the policies and procedures; of the compliance with the policies and procedures of the Company; of the actual performance (the external impact); of employees’ perception; of employees’ aspirations/concerns; of the perception of the consumers and of other

stakeholders; of the specific ethical issues/problems; of the compliance with the legal regulations and norms; of the comparison based on the reference scale, with the colleagues or the benchmarking. Nevertheless, a complete and qualitative audit involves all these aspects.

Other authors (Treviño, Nelson, 2011, p. 193) show how an audit of ethical culture can be carried out, by analysing all cultural systems - both the formal and the informal ones. Its role is to assess whether organizational culture is in line with the ethical conduct; should this not be the case, it can serve to support its change.

The development of an ethical audit requires “a team effort, but also a clear definition of the ethical behavior” (Krell, 2010), time and costs, as it involves gathering and treating a large volume of information. For this purpose, auditors access several sources of information and pass through several stages (Allen, 1995): carrying out direct observations within the institution; analyzing the documents comprising key information (for instance, written and published policies and procedures, financial statements, etc); developing interviews / discussions with the members of the management team at the top of the organization; applying structured questionnaires and detailed interviews with the internal and external stakeholders (employees, management staff, etc.); drafting the final report (which includes the main conclusions and recommendations); designing and implementing certain educational programs on ethical topics; adopting corrective measures; designing / reviewing the textbook of ethics (optional).

Another aspect that has been a point of contention among scholars is whether the results of the ethical audit should or should not be made public. De George (Kaptein, 2012, p. 51) argues that ethical audits would be useful if their results were made public by the companies that are implementing it, through their annual reports, due to the fact that “[the companies] will be stimulated to adopt a responsible conduct”. S.P. Kaptein (2012, p. 51), however, claims that ethical audits “are a means through which moral aspects can be discovered for the purpose of improving the moral functioning of the organization, and not for providing explanations to the stakeholders as regards the manner in which they carry out their activity”. According to the author, the organization’s decision to conduct an ethical audit is made by the latter in order to use the results obtained on a large-scale within the organization, and “should not, by definition, be made public”

The Ethical Audit Practice in Hospital Management

The ethical audit practice is increasingly gaining partisans in the management of the healthcare institutions too. Dixon (2011, pp. 112-113) proposes the inclusion of the ethical analysis (evaluation) in the development of the clinical audit, or of the quality improvement activities (which are by excellence “ethically driven activities”). The specific circumstances which justify this ethical review are related to the activities that may harm patients’ rights; place a burden (for instance, additional time, effort) on the patients or on other parties; can leave a breach in ensuring confidentiality or privacy; deviate from/or disturb the clinical practice; involve a potential conflict of obligations towards the patients; involve an untested intervention, a certain assignment (treatment, intervention) or recruitment (of patients, other persons), the intent of making public (certain data related to health); do not offer direct benefits to the patients.

The mission of an ethical audit is related to the assessment of the ethical knowledge in that particular field and of its relevance in practice, of the extent to which one enforces “procedures in order to identify the ethical risks and to prevent the ethical complaints and disputes” (Reamer, 2000, p. 356). Reamer mentions 17 ethical risk areas which must be included in auditing (Reamer, 2000, p. 356; McAuliffe, 2005, p. 360): “customers’ rights, [keeping] confidentiality and privacy, the informed consent, the manner of ensuring the service, border issues [among several fields] and the conflict of interest, the documentation [style and procedures], defamation of character [avoiding the language which can lead to it], the supervision, the training [on ethical topics, to which the employees have access], the consultation [with the colleagues, with social workers, allied professionals with special expertise], [policies and procedures on] the recommendations [for customers, from and to the colleagues], fraud, service suspension and practitioner’s incapacity”. Besides the assessment of these risk areas, the decision-making manner is also assessed.

An example of good practice is the ethical audit carried out over the period 2001-2002 in three healthcare units by Kirkpatrick, Reamer and Sykulski (2006). This audit aimed at “assessing the adequacy of the ethical policies and procedures for the practitioners and for the administrative staff” within the social service departments. It has represented a “valuable, productive opportunity” for these professionals “to analyze the policies and practices, to identify the ethical risk areas and to develop an assertive and constructive strategy which may help them in managing the ethical issues”

(Kirkpatrick, Reamer & Sykulski, 2006, p. 227). The used instrument proposed by Reamer (The Social Work Ethics Audit - SWEA) includes besides the aforementioned aspects an assessment ensuring the quality, but also the promotion of the management of the ethical risks (Kirkpatrick, Reamer & Sykulski, 2006, p. 225).

