CHAPTER 2

Human Service Organizations: The Context for Ethical Leadership

THE FOCUS OF THIS CHAPTER IS ON THE FOLLOWING AREAS:

- Unique ethical nature of human services
- Characteristics of human service organizations
- History and nature of social work ethics
- Circumstances of ethics in human services
- History and nature of business ethics
- Intersection of social service and business ethics

Leadership of human service delivery systems brings forward many complex ethical challenges that are located in a particular context: the organization. The moral nature of human service organizations is multidimensional, with responsibilities to consumers, employees, and society. Perhaps the greatest ethical challenge is that human services have, as their primary purpose, serving people. Hasenfeld (1992, p. 3) refers to human service organizations as “an enigma.” These organizations symbolize society’s duties to attend to the well-being of citizens and to provide a safety net for those who are unable to take care of themselves. This view is contradicted by the distrust in society of professional care and the delivery of human services. There is a concern on the part of the public that such organizations are “... wasteful, fostering dependency, obtrusive and controlling” (Hasenfeld, 1992, p. 3). Therefore, leadership in human services is connected to the moral issues of affecting people in serious, life-changing ways and attending to public trust through the moral contract with society. An
understanding of human service organizations within this context helps leaders to de-
velop their moral vision for leadership.

The nature and history of social work and business ethics is an important develop-
mental background for thinking about contemporary ethical leadership. The
boundaries between business and social work are increasingly blurred in the delivery
of human services. Privatization of human service agencies, as well as the integration
of organizational theory and technology into social service organizations, has affected
social work leadership and practice in a profound manner. Further, administration of
human service organizations is based on the same or similar theories, technologies,
and requirements as the administration of business and governmental organizations.
The current changes in human service delivery systems require an understanding of
the history and application of both social work and business ethics. This understand-
ing provides readers with a “standing point”: a position from which they can view the
historical traditions in order to perceive necessary changes and future visions (Green,
1987). Leaders, with a perspective of history, can promote the needed moral and eth-
dical directions for human service delivery systems.

In this section, characteristics of human service organizations and their contri-
bution to society provide the setting or background, or the location for the ethical is-
ues that challenge leaders in human services. Social work and business ethics from a
historical perspective provide the developmental groundwork for ethical leadership
today. The intersections of social work and business reveal differences, but also some
common ground, such as moral and ethical responsibilities that are the same for both.
Finally, an overview of the ethical circumstances of administrative ethics sets the scene
for leadership in both public and private agencies.

The Unique Nature of Human
Service Organizations

The entire life cycle for humans, from birth to death, is mediated by formal organi-
zations that impact personal status and behavior. Human service organizations func-
tion to protect, maintain, and/or enhance the personal well-being of individuals
through services that define, shape, or alter their personal characteristics and attri-
butes (Hasenfeld, 1983). Human service organizations are distinguished from other
bureaucracies in two ways. First, people are the raw material of the organization.
Second, human service organizations are mandated to promote and protect the wel-
fare of the people they serve.

Human beings turn to these organizations to meet their needs in areas that are
critical to basic daily life, such as food, housing, employment, health and mental
health care, social welfare, and so forth. Subsequently, their dependence on the orga-
nization is increased and the organization acquires power to shape their lives. People
in leadership positions within the organization control the resources, while the client
receiving services has little influence over the policy of the organization. The individ-
ual’s loss of power vis-à-vis the human service organization is a fundamental charac-
teristic of social service delivery systems (Coleman, 1973).
Characteristics of Human Service Organizations

Human service organizations have unique characteristics that produce ethical dilemmas that are both similar to, and different from, other business dilemmas (see Figure 2.1). A primary difference is that people are directly impacted by services that are mandated through the mission of these organizations. In addition, human service organizations contribute to the culture of society in profound ways. Leaders, with an ethical imperative to accomplish the mission of the organization, also have an ethical responsibility to contribute to progressive ideals and a greater public good. This unique set of characteristics has moral implications, particularly because the characteristics are directed toward changing people. The following sections describe these characteristics (Hasenfeld, 1992; Hasenfeld & English, 1974).

Working with People Is Moral Work. The consumers of services are people who have moral values; this affects most of the organization’s activities. Value conflicts are a given, and this requires an awareness of conflicts on the part of providers and administrators. Service technologies must be morally justified because every activity related to the client has significant moral consequences. Every action taken in the provision of service contains a moral judgment and statement about the client’s social worth. The labeling process that is inherent in most human services conveys a message about the worth of consumers to society. For example, labels that traditionally invoke stigma—mental illness or welfare recipient or homelessness—may convey assumptions about a person’s ability to contribute or capacity to live as an autonomous person.

The underlying moral questions in regard to the delivery of services concerns the civil and moral rights of people, or their autonomy and self-determination. The manner in which clients are involved in service decisions, the consent process, and client choice about the nature of interventions provided are all examples of moral issues about rights. Also, Hasenfeld argues that the allocation of resources including “money, time, and expertise” reflect decisions about social worth (1992, p. 6). The moral implications of the decisions and actions that take place in relation to service delivery are usually implicit, “... embedded in the organizational routines they become part of the ‘invisible hand’ that controls workers’ behaviors and actions” (Hasenfeld, 1992, p. 6).

- Working with people is moral work.
- Human services is “gendered work.”
- People are complicated; goals are problematic.
- Turbulent environments affect external support.
- Technologies are indeterminate.
- Core activities are through relationships.
- Transforming people is difficult to measure.

FIGURE 2.1 Characteristics of Human Service Organizations
Gender Is a Moral Issue in Human Services. Hasenfeld (1992) posits that gender is an important issue for human service organizations. The workforce is primarily women, particularly in the direct service positions. In contrast, positions in administrative and authoritative roles are often predominately filled by men. There are two important implications as a result of this disparity (Hasenfeld, 1992, p. 7). First, women bring particular values to their work as providers, particularly values of “caring, empathy, nurturing, and cooperation” (Hasenfeld, 1992, p. 7). These values are in conflict with the norms of bureaucracy and traditional male values, which promote “competition, individualism, and instrumentalism” (Hasenfeld, 1992, p. 7). The conflict in values results in a restriction of women’s capacities and strengths as well as a restriction of opportunities to pursue leadership positions. Further, women traditionally earn lower salaries than men and receive less rewards. Human services as a gendered workplace brings forward moral implications for leaders. Employee morale, opportunity for advancement, role modeling for female consumers of services, and fair hiring and promotion practices are just a few of the moral challenges leaders must confront in response to gender disparity.

People Are Complicated. Goals Are Problematic. The goals of human service organizations are vague and problematic. It is much more difficult to agree about achieving desired welfare and well-being needs of people than to transform inanimate objects and to construct products. The identification of goals is a multidimensional process that includes the needs and desires of the client system, the available technology, the knowledge and skills of the direct service providers, and the resources of the organization. In addition, the success of the technology used to reach goals is dependent on clients’ willingness and commitment to the change process. The compliance of consumers of services is controlled by the organization through tracking and matching of consumer to the most appropriate service. For example, the person with persistent mental illness may be admitted to a partial care track, even if currently working or functioning at a level that requires less intensive care. Second, compliance is achieved by “reinforcing socially sanctioned client roles” (Hasenfeld, 1992, pp. 16–17). Psychiatric consumers may be given little opportunity to participate in decisions regarding their treatment plans, or the program goals and choices for the unit as compared with an empowerment philosophy that provides full participation. The result of this kind of “institutionalization,” even in community service delivery, is the iatrogenic effect of helping, or learned helplessness. The choices made are invariably moral choices.

