

Make a point of asking and answering the obvious questions

A doctor friend recently confirmed for me the shocking truth reported in an article I read about surgeons in the United States: They have only recently begun to use checklists while operating.

This obviously sensible practice, which has yet to gain universal acceptance, is apparently a significant break from the omnipotent doctor model that has long been a hallmark of medicine. According to my friend, many of her colleagues look down upon checklists as beneath their dignity and as unnecessary bureaucratic interference with the “art” of practicing medicine.

Despite the continuing prejudice against checklists in the operating room, enlightened doctors and health care institutions have modeled their procedures after those used by airline pilots. As you may be aware, pilot checklists were not always the norm. But early on, as aircraft became more and more complex, the airlines discovered that they could not rely upon the skill of their pilots alone to get passengers safely to their destinations.

One accident investigation after another led to the conclusion that mistakes in the cockpit were to blame for airplane accidents. And those mistakes often were born of a failure to ask obvious questions: Are the flaps in position for takeoff? Do we have enough fuel in the tanks to get where we are going? Is the landing gear down?

Although airline checklists have not eliminated air travel injuries and deaths, such procedures are partly responsible for an astonishing safety record that is the envy of every other industry, not to mention orders of magnitude better than the one the medical profession has achieved.

I don't mean to suggest that doctors don't have quality control systems. They certainly do. But despite these systems and all of their skill and training, doctors continue to make shocking mistakes like operating on the wrong patient or leaving instruments in their patients' bodies. The advantage of supplementing their existing control systems with the simple, well-organized checklist in the operating room is that it systematically requires doctors to ask obvious but essential questions: Whom are we operating on? Do we have all the



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equipment we need in the operating room to complete this procedure?

Doctors aren't the only ones who sometimes fail to ask the obvious questions. Most business leaders make the same mistake—especially when it comes to managing their legal and ethical risks. In my experience, business leaders do not routinely ask, nor do they know the answers to, the following obvious questions:

- What are our business's most significant legal and ethical risks?
- What systems do we have to manage those risks?
- How effective are our legal and ethical risk management systems?
- What is the status of work undertaken to address identified system weaknesses?
- How do we know whether our compliance and ethics management systems are actually working?

Just as it does when flying airplanes and practicing medicine, the failure to systematically ask and answer such obvious questions can and often does lead to business disruptions or failures. Union Carbide, BP, Exxon, Enron, WorldCom, Global Crossing, AIG, Lehman Brothers, Merrill Lynch, Fannie Mae, Freddie Mac, Siemens, Societe Generale, Deutsche Telekom, Citibank, Merck, Pfizer, Eli Lilly and Countrywide Financial are just a small sample from a very long list of businesses that have learned the hard way that the obvious questions must be asked routinely.

The fact that many of these firms' legal and ethical problems may have been caused by deliberate misconduct by senior leaders does not exempt them from this list. It is evidence of a failure to ask and answer one of the most obvious questions for any business: How do we make sure our senior managers are behaving ethically?

Other obvious questions that these firms apparently failed to answer with sound compliance and ethical risk management systems:

- How do we make sure our supertanker captains aren't drunks?
- How do we make sure that control systems at a wellhead a mile beneath the ocean are constantly in perfect working order?
- How do we prevent our pharmaceuticals sales force from promoting products off-label?
- How do we make sure we are not bribing government officials to win contracts?
- How do we ensure that our chemicals don't kill or injure the thousands of people who live near our plant?
- How do we ensure we are not taking on too much exposure to mortgage-backed securities?

Seeking answers to these questions is not easy, and even when the answers are found, they do not eliminate compliance and ethics risk entirely. But as firms that have weathered the storm can attest, it is always possible, and the resultant risk reduction can be substantial. In every such case, the lash of necessity has compelled them to devise the state-of-the-art compliance and ethics management systems that they should have invested in before a crisis occurred.

When I asked my doctor friend what she thought of using checklists in the operating room, she told me that they were a great innovation because they relieved her of significant pressure, helped her team coordinate activities and resulted in better patient outcomes.

If you have not done so already, you might consider systematically asking the obvious questions at your firm to protect the health of your “patient” over the long term.

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