McAuliffe (2005) took over the ethical audit model proposed and validated in the social service practice by Reamer and carried out a qualitative research by means of which he tried to see the extent to which this instrument conceived in the American context is applicable within the organizations providing human services in Australia; which are the benefits of implementing such an ethical audit in this sort of agencies; whether this audit can be complementary or not to the quality assessment processes applied in Australia; which are the challenges of an ethical audit for the agencies with different structures or practice context, mainly the disciplinary ones. The research was based on the answer of 11 agencies (of which nine have implemented the ethical audit) and highlighted that the development of an ethical audit is considered as being a “useful manner of involving the staff and the management in discussions on the ethical practice”, so as to “refine the policies and procedures”, which shall finally lead to the increase of the degree of accountability before the service users (McAuliffe, 2005, p. 364). The participants in the study mentioned that the ethical audit led them “towards a deeper level” than the accreditation process, the two processes being rather complementary. Moreover, another group of participants mentioned that, as a consequence of the ethical auditing, they feel “more prepared to get involved together with the financing body in developing standards for the professional practice, the audit offering them the opportunity to reflect upon strategies for the management of the difficult issues (duty in the care obligations, disclosure of information, report of the damages caused to the others). These strategies help the staff to better clarify these issues, to “consistently” act and to provide therefore better services to the customers (McAuliffe, 2005, p. 366).

Another good practice frequently brought to our attention in the specialty literature is the ethical audit implemented at the Chris Hani Baragwanath Hospital (Landman, Mouton & Nevhutalu, 2001). The authors followed three phases in the foundation of research design and development: the organization of a focus group, the design and drafting of a pilot questionnaire and the opinion poll. Some of the objectives of the research were: the identification of the ethical issues and problems from the

perspective of several hospital actors (772 members of the staff and 205 patients), the identification of the working environment and the influence of its constitutive factors on the personal and interpersonal behavior of the employees, the detailed description of the ethical culture (attitudes, beliefs, prominent values of the employees) and the influence on the daily behavior in the hospital. The authors took several aspects in the analysis grid: physical equipment / infrastructure, material resources and security; organizational values and culture; leadership, management and communication channels; issues on the human resources; misconduct and healthcare standards; stress issues and sources; patient's perspectives.

Following a research based on focus groups and the enforcement of the Delphi technique among experts, Min-Hua Wu, et.al (2011) proposed 62 accreditation standards of ethics in hospitals (the accreditation being defined as an external assessment process where organization compliance with the quality standards is audited). The previously mentioned authors have grouped the standards in six chapters (which represent essentially the ethical aspects which should be audited): the medical ethics, policies, regulations and leadership; the foundation and operation of the medical ethics committees; the foundation and operation of the ethical research committees; the ethical medical education; the ethical organizational climate; the observance of patients' rights and the establishment of good hospital-patient relationships.

Research on the Need to Adopt the Ethical Audit in the Hospital Institutions in Romania

The attention given to the ethical audit in the Romanian hospitals is limited to a few academic research works only. In most of them, they represent a shy entry in the organizational environment and at the same time a spontaneous involvement of certain social actors in autochthonous hospital institutions in "pilot ethical audits" regarding different aspects in the managerial practice. Nevertheless, they can rightfully be considered as the "Trojan horse" which may open the path of adopting the ethical audit practice in the internal and external assessment of the hospital institutions. Some studies offer both arguments and a realistic picture of the analyzed situations – a starting point or a justification of the undertaking, but also methodologies and/or working instruments which could be adopted by the institutions. Some of them are limited to one aspect only, others are exhaustive. Practically, they are external ethical "mini-audits" at field level.

The research carried out in 2012 by Agheorghiesei, et. al (Agheorghiesei (Corodeanu), 2013; Agheorghiesei (Corodeanu), Iliescu, Gavrilovici & Oprea, 2014; Agheorghiesei (Corodeanu), Iliescu, Gavrilovici & Oprea, 2013) on a group of 47 executive officers and managers involved in quality management in the Romanian hospitals with regard to the pertinence and structure of an ethical audit in the context of its integration in the accreditation process highlights that they consider that its introduction in practice is pertinent and relevant. They assess that the “ethical monitoring is beneficial for the activity of the healthcare institutions”, but that they are not yet prepared enough to implement an ethical audit. In their opinion, among the first aspects which should be included in the auditing are the observance of patients’ rights, the good relationships between the medical institution and the patients, the observance of the moral rights of the employees.

Agheorghiesei, Dabija and Copoeru (2014) make a detailed analysis of the 11 guides in the accreditation grid of the Romanian hospitals from an ethical perspective and argue that the ethical audit is necessary in order to improve the quality of the healthcare services provided to the patients.