Turbulent Environments Affect External Support. The moral ambiguity on the part of society toward human services promotes a turbulent environment that surrounds the organization with many interest groups trying to achieve their aims through the organization (Hasenfeld, 1992, p. 10). The organizations’ dependence on external funding sources increases dependence on, and sensitivity to, the environment and changes in the environment. Recent legislation, new rules and regulations from accrediting bodies, and revised professional standards all affect organizational survival. The organization is in a position of constantly justifying its legitimacy to fiscal
authorities and, at the same time, must be responsive to the changing moral climate of professional and community groups and society. Mental health agencies, for example, must compete with private providers for state contracts that fund services and, in doing so, must meet particular theoretical and technological requirements. Also, the increasing consumer activism in mental health and social welfare systems impacts the program philosophies of institutions.

**Indeterminate Technologies.** The technologies used within human service organizations do not provide complete knowledge about how to achieve desired outcomes. The people who are served are complex individuals with some common characteristics that are interrelated, but vary greatly in terms of their own unique characteristics. The knowledge about how people function and how to change them is partial and incomplete. As a result, many of the outcomes that the organization is expected to transform cannot be observed or measured adequately or accurately. Also, Hasenfeld (1992) argues that technology is directly connected to the institutional environment and the norms and values of society. Technologies gain legitimation as they are accepted in the larger institutional environment and promote popular norms and values. For example, the use of antidepressant medications has become an important method of treatment in the cost-saving and short-term treatment models promulgated by a managed health care environment and is quickly becoming a major for-profit strategy.

**Core Activities Through Relationship.** The core activities consist of relationships between staff and clients. Thus, the nature and quality of these relations is a critical element in the success or failure of the organization accomplishing its mission. In order to receive help, clients must cooperate, and, as Hasenfeld (1992) argues, cooperation requires trust. Due to the primacy of staff-client relations and the role of professionals from a variety of disciplines who provide services, the direct service staff exercises considerable discretion in performing duties. They exercise more autonomy than in business or industrial organizations. The ability to exercise discretion on the part of providers “means that the clients become dependent on the goodwill of the workers, and thus are vulnerable to abuse” (Hasenfeld, 1992, p. 18). Further, there is an unequal distribution of power between staff and clients due to the staff’s access to information about the client, their knowledge and expertise to help the client, and the control that staff can exert over access to services and resources. The dependency of the client on the organization and service staff, combined with unequal power distribution and the staff’s use of discretion provide a fertile ground for moral and ethical dilemmas in the delivery of services.

**Transformation of People Is Difficult to Measure.** Human service organizations have more difficulty with reliable and valid measures of effectiveness. This results in more resistance to change and innovation. The lack of feedback enables organizations to reify claims of success and reinforce the dominant service technologies. The lack of reliable measures decreases the capacity to innovate because there is not an accurate yardstick to compare performance to new developments in their particular field of ser-
vice. Most important, moral choices about what is evaluated have moral implications. Hasenfeld (1992, p. 14) notes, “measuring reduction in morbidity without attention to the quality of life of those who survive is a moral choice.” Measures of effectiveness emerge from “the moral systems embraced by the organization” (Hasenfeld, 1992, p. 14).

The previous characteristics result in organizations that stand in contrast to the typical bureaucratic organizations in business and industry. Human service organizations process people. They have the power to shape their lives, and this power is not reciprocal. There are important moral implications that arise about the consequences of service delivery to the service consumers, to employees, and to society.

Ethical Responsibility of Human Service Organizations

The ethical responsibility of the human service organization is grounded in several areas. The commitment of the organization, the sanction of the community, and the nature of the service provided is a commitment to society (Joseph, 1983). The mission mandates a public commitment to serve, and this commitment implies serious responsibilities. As discussed earlier in the section on relationship, the “vulnerability of the client seeking help” demands that organizations consider the nature and meaning of that vulnerability and respond accordingly (Joseph, 1983, p. 54). Also, the moral challenge to consumers’ vulnerability is an obligation of “competence” that is prescribed to the organization, both professionally and administratively. Voluntary organizations (nonprofit) make further assertions. “It will serve all; it will not seek profit from the client’s need; and, its self-interest is subservient to that of the community” (Joseph, 1983, p. 53). Human services are literally “in service” to consumers and the community. Therefore, for what they have been created to do in relation to ameliorating a human need, they must “commit themselves to do,” and they “incur the responsibility to do it” (Levy, 1993, pp. 6–7). The ethics of the organization are functions, then, of this responsibility.

The sanction of the community is given with the trust that the agencies concerned will provide services that address the purposes for which the agency was created (Levy, 1993). Further, the community trust is dependent upon the integrity of the policies that are enunciated. Organizational documents such as the mission, values statement, policies and procedures, and code of ethics of the organization are contracts with the public and the public trust. The organization has ethical obligations to earn the public trust.

In addition, the voluntary and private sector of human services provide society with social innovations that move the service delivery system forward (Smith, 1988). The practical testing of new social ideas, and technological innovations help to build social capital. The private sector, according to Smith, is the “social risk capital of human society” (1988, p. 2) and is able to embrace errors and to attempt experiments that are based on a commitment to a value or idea that has the potential to improve the human condition.
In the process of creating innovations, agencies can become a “forum to counter-vailing definitions of reality and morality” (Smith, 1988). In this regard, human service organizations can challenge the existing notions about what is good and what ought to be done in society. Smith argues that “If these definitions of reality and morality are sufficiently compelling to people . . . groups grow into huge social movements and can change the course of history . . . ”(1988, p. 3). Examples include the impact of small activist consumer organizations for the mentally ill that have grown into a national movement for consumer empowerment. Similarly, the Alliance for the Mentally Ill started with small associations of families and has become a national force.

Clearly, human service organizations in the voluntary and private sector have moral roles as leaders. Smith calls the voluntary sector the “. . . gadfly, dreamer, and moral leader in society” (1988, p. 3). Their participation, locally, nationally, and internationally, challenges the existing structures of human service delivery and creates new definitions of reality.

The people in organizations also have a moral commitment to shape and support values that are congruent in service delivery as well as the internal functions and relationships of the organization. Levy (1979, p. 280) describes it this way:

Perhaps most fundamentally in the ethics of management . . . is the congruence which should be aspired to between the ethics associated with the service of the organization and the ethics of its internal organization. Each feeds on the other and symbolizes the uniqueness of such organizations. If social justice . . . is the watchword of social work, then it should be a matter of ethical course for justice to characterize all of the internal operations and relationships of the organization, and a matter of ethical course for each staff member to act accordingly, whatever his or her position in the administrative hierarchy.

This is the challenge for social work leaders in human services: to establish ethical organizations that promote critical values expressed through the behavior and decisions of all employees. This congruence of the values of service and organizational climate results in ethical service delivery that protects and enhances the well-being of vulnerable populations, reflects the agency’s commitment to the community served, and strengthens the public trust. Guidance from the profession to help accomplish this is fragmented. The history of social work ethics provides some insight about what exists and what is yet to be developed by future leaders.

