

management ethics

Pandemic flu: Current threat and call for ethics

By Dr. Kirsty Duncan

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This is the first in a two-part series on the ethical implications of a possible pandemic. This article provides some history of past pandemics and an update on the current threat of "bird flu". The second article will examine the emerging ethical issues that go beyond emergency preparedness and business continuity.

Leading scientists believe that the world is closer to an influenza pandemic than at any time since 1968, the year of the last pandemic. We are currently at phase three of a six-phase alert system, meaning a new influenza virus is causing disease in humans, but is not yet spreading efficiently. The ethical implications associated with a flu pandemic are significant. Corporations, institutions, and individuals need to take action now in order to be well prepared.

Pandemics of the 20th Century

Pandemics are not a new phenomenon. In 1918, Spanish flu killed more than 50 million people worldwide in just one year —50,000 in Canada and 675,000 in the United States (US) - more than the number that died during the Black Death, the four years of the First World War, or the AIDS pandemic to date. Almost half the deaths occurred among those aged 20-40 years; Spanish flu killed the prime specimens of those in the prime of life.

Eighty per cent of Spanish flu patients suffered the usual three- to five-day illness, but approximately 20 per cent of all influenza patients developed pneumonia, and half of those died; men literally choked to death with pulmonary swelling, the lungs so swamped with blood, foam and mucous that the faces were gray and the lips purple. Dr. Albert Lamb

of New York's Columbian Presbyterian Hospital described patients as 'blue as huckleberries and spitting blood'.

In Toronto, half the population sickened and 1,200 people died in three weeks. Private buildings were converted into makeshift hospitals, funerals were allowed on Sundays, and families dug graves for relatives since there were too few undertakers to bury the dead.

Almost 40 years later, pandemic flu struck again—first in 1957 and again in 1968—and killed three million worldwide.

Current Threat

Today, experts agree that a pandemic is inevitable and possibly imminent, since the highly pathogenic H5N1 influenza virus is mutating rapidly, affecting new hosts, and expanding its geographic range. Thirteen countries reported cases of H5N1 infection in birds between the beginning of February, 2006 and mid-March, 2006.

Should an influenza strain emerge that spreads easily among humans, the World Health Organization predicts that all countries will be affected, widespread illness will occur, medical supplies will be inadequate, large numbers of deaths will occur, and economic and social disruption will be great

The pandemics of the previous century circled the Earth in six to nine months, even though most international travel was by ship. Given the speed and volume of international air travel today, the virus could spread more rapidly, possibly reaching all continents

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in fewer than three months. Within four months of the global SARS alert, more than 8,000 people were affected in 30 countries across six continents.

Most people will have no immunity to the pandemic influenza virus because it will be a novel strain. As a result, infection and illness rates are expected to be higher than during seasonal epidemics. In Toronto, for example, 15-35 percent of the city's population could be infected. Depending on how sick people become, over 700,000 could require outpatient care, 14,000 could need hospital care, and 4,300 could die.



Supplies of vaccines and antiviral drugs – the two most important medical interventions for reducing illness and deaths– will be inadequate in all countries at the start of a pandemic and for many months after. It may take up to six months to produce an effective vaccine, because drug companies cannot produce one until the genetic make-up of the influenza strain is known.

Canada's national antiviral stockpile consists of 16 million doses (as of October 2005) of oseltamivir (Tamiflu), although some provinces and territories may purchase additional stock. Without additional quantities, the supply falls far short of one dose for each of Canada's 32 million people.

The World Health Organization estimates 2 to 7.4 million deaths globally—a conservative estimate based on the mild 1957 pandemic. Figures based on a more virulent virus are 50 million deaths worldwide.

Public health authorities predict that up to 60 percent of the work force will be too ill or too frightened to leave home and will not show for work. Employee absenteeism could have a massive impact, grounding planes, and shutting down daycares, restaurants, schools, and other public places. Global economic activity could weaken, supply chains (including those distributing life-saving drugs) could fail, raw material prices could decrease, risk aversion could intensify, and interest rates could fall. SARS, for example, cost the Public Health System \$945 million, and conservatively cost the economy \$4 billion. Conversely, health care, home entertainment, internet commerce, and telecommunications companies could benefit.

Call for Ethics

Today we have an unprecedented opportunity to prepare for a pandemic and reduce cases, hospitalizations and deaths, and reduce economic and social impacts.

In preparing