A research suggesting the idea of auditing is the pilot study carried out by Agheorghiesei and Poroch (2013) on the concerns in the organizational ethics and on the management of the ethical behavior (the most important values promoted and their role in the strategic planning, vision, objectives, ethical risk areas, existence and enforcement of the ethical policies) in hospital institutions in Iași. The study is based on the exploration of the opinion of 23 persons with managerial responsibilities in these institutions. The main conclusion is that there is no uniform approach of the organizational ethics. This initiative was extended from a group of 52 persons with managerial responsibilities from the six hospital institutions in Iași (Agheorghiesei, Poroch & Perțea, 2015) – “a diagnosis of ethics management and leadership in healthcare institutions”. The analysis of the authors highlights that with regard to these aspects, there are important discrepancies between the theoretical level (what should be) and what the managers participating in the study think it happens in reality in the institution where they carry out their activity (Agheorghiesei, Poroch & Perțea, 2015, p. 204).

The studies on patients’ satisfaction are also a contribution which deserves being valorized in the undertaking of validation of the ethical audit practice, the patients representing a category of stakeholders whose voice is

important in drawing the ethical profile of the hospital institution. The analysis of the website of 144 hospitals in Romania carried out by Agheorghiesei and Copoeru (2013) is useful first of all from the perspective of approaching an aspect which is monitored in the formal accreditation process, but which requires a serious concern on the part of the management of the hospital institutions – the manner in which the site presents the information necessary to the patient and his real possibility to express his satisfaction for the quality of the received healthcare service. At the same time, it also offers a simple and logical action undertaking, which could be adopted by the hospital institution for the internal “auditing” of the aspects related to service quality and patients’ satisfaction.

The conclusion is that “these studies are beneficial for all, their role being that of indirectly improving the quality of the medical service, of the working climate and of the individual and institutional performance” (Agheorghiesei & Poroch, 2013, p. 63).

Conclusions

In public healthcare, an important role is played by the legal regulations that limit, to a certain extent, innovation and the application of new managerial methods that are successfully used in the business sector. The strict justification of the spending of public money, the lack of corresponding financing of the health system, the state of suspicion or fear, the underestimation or the lack of skills in organizational ethics, but also the social and cultural variables (including the degree of corruption) are factors that turn the attention of public managers in this field from the concern for applying instruments that could assess ethical conduct at individual and organizational level.

The ethical audit is essentially a treatment for preventing, minimizing the economic and social risks at institution level.

Even though this practice has been adopted for a long time in other countries of the world, in Romania we find ourselves in the stage where it is necessary to become aware of the importance and needs for training.

The large number of dilemmas in the Romanian medical system (the migration of the medical staff, the inappropriate expenditure of the public funds, the existence of the informal payments, certain allegations of corruption or malpractice) decrease the quality of the public service, the degree of confidence of the public opinion, negatively affects the staff morale and the institutional image.

We remark upon the fact that the majority of the research conducted on the topic of ethical audits is based on the analysis of aspects that must be approached in the auditing process, of those that must be included in the audit grid. In our opinion, the research conducted to date does not focus on the conditions that must be created *a priori* for this audit not to become another bureaucratic practice, applied due to external pressure. In South-East European countries, the concepts of ethical culture, ethical climate, value management and even those related to management and multiculturalism are still new in the organizational sphere of hospital institutions in this geographical region. Consequently, we argue that a direction for future research and organizational practice, especially in the case of post-communist counties (such as Romania) would be the analysis, from the multi-stakeholder's perspective, of the conditions that are necessary in order to implement ethical audits: at macro level – the specific social and cultural variables, the specific legislation, the national conditions and standards for accreditation, and at micro level: the existence and characteristics of the governing system, the ethics culture and the organizational climate, the motivational and recompensation system, ethical skills and training, leadership, etc.

In the context in which the ethical audit could be introduced in the accreditation grid of hospital institutions, we agree with De George that the results of audits should be made public. This could assign greater responsibility to the management of such institutions and would contribute to the increase of the degree of trust from stakeholders, all the more so as the medical sector in Romania is currently tormented by ethical dilemmas that are under the radar of the public and of the government authorities. The inclusion of this practice in the accreditation grid of hospital institutions would be a first step in its legitimation. However, this can only take place under the conditions of an activity of assessment and reporting done with total transparency by people who are trained and competent in the field, who have solid moral and professional values, acting either as external auditors, or as internal staff, under the guidance of neutral specialists, from outside the organization.

Despite it is not offering a "magical recipe" and also implies specific competencies, a proactive behavior, costs, time and organizational effort, the ethical audit could be the instrument which makes the difference in granting the accreditation, by illustrating the responsibility at the level of the institutional management, but also the rehabilitation of the system, offering

clear indications of the breaches, of the possible recovery strategies and of the improvement efforts carried out.

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