The History of Social Work Ethics in Organizations

Discussions about ethics in social work and the moral aspects of practice date back to the beginning of the profession. However, the nature of the concerns about ethics has changed in response to the maturation of the profession and historical and political developments (Reamer, 1980; 1998b). The Judeo-Christian tradition in Western so-
cieties has been a formative element in the development of the profession. Early social work was influenced by religious and moral values so that social work and religious morality were virtually inseparable. The humanitarian influence of 18th century philosophers and the liberalism of 19th century social thinkers helped to moderate the religious influence. Through time, social work became more concerned with a science-based, technologically oriented profession and became more secular in its value orientation. This required social work to eliminate religious bias from its basic assumptions (Yelaja, 1982).

The meaning of “moral” has changed in social work from an evaluation (and sometimes judgment) of the client’s morality to a focus on practitioners and the moral mandate of the profession (Reamer, 1980). The first move away from the focus on the morality of the poor and destitute happened in relation to the settlement house movement and the progressive reform in the early 20th century (Reamer, 1995). Then, social problems related to basic human needs (health, housing, employment, and education) became the focus of social work. This macro perspective reflected ethical issues related to human service obligations. The 1960s again brought forward a public focus with emphasis on the issues of civil rights, justice, and institutional responsibility for good and harm.

**Ethics in Leadership and Organizational Practice**

The literature on ethics in social work leadership and organizational practice has been relatively recent (past 25 years) in relation to the history of the profession and sparse when compared to direct practice discussions and debate. Most of the literature on social work professional ethics has been located in the area of work with small size systems, such as individuals, couples, and families through direct or clinical practice. Levy (1979, 1982) articulated some of the first major discussions through publications on social work ethics in administration, bringing the profession current ethically with the developing indirect or macro focus of social work. Levy’s scholarship led the way to the ethics of social work with larger size systems. Other articles and book chapters have focused on specific ethical issues and dilemmas of indirect practice, with increasing frequency (for example, Cohen, 1987; Gottfried, 1998; Gummer, 1984, 1999; Howe, 1980; Karger, 1981; Lewis, 1989; Northen, 1998; Patti, 1985; Reamer, 1987, 1988, 1993, 2001; Reisch & Taylor, 1983; Rhodes, 1985; Sarri, 1982; Strom-Gottfried, 1998).

There are differences of opinion about the inclusion of ethics in administrative practice, which traditionally has been informed by rational/legal theories of organization and management. Two phenomena have created this omission of moral anchoring in the theory and practice literature of administration and leadership: the tradition of American pragmatism and the nature of bureaucracy as a mechanism of order, rationality, and authority (Slavin, 1982). These phenomena have portrayed the organization as ethically neutral. The focus is on pursuing mission and objectives through a rational decisionmaking process (see Chapter 8).

Social work has been guided by a “value-free” science for the past half century, with related concerns for methods, effectiveness, and outcomes. Organizational and managerial theories imported into social work that are the basis of an administrative
orientation reflect an objective, neutral position. From its history, social work finds itself in a paradoxical position in regard to professional values. Science, some argue, is value free. In contrast, social work is a normative profession founded on religious and humanistic values. The tension that exists between a heritage of value tradition and a scientifically based professional status can create confusion and contradictions for leaders. They are confronted with a problem of duality in relation to ethical issues; they represent the values of professional social work, yet work within the rationality of a formal organizational structure with theories that are supposedly objective and value free (Manning, 1990).

Internal and External Self-Regulation

Self-regulation is essential to professional ethics and professional leadership. A professional ethic includes internal and external attributes of any set of rules, ideals, or guidelines for a field of practice (Newton, 1981). The internal aspect, a person’s conscience, is the more serious and important because it has its roots in each individual practitioner of the profession. The code of ethics, the external aspect, is more visible, logically coherent, and enforceable. This aspect is linked to the professional organization and is the product of a political process.

Neither aspect of the professional ethic, taken alone, is satisfactory. Professionals, as individuals, can be ill informed, uninformed, or misinformed. Also, they can be clouded by their own subjective and contradictory personal expression of feelings and values (see Chapter 5). On the other hand, the code of ethics can be a contradiction in terms, principles, and guidelines. In outward appearance, it is a set of guidelines to be applied to any situation. In actuality, it is hardly adequate for the infinite number of unique situations that present ethical dilemmas. These two aspects, conscience and ethical code, work together with difficulty under the most stable conditions (Newton, 1981).

Professions must develop a code and attend to code revision as one of their highest priorities because there is a direct link between the demand for autonomy by the profession and the willingness to take explicit collective responsibility for professional conduct. The code is a contract with the public to ensure the foundation for the public’s trust. However, codes of ethics also contain contradictions and inconsistencies and are quickly outdated by changes in the profession and in society. Newton (1981, p. 46) argues this:

It is the essence of conscience to resist prior decision of cases by rules, which is precisely what a Code aims at doing. And when the practice which the ethics is supposed to guide is changing rapidly to meet changing conditions, putting tremendous strain on individual practitioners and organizations alike, the maintenance of a coherent ethic may be an all but impossible task, and the harrowing political task of code development must seem like an exercise in futility . . . Yet it must be done.

Social work and other professional administrators are in a difficult and somewhat confusing position in regard to the code of ethics and the issue of self-regulation. This is
due to the lack of guidelines in current and past professional codes that specify the ethical obligations of administrators and organizations for which leaders in a variety of roles have primary responsibility.

For example, this lack of emphasis on ethics in leadership is reflected in the development of the social work code of ethics. The 1979 version demonstrated the imbalance between ethical content in direct practice and content for those engaged in indirect practice (for example, administration, management, community practice, and so forth). Only one section describes the social worker’s responsibility to employers and to employing agencies, with a few references to standards relevant to leadership (for example, social work administration, collegial relationships, responsibility to clients, and responsibility to promote the general welfare) scattered throughout the code (NASW, 1979).

The newly revised version of the code (NASW, 1996) has a section on ethical responsibilities in practice settings that refers to supervision and consultation, administration, and other areas relevant to the ethical standards of indirect practice. There are also standards throughout the code that have some reference to indirect practice decisions. Although the new version of the code is improved for indirect practice, it has not yet developed the breadth and depth necessary to guide the myriad decisions in leadership that have ethical dimensions and implications. The commercialization and privatization of human services and the increasing preoccupation with profit and organizational survival accentuate many of the dilemmas of administration. These types of ethical dilemmas are not fully addressed in even the most revised code for social work.

A professional code of ethics that is designed to guide and govern the moral aspects of organizational practice must represent a consensus among both persons and institutions about preferred behaviors for particular organizational circumstances. A few principles of ethics in social work administration have been codified, but many have not yet been formulated to the point of testing for consensus (Levy, 1982). The internal aspect of self-regulation referred to earlier in this chapter, the experience, perspectives, and feelings of the leader(s), is in a dialectical relationship with the code. This process is the heart of the professional ethic as Newton (1981, p. 49) states:

On this account, the point of . . . setting down a professional ethic in the form of a code, is the enterprise itself: the dialogue among professionals, on their personal professional commitment and the direction of the profession as a whole . . . mirrors the individual practitioner’s internal dialogue of personal feeling and objective justification.

An ethical responsibility and activity of leadership, then, includes initiating dialogue with other leaders in a variety of positions. The dialogue that mirrors the experience of each administrator/manager becomes a medium of expression for the further development of the administrative and organizational guidelines of professional codes of ethics.

In this regard, the literature on ethical issues in administration and management is increasing (Reamer, 1998b). Discussions on the ethical aspects of supervision, con-
consultation, ethics committees, and organizational ethics provide the opportunity to discuss and debate particular ethical issues in order to work toward codification and consensus. In the meantime, social work leaders in organizational and community practice are on their own with respect to the code of ethics, more than other social work practitioners, in determining the right course of action.

Codes of ethics are a useful resource to provide guidance if practitioners use them and are familiar with the content. Berliner (1989) posits that few NASW members have read or are familiar with the social work code of ethics and that ethics complaints are few and far between. Other authors point out the superficial treatment accorded ethical issues in social work texts (Rhodes, 1986). The textbooks on administrative practice sometimes include no content on ethics at all. This situation is vastly improved by the emphasis on values and ethics by the CSWE. Values and ethics are now becoming routine content in social work curriculum. However, experts agree that codes of ethics are not adequate, alone, to cope with complex issues and conflicting values. Ethical frameworks and decisionmaking systems must be combined with the code of ethics. A framework that provides for ethical reflection and analysis and that incorporates philosophical methods as well as ethical skills, is needed in social work for leaders in organizations (Joseph, 1983). The following discussions of some of the circumstances that produce ethical dilemmas in leadership demonstrate why ethical frameworks are required.

### Circumstances that Produce Ethical Dilemmas in Human Services

There are countless circumstances that produce ethical dilemmas on a daily basis, precipitated by the nature and work of the profession in human service organiza-

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**FIGURE 2.2** Circumstances of Ethics in Human Services
tions (see Figure 2.2). The following discussion highlights some general themes, but is not inclusive of all ethical issues. When possible, qualitative interview material from a study on the experiences of social work administrators and managers in making ethical decisions is integrated into the discussion to provide real-life examples (Manning, 1990). The following categories of ethical dilemmas include dilemmas in regard to the nature of social work, dilemmas related to the function of leaders, dilemmas in relation to the nature of organizational design and purpose, and dilemmas about resources.

Dilemmas in Relation to the Nature of Social Work

Social work leaders work in and for human service organizations that are mandated and supported by external bodies to achieve certain goals for society’s well-being. The organization’s substantive goals are to process and change people in socially approved ways. The purpose and values of social work create many dilemmas.

Enacting Social Work Purpose and Values. Ethical decisions are at the core of service delivery; services must be delivered in a manner that is congruent with social work’s mission and purpose. Social work values connect social work purpose to administration and leadership through the actions and decisions of leaders that reflect those values. Therefore, the ethics associated with the service of the organization and the ethics of the internal operation must be congruent (Gross, 1973; Levy, 1983; Patti, 1985). However, this is not always the case. In their critique of the social service workplace, Fisher and Karger (1997) propose that social work programs that were created to protect vulnerable populations are now experienced as oppressive to those populations. Further, social workers who are employed by social service agencies are repressed by the workplace conditions and policies of those agencies. In these situations, social work purpose and values are incongruent with the actions and policies of the organization. Social work leaders, then, are faced with the ethical challenge of aligning the values of the profession with the fundamental activities of service delivery and employee relationships.

Competing Claims and Duty to Aid. The profession of social work has traditionally been based on the obligation to assist those in need. This is especially true for those who are least able to help themselves. Social work leaders have also argued that the care for those in need cannot be left totally to the efforts of private citizens and organizations; the government must assume some of the responsibility. Therefore, social work assumes a “duty to aid” (Reamer, 1982, p. 43). This duty is particularly difficult in a society where needs are escalating and resources are diminishing. Administrators in government agencies and private organizations are routinely making choices among the “competing claims of those in need.” One example is the administrator’s responsibility to a client’s complaint against an agency employee. Issues such as sexual abuse by clinicians, wrongful treatment, and malpractice come to the attention of the administrator. The client’s due-process rights and protection of employees and agency from unfair allegations can cause conflict. The administrator is in
the position of facilitating the client’s accusations for investigation, and, at the same time, protecting the agency from a lawsuit (Manning, 1990).

**Negative versus Positive Obligations.** For social work, there is an ongoing conflict between negative and positive obligations, which is the delicate balance between respecting the autonomy of individuals and intervening to help change “intolerable living conditions, self-destructive or threatening behavior, and emotional misery” (Reamer, 1982, p. 44). Although the most obvious examples occur in direct practice, social work administrators are often responsible for social control functions for society and therefore are under considerable pressure to intervene in clients’ lives for those reasons. For example, mental health administrators reported frequent requests from community citizens and leaders to hospitalize disruptive members who are infringing on the peace of the community, even though the person’s mental status did not meet criteria for involuntary treatment (Manning, 1990). However, organizational survival depends on the goodwill of the community, adding pressure on the administrator to be responsive to community demands. In addition, administrators have an impact on subordinates’ autonomy by imposing required conditions for employment (for example, personnel policies requiring drug treatment, mental health counseling, and so forth). At the same time, administrators are responsible for creating respect for the voluntary nature of employment as well as individual dignity and autonomy.

**Political Ideology and Social Work.** The growth of the welfare state, according to Reamer (1982), represents another conflict of values. Freedom from government interference is often at odds with the security that is derived from government-sponsored programs and services. Social work administrators and policymakers are in positions that frequently confront them with these difficult choices between values. Political ideology and economic doctrine determine decisions concerning the role of government. However, because these decisions include judgments about “rights, duties, and obligations as they relate to human welfare,” these decisions are ethical in principle (Reamer, 1982, p. 54). It is in this arena that Rhodes’ (1985) argument that “the ethical is also political” is notable.

**Obligation to Reform Society.** Social work as a profession has an ethical responsibility to the broader society that is delineated in the code of ethics. From local to global levels, social workers are expected to promote the “. . . development of people, their communities, and their environments” (NASW, 1996). This obligation is especially salient for social work leaders who are in the position of assessing the need for service, providing services, and evaluating the efficacy of services. The responsibility to inform policymakers about the implications and results of policy in relation to service delivery can create ethical conflicts, often in relation to job security and self-interest as one manager said:

> It would feel better if we were working on a level, too, for some longer range things and to be honest and to be able to say, “here’s a thousand people in your area that are
not getting service. You just need to know that. They are out there, and half of them are ready to beat their kids, and the other half is ready to beat themselves. It's going to happen, and don't be surprised if there's a few suicides around . . . " But you can't do that. Your directors say, "Don't you be doing that. And don't you be pissing people off" (Manning, 1990, p. 193).

Managers and administrators have an ethical obligation to inform policymakers and decisionmakers to make the invisible visible, within the organization and the external environment, in regard to the moral effects of policy in order to reform and improve the general society.

Dilemmas in Relation to the Function of Leaders

There will be an extensive discussion in Chapter 4 about the nature of power and the relationship to ethical leadership. What follows is a brief introduction to power as part of leadership dilemmas.

The Use and Abuse of Power. The ethical questions that concern social work reflect the status of the profession, made up of practitioners who have the authority to intervene in the lives of others (Reamer, 1982). The critical concept is that of authority. The authority to intervene in others’ lives is greater for the social work executive than for other practitioners for they have power through their position in the hierarchy of the organization and through the function of relationships with others. They wield authority that can adversely affect subordinates, clients, board members, and other community representatives. In fact, Levy (1982, p. 61) states that the executive or administrator is vested with “virtually unlimited power” over many things and many people.

The organization executive is viewed as the ideal type where the ethics of the organization are embodied (Levy, 1982). This position of leadership is ambiguous in that both power and accountability are pervasive. Levy (1982) argues that whatever executives have the power and duty to do, they also have the opportunity to do or not do. Whether the opportunity is taken or not is at the base of ethical or unethical behavior. However, leaders in organizations also have an ethical duty to do their assigned responsibility for the organization. In this context, the leadership is responsible for carrying out the organizational purpose.

This organizational responsibility carries with it a constant pressure to ensure the agency’s economic survival with limited resources. This “combination of power and pressure can be treacherous for subordinates” (Levy, 1979, p. 281). Resources are sometimes distributed according to political power, rather than program need. One manager stated, “The danger of getting into too much manipulation and political juggling in order to get what you want, is that you get caught up in the game and lose sight of the ethical foundation for why you’re doing it. The more time you spend in ‘political’ activities, the more of a ‘political creature’ you become” (Manning, 1990). The ethical responsibility of executives requires that they be able to view the needs of individuals as well as the immediate requirements of the organization, and this is an ethical balancing act.
Dilemmas of Organizational Design and Requirements

Leaders work within organizations and are ultimately responsible for the success of the organization in accomplishing the mission. However, the nature of organizational design and the requirements for success, and even survival, can create dilemmas.

Responsibility to Funders versus Consumers of Service. Ethical dilemmas result from conflicts between the needs and demands of those who provide financial resources to agencies and the needs of those receiving services. The survival of the organization is sometimes dependent on relationships and contracts with funding entities (for example, local, state, and federal government contracts; other human service entities such as criminal justice; foundations; and so forth) that have program expectations, service delivery requirements, and demands for the priority of clients served. For example, an agency may prioritize court-ordered referrals over voluntary admissions because court-ordered clients are ordered to pay for services, or the court has a contract for payment. The single mother with kids who has little or no ability to pay is placed on a waiting list. Nonprofit and public administrators voiced concerns about the poor, people of color, and the more difficult, recalcitrant clients having less opportunity for service (Manning, 1990). Human service leaders must be aware of opportunities and constraints in order to act as an expert or advocate of agencies or programs under their responsibility, rather than a functionary for those who provide the fiscal resources (Sarri, 1982).

The Ethical Dilemmas of Bureaucracy. Other ethical issues are attached to the bureaucratic organization and organizational survival. The social work leader works within, and is sometimes responsible for, a bureaucracy. Organizational and social work theorists and ethicists (Jackall, 1988; Ladd, 1970; Rhodes, 1985) argue that the bureaucratic form poses some particular ethical problems for social workers (see Chapter 8). Decision processes that are promoted within the bureaucratic form of organization can undermine social workers’ ordinary concepts of morality. Further, human service agencies in particular can undermine morality because of “. . . their contradictory nature; their stated goal is to help clients, yet their actual operation serves the interest of preserving the bureaucracy” (Rhodes, 1985, p. 134). One manager (Manning, 1990, p. 207) noted that “The same kind of rote exercises are done over and over . . . the system rewards stasis . . . it is caught up in self-perpetuation, rather than for the consumer . . . the involvement of the consumer is viewed as extremely threatening.”

A leader’s awareness of this conflict is necessary, or decisions will be made as if they do not have moral dimensions. The administrators are especially vulnerable because they are directly accountable for reaching organizational objectives, directing an efficient operation that is cost-effective, and maintaining the survival of the organization in the face of shrinking resources. All of these activities, in various ways, can subvert the goal of serving clients.
Organizational Forces versus Client Need. Organizational forces sometimes determine the nature of the work by institutional rules rather than client need. The routinized procedures and selected theoretical models define a narrow range of client problems and prescribe limited means to resolve problems. Thus, “instead of providing care and ‘empowerment,’ they become a force for social control or for ineffective, palliative measures” (Rhodes, 1985, p. 133). Further, the nature of individuals with their own unique characteristics, with associated complex needs for services, is sacrificed for efficiency and profit. Social work managers described fostering dependency of clients by offering the “Cadillac model” of care to clients with Medicaid for reimbursement reasons, while uninsured clients did not have access to the same frequency or intensity of a treatment modality (Manning, 1990, p. 181). Administrators and managers have an ethical responsibility to remain sensitive to the potential shaping influence of programs and procedures and also to be attuned to the complexities and needs of people.

Administrators and managers are often confronted with the advances of science in the forms of new technologies that bring value-based decisions to the forefront. Christensen (1986, p. 72) argues that information technology is transformative in its potential. Because of this potential, leadership has the responsibility of “explicating the value dimensions of computer technology” (Christensen, 1986, p. 72). Decisions about the design, operation, use, and implementation of management information systems are value bound. Implications for clients and personnel in areas such as confidentiality, treatment decisions, cost-benefit analysis, and so forth have the potential for good and harm.

Dilemmas About Resources

Resources are essential to the survival of the organization and to the quality and range of the services provided, but resources also become the nexus of many ethical choices and dilemmas. Choices that restrict cost, ration services, and produce revenue ultimately have ethical dimensions to be considered and usually reflect a dilemma in regard to those choices.

Rationing of Resources. In this era of diminishing resources, an ongoing ethical dilemma is the distribution of limited resources and services (Reamer, 1982). Resources can include money, time, services, positions of employment, personnel, and so forth. The recipients of those resources can range from individual clients to entire agencies or programs. The criteria that are developed and used to decide who will benefit, and who will not, reflect different distribution values and different principles of distributive justice. As leaders distribute the resources of a particular social policy, they also must be attentive to the morality of the goals and the procedures used to implement that policy. For example, new technologies in health care combined with increased demands for access to those technologies bring forward difficult questions about criteria to follow in the allocation of these resources (Reamer, 1985). Distribution based on need versus ability to pay or triage strategies versus “first-come, first-served” or
demographic variables such as age to justify distribution are all examples of decisions that administrators in health care are faced with daily.

Program retrenchment and layoffs are also related to the distribution of scarce resources. Ethical guidelines are needed to guide the leadership of organizations when faced with decisions about retrenchment (Reisch & Taylor, 1983). There is a great risk that the most disadvantaged and least powerful clients and/or employees will be further disadvantaged when retrenchment occurs. The conflicting values of loyalty to agency and professional responsibility to employees and clients are paramount in these situations (Reisch & Taylor, 1983).

The nature of the process of retrenchment and reduction in force also contains ethical implications. One manager described it this way:

The part I struggle with is that under the RIF [reduction in force] format, the supervisor, me, gets told on Thursday what supervisees have to come in on Friday to get chopped, and they are to be gone that day . . . I personally believe that that's unethical . . . not because it's severe, but because it's not balanced . . . We would not tolerate any employee doing that to us (Manning, 1990, p. 190).

Administrators also discussed the ethics of hiring people to fill permanent positions knowing a layoff could occur at any time.

**Cost-Containment and the Profit Motive.** Cost-containment appears to have assumed the quality of a primary value in human service administration (Joseph, 1983). This emphasis, combined with a focus on efficiency, has profound implications for policies concerning service to clients. Cost-containment and profit were identified by social work managers and administrators as the basis for the most frequent and difficult dilemmas (Manning, 1990). Decisions about intervention become determined by the economic status of the client, rather than clinical justifications. A middle manager described an agency policy (not written) whereby families on medicaid were seen first on an individual basis and then as a family in order to “bill top fee” and make up a budget deficit. She stated, “That decision came from a financial base, and it eats at me . . . I feel like we are ripping off ourselves by ripping off the government” (Manning, 1990, p. 180). Short-term models of treatment are chosen for efficiency rather than efficacy; intake and termination procedures are developed with funders in mind, sometimes at the risk of lower quality service to clients. Weil (1983, p. 44) posits that the increasing preoccupation with organizational survival intensifies the possibility of “. . . sacrificing program goals, program effectiveness, and vulnerable populations . . . .”

The competition with for-profit organizations in the provision of human services brings forward a different set of ethical issues: the conflict between the service ideal and the profit motive (Joseph, 1983). A client’s “ability to pay” has become a decisive factor in admission criteria. Nonprofit managers in the previous study (Manning, 1990) described limiting services to lower economic groups because the agency had to generate income from those with ability to pay and those with insurance. One manager describe it as “the prostitute theory . . . I want the money first” (Manning, 1990, p. 180). The “profit mission,” embedded in the capitalist economy,
is the counterpart of cost-containment. Although the free market should ensure competency and accountability, the issues of payment and profit have developed a two-tiered system of care, with different levels of quality and intensity, according to economic status.

Managers in for-profit agencies experience pressure to create programs to generate revenue, rather than as a response to demonstrated need. The phrases “Is it a moneymaker?” and “Does it attract clients?” create an atmosphere that mental health is a product rather than a service (Manning, 1990, p. 182). One manager described it as “Now we’ve got such an incredible number competing for the market share that the drive is to capture the most market share you can and to create or drive demand . . . and, that’s a bizarre concept for social workers” (Manning, 1990, p. 182). Joseph (1983) argues that these issues of cost-containment and competition with the profit sector for agency survival raise two fundamental ethical concerns: the ethical responsibility of the organization and the question about how a decisionmaking model for organizations interfaces with an ethical decisionmaking model.

Social work leaders and the organizations they represent have a social responsibility as their main objective. The ethical criteria imposed by social responsibility are somewhat different from the criteria for business. A brief history of business ethics accentuates some of the differences.

**Business Ethics**

Although social work ethics have been around for a century, ethics in business have existed since the Sumerians, nearly 6,000 years ago (Solomon, 1993) or since the beginning of business (De George, 1987). Business ethics, however, have only been around a very short time. The field of business ethics only began to develop after the 1960s. For most of those 6,000 years, the issue of using trade to make a profit was considered a lack of virtue. It wasn’t until the 17th century that the attitude toward profit-making changed. The change came about as a result of urbanization, more centralized societies, the evolution of consumerism, and the growth and advancement of technology and industry with the necessary new social structures.

Initially ethics in business were dominated by the socialists, as a strategy against the “amorality of business thinking” (Solomon, 1993, p. 356). Business thinking was viewed as a threat of the free market to traditional values and private interests eroding the control of government over the public good. There was also primary activity in the theological and religious sectors (De George, 1987). In the 1870s, the social encyclicals of the popes brought forward questions about just wages and the morality of capitalism. These writings were the foundation for Catholic social ethics, with concerns for morality in business as well as other areas. Issues such as the “. . . rights of workers to decent conditions of employment and a living wage; for moral values as opposed to materialistic ones; and for improving the lot of the poor” were raised (De George, 1987, p. 201). These moral issues are still viable for human service organizations today.

However, business ethics in contemporary society are viewed differently. Ethics in business are directed toward understanding the underlying values of business deci-
sions and identifying the ideals of business. For example, the current focus on profit, from an ethical perspective, would be viewed within the context of social responsibility and productivity.

The Profit Motive

The ideal of profit within a context of social responsibility rests on the altruistic motives of corporate executives. Altruism has been challenged in recent years by the spread of “economic imperialism,” the pervasive pattern of economic calculations and interest incorporated into domains, such as education, health care, and other human service institutions once regarded as noneconomic (Kanungo & Mendoca, 1996). As an example, students seeking an education in institutions of higher learning no longer consider the search for truth as their primary motivation. Instead, the consideration of salary potential takes precedence. Hospitals, drug manufacturers, and health care providers market health care products and services like cosmetics or furniture, as something to buy rather than something that is part of business’s social responsibility with intrinsic value to the well-being of human beings. A recent editorial in the Denver Post (O’Brien, 2001, p. 9) provides an example. Pharmaceutical firms have been named as defendants in an antitrust suit for practices that included paying generic manufacturers to “… refrain from introducing lower-cost pharmaceuticals” at a time when prices for medications are “soaring.” Drug manufacturers also extend their ability to control patent monopolies by tactics that include multiple patents for dosage, color, or form on the same drug. As the editorial points out, these tactics “victimize” older citizens and those with chronic illnesses who routinely take prescription drugs.

The nature of business is broader than economic interests, which is “the myth of the profit motive” (Solomon, 1993, p. 357). The pursuit of profits and the limited focus on the “rights of the stockholders” is a limited and narrow version of the nature of business as, “… an end in itself.” Instead, for purposes of business ethics, it is important to assess the richness of motives and activities that are directed toward profits that encourage hard work, build better organizations, and “serve society better.” Kanungo and Mendoca (1996, p. 3) echo this view. They note, “Although no one would deny that business must be profitable, the sole preoccupation with profit to the exclusion or neglect of other considerations is no longer acceptable.”

Competition

Another myth is the degree to which businesses are competitive. Palmer (1996, p. 200) discusses competitiveness as one of the “monsters” that produce unethical behavior. Ascribing to the “battleground mentality” with language that promotes competition (for example, “wins,” “the enemy,” and so forth) can be counterproductive. Divisiveness can develop from competition within an organization, such that different units and departments attempt to undercut each other at the expense of the organization.

Although competition is critical to the survival of an organization, Solomon (1993, p. 358) argues that “… Business life is first of all fundamentally co-
operative.” Shared interests, agreed upon norms of behavior and the location of businesses within a community contribute to the necessity of co-operation as well as competition. Corporate culture as a metaphor captures the social nature of business. It “recognizes the place of people in the organization as the fundamental structure of business life. It openly embraces the idea of ethics. It recognizes that shared values hold a culture together” (Solomon, 1993, p. 358). Further, a corporate culture is inseparable from the larger cultures of community and society. This confronts the tendency to isolate business and business values from the rest of society. As Solomon notes, “Breaking down this sense of isolation is the first task of business ethics” (1993, p. 359).

Social Responsibility

The argument that managers in a corporation have only fiduciary responsibility to the stockholders is fast becoming outdated (Jennings, Callahan, & Wolf, 1987). These ethicists note “stockholders on the average have far less of a stake in the firm than employees, managers, customers, suppliers, and even the community . . .” where the business is located (Jennings, Callahan, & Wolf, 1987, p. 17). Solomon supports this notion and promotes the ideal of social responsibility to “stakeholders” (1993, p. 360). This group is defined as, “. . . All of those who are affected and have legitimate expectations and rights regarding the actions of the company, and these include the employees, the consumers and the suppliers as well as the surrounding community and the society at large.” Thus, the social responsibility of a business is part of a primary concern to serve all that are affected by its activities within the free market economy.

The purpose of business is to serve the public through providing needed and desirable products and services. However, business must protect the public from harm that could result from unsafe products, and the activities and processes necessary for the production of goods and services. The ethical dilemmas for business related to public service are related to the quality and safety of products and services, threats to the environment, and harmful or deceptive advertising strategies (Solomon, 1993).

Responsibility to Employees

Working conditions, roles, and responsibilities of employees bring forward ethical issues in business. Subsistence wages, lack of appropriate space, and demeaning work environments cause conflicts between the “commodity” model of labor and employee rights. Employee loyalty to the corporation is impacted by the previous conditions. In addition, conflict between corporate values and personal values develops when employees are expected to meet demands they ascertain are unethical or immoral. The person identified as a “whistleblower” is often a result of this circumstance. There are contemporary examples in the recent disclosures about ENRON, WorldCom, and other corporate scandals where employees have come forward about unethical practices.
Corporate Ethics

The problems of corporate ethics are centered on three aspects: “. . . the development of the executive as a moral person; the influence of organization as a moral environment; and the actions needed to map a high road to economic and ethical performance—and to mount guardrails to keep corporate wayfarers on track” (Andrews, 1989, p. 99). These aspects encompass the focus on leadership; on the structures and processes of the organization; and the values, principles, and guidelines necessary to promote ethical behavior in corporations and in human service organizations. Given the privatization of the public sector, leaders must be prepared to manage and administer human services in for-profit, not-for-profit, and public agencies. What are the commonalties and differences in relation to ethical issues for professional leaders such as social workers and business leaders?

The Intersection of Social Services and Business Ethics

The line between public social service agencies and for-profit businesses is no longer distinct. Privatization of the human service sector has changed the nature of the service delivery system. The luxury of professionally administered nonprofit and public agencies, with a public mandate to provide human services that emphasize quality, a comprehensive continuum of care, and full access to services for vulnerable populations, is rapidly disappearing. Traditional social service providers compete for-profit corporations to address human services needs. A new paradigm for the human service delivery system is now a reality.

Privatization is the process of transferring government systems and roles to private business (Fisher & Karger, 1997). In the process a, “. . . reorientation of political, social, economic, and cultural institutions to corporate needs, values, goals, and leaders,” occurs (Fisher & Karger, 1997, p. 11). Four critical elements accompany this change in policy, according to Fisher and Kager (1997):

1. Economic issues such as cost-savings, cost-effectiveness, or profit become the first priority.
2. Private businesses become the preference for the allocation of social choices, rather than public policy.
3. Public institutions are viewed as supplemental to the private market, and must integrate the private sector as participants in a major way.
4. Public or not-for-profit programs adopt and model themselves after the methods of for-profit, private businesses.

These elements have the potential to alter the mission of social work fundamentally in the provision of services, if not addressed as moral issues by human service leaders. The intersection of public and nonprofit social service delivery and private, for-profit
business provides for both commonalities and differences in relation to ethics. The following discussion highlights the issues that are of interest in relation to the ethics of public and private human service delivery. Ethical responsibilities that are common to all of the previous organizational types include social responsibility, operational efficiency, and the moral obligations of work. The ethical responsibilities that are different between private, for-profit and voluntary, nonprofit and public organizations include values, organizational bases of power, and the role of the board of directors.

Social Responsibility

Both private and public organizations have a social responsibility to the community. Public and nonprofit agencies have a mandate to serve the community. Public agencies provide programs and services that meet the criteria of mandated standards (through legislation and policy), according to the stated mission or purpose for the agency's existence. Nonprofit agencies have as their primary purpose to "... maximize the social goods they produce for both society and the people who participate in them. Social goods are the end, the fundamental purpose or mission, for which nonprofit organizations exist and the basis of their legitimacy" (Nanus & Dobbs, 1999, p. 38). Such agencies have a great capacity to contribute to the public good through expansion of services, creating entrepreneurial public/private partnerships, and discovering and developing services for new, unaddressed social needs.

Private organizations, according to Drucker (1968, p. 461), also have a responsibility to society:

What is most important is that management realize that it must consider the impact of every business policy and business action upon society. It has to consider whether the action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength and harmony.

The “new theory” of corporate responsibility for the public good challenges the right to make a profit as a relative right, subservient to at least a “moral minimum” that regulates everyone’s activity in society (Jennings, Callahan, & Wolf, 1987). Corporations must now take on their duties of citizenship and routinely evaluate the potential contributions and harms to society. In recognition of this responsibility, private, for-profit businesses have begun to emphasize the importance of organizational codes of ethics, value statements, and the ethical actions of their leaders.

Social responsibility is also promoted through agency practices and technology. Human service organizations, both public and private are “moral entrepreneurs,” in that they are in a position of influencing social policy and the institutional environment through the practices used in the delivery of services (Hasenfeld, 1992, p. 11). Public perceptions about the nature and capacities of consumers are affected by the moral categorization of clients. For example, mental health clinics that adopt an empowerment model enacted through partnership with clients promote messages to the community about client competency and at the same time combat stigma about mental illness.
Operational Efficiency

Private businesses have to perform in response to market pressure to secure their profitability. Strategies include improving the quantity and quality of services and reducing costs. Public-sector leaders are more likely to prioritize fairness and inclusiveness in their operations in order to allow for the fullest democratic participation of the public (Petrick & Quinn, 1997). Nonprofit and for-profit social service agencies are increasingly caught up in cost-containment policies that have “. . . Assumed the quality of a primary value” (Joseph, 1983). Policy that rests on the value of cost-containment has a substantial influence on service delivery. For example, intake and termination policies can have a dramatic effect on access to services. The choice of practice models based on the value of cost-efficiency affects practice decisions in relation to effectiveness versus expediency (for example, short-term models of care may be applied universally though they are effective with only particular populations with particular problems). Programs are reduced or sometimes dissolved altogether to ensure the fiscal survival of the agency. In addition, when downsizing does occur, adequate preparation of clients and employees is not always provided, adding to the ethical quagmire (Reisch & Taylor, 1983).

Moral Obligations of Work

Both social work and business leaders are responsible for the ethical challenges that are inherent in relationships with employees who work in the organization. The policies and procedures of the organization, hiring process, supervisory arrangements, termination policies, salary classification systems, promotion opportunities, and use of power through relationships with constituents are examples of areas that create potential ethical dilemmas in relationships with employees. Ethical responsibilities related to fairness, justice, and trust develop within these areas. As one manager said, “Anything that messes with someone else’s life is an ethical dilemma . . .” (Manning, 1990, p. 189).

There is a difference, however, for public and nonprofit organizations. Dilemmas that occur in relation to the good of the employee versus the good of the agency or versus the good of the client cause frequent ethical conflicts for human service leaders that are different from business leaders, who work with products. Managers feel a responsibility to protect their staff, and for the most part, only the best interests of the client supersede that priority (Manning, 1990). An upper administrator stated “The most difficult is firing someone who’s not mean or vicious—just incompetent . . . Who am I working for, staff or clients? . . . Answer . . . clients” (Manning, 1990, p. 189).

Treating employees respectfully is part of an ethical relationship. A frequent dilemma of people in leadership is whether to empower staff through informing and including them in decisions versus protecting or excluding them from disruptive information. The added conflict is the protection of the organization from staff reaction to potentially disruptive information and the feedback that can occur from that (Manning, 1990).
The occupational ethics of administrators in business and human services have a commonality: that they do their job right based on an understanding of organizational processes and theories and are successful in achieving the goals and purposes of the organization (Levy, 1982). However, Levy argues that, “It is not only what works that commands their attention, but also what they agree they owe to others by way of occupational duty” (Levy, 1982, p. 21). Occupational ethics requires an emphasis on the ethical obligations inherent in a leader’s relationship with employees.

The following areas are more divergent in focus, priority, or strategy. The next discussions demonstrate some of the differences between types of organizations.

Values

The values that organizations ascribe to are reflected through the administrative and managerial actions and decisions that make up the operations of the system. An important distinction for social services is that these organizations have particular values associated with the nature of the services provided. The values associated with the service, empowerment, for example, should then be congruent with all of the “internal operations and relationships of the organization” (Levy, 1979, p. 280). Every administrator’s actions, ideally, are guided by those core values.

Further, social work leaders are also guided by the values of the profession. The code of ethics identifies several core values that should guide the practice of social work in any practice capacity. Those values include service, social justice, dignity and worth of the person, the importance of human relationships, integrity, and competence (NASW, 1996). Finally, the public or nonprofit leader is responsible for the diverse values of the community that are articulated through a personal and democratic process. These values become lost when values are reduced to economic considerations only (Petrick & Quinn, 1997).

Private, for-profit businesses, on the other hand, have as their primary goal to maximize market value. This may include increasing shareholders investment value, expanding market share, producing profits, and providing products and services for those with the resources to invest and purchase (Petrick & Quinn, 1997). The actions and decisions of these leaders are influenced by the value of optimizing market share. This “reductionist economic value system” (Petrick & Quinn, 1997, p. 16) reflects an underlying assumption that labor, products/services, and shares of stock can all be interpreted through concrete economic values as Petrick & Quinn (1997, p. 16) note, “... Everything and everyone has a price.”

The contradiction between social work and business values is one of the main contradictions of contemporary society and social work ethics, according to Alexander (1985). This contradiction is most apparent through the privatization of human service organizations. Alexander (1985, p. 6) labels it the “accountability contradiction”: the corruption of administrative technology in human services by demanding the application of business management values in the provision of services for social needs. There is the ongoing danger of giving in to the “lure of efficiency”
without understanding the ultimate outcome, which is the activation of hidden value premises of the market that are activated through the application of such technology.

**Organizational Sources of Power**

Leaders in both social work and business have a responsibility to multiple constituencies: consumers of services; employees; community representatives; and other economic, political, and social entities. However, business leaders base their source of power on meeting the economic wants and needs of the buying public. If they are providing what community citizens want, they are meeting their responsibilities. However, the “wants” of those who are unable to participate in the buying public because of poverty or other disadvantages are not necessarily met due to restricted participation.

The source of power for public leaders is based on citizen participation through the ability to vote their preferences, even if they lack buying power (Petrick and Quinn, 1997). In addition, public agencies are accountable to taxpayers for the services produced. The source of power for a nonprofit agency rests in the agreement with the community that is served, reflected through the mission and directed through community representatives on the board of directors. For example, the representatives on the board of a mental health center may include consumers of mental health services, consumer advocates (for example, Alliance for the Mentally Ill), as well as other community citizens. Involvement in this level of decision capacity provides opportunities to shape the service delivery system.

**Organizational Sources of Governance**

For-profit boards of directors are different from nonprofit boards. Both kinds of boards provide control, service, and strategy for the organization. For-profit boards have as a primary responsibility the alignment of “the interests of management with those of shareholders” (Brower & Shrader, 2000, p. 148). For-profit boards sometimes have demands that are in conflict, such as making the greatest profits for shareholders and at the same time being a good community citizen, or producing the highest quality product at a competitive price diverts their responsibility to employees. These conflictual demands are sometimes used to justify immoral or unethical decisions and actions (Klein, 1991). In addition, there is “significant financial compensation” for directors to serve on a for-profit board, which complicates the motivation to make the most “selfless” decision about ethical issues (Brower & Shrader, 2000). Finally, information about the operations of a for-profit business are typically more unavailable to public scrutiny.

Nonprofit board members are volunteers and are not paid for their time. They usually are motivated to give service because of altruistic reasons, for example, giving back to the community, helping a disadvantaged population, or helping an agency that has helped them before (Brower & Shrader, 2000). In addition, the mission of the or-
ganization is usually connected to service of some sort to the community or to a particular clientele. The lack of a money-making motive makes it easier to fulfill the obligation of protecting the best interests of all stakeholders (Brower & Shrader, 2000, p. 147). Operating funds for the organization they direct are raised through charitable donations and community fund-raisers, which heightens the “sense of accountability” to represent the agency honestly and to be concerned for the best interests of all stakeholders: community, employees, and consumers (Brower & Shrader, 2000, p. 148).

Duties of the Profession. Social work (or other professional) leaders/administrators are also accountable for the ethics of their profession, or what Levy (1982, p. 22) refers to as “...the hazards of dual identity.” The professional administrators must not only be accountable for administrative ethics, but also for the expectations of their profession, and, as mentioned in the discussion about dilemmas, the ethics of administration and the ethics of a profession can, at times, be in conflict.

The mission in the social work code of ethics emphasizes the “historic and enduring commitment to enhancing well-being and helping meet the basic needs of all people with particular attention to the needs and empowerment of people who are vulnerable, oppressed and living in poverty” (Reamer, 1998, p. 494). It is this commitment to all people, particularly those who are vulnerable and oppressed, that makes the ethical requirements for human services leaders different from that of business.

Conclusion

The focus of discussion in this chapter is the context where leaders in human services make ethical decisions. The unique nature and characteristics of human service organizations provide the environment for the ethical nature of the decisions that are made there. The circumstances that produce some of the most intractable dilemmas provide another part of the context of human services: the interrelationship between the leader, the organization, and the environmental and moral influences that are ongoing. History gives us a perspective of the development of ethics in social work and in business and provides the foundation for the direction that both social work and business leaders must initiate as part of the leadership role. A comparison of some of the central ethical themes tells the story that there is no place to hide from ethics. Leaders in nonprofit and public organizations will experience many of the same ethical dilemmas as leaders in private for-profit businesses. A discussion of the intersection of social work and business is provided because of the increasing combination of private, for-profit, private nonprofit, and public agencies delivering human services. The issues that are similar and different can be informative in considering the duty of leadership in every human service organization. Leaders can anticipate working in any of these. The theoretical models they choose will inform their role within these organizations. The next chapter provides an overview of such leadership theories and the relationship to ethical leadership.
QUESTIONS AND APPLICATIONS

1. Consider the unique characteristics of human service organizations from the perspective of structurally negative effects of human services posited by McKnight, 1989.
   - In what ways does our organization emphasize the deficiencies of consumers?
   - In what ways does your organization reduce either the cash income or market choices of consumers?
   - In what ways does the delivery of services decrease participation of clients in community life?
   - In what ways does your organization's participation in an organizational environment (as part of an aggregate of human service organizations) increase the dependency of consumers on services rather than the community? Or neutralize the positive effects of individual programs because of the proliferation of human services?

2. Consider the most recent version of the Social Work Code of Ethics (see Appendix C). What are one or two principles that should be developed and codified for organizational and community practitioners that are not currently in the code? What is the nature of the ethical issue or duty you have chosen? How does the contemporary literature address this issue(s)?

3. What is a current example in your agency of one or more of the circumstances that produce dilemmas discussed earlier in the chapter? How has this dilemma affected your leadership?

4. How have privatization and an increased pressure for revenue generation impacted you as an ethical leader?

5. How should leadership of a for-profit organization balance the responsibility of increasing return to the shareholders and also meeting the social responsibilities of the organization? What are the current tensions in regard to profit in your organization? What should be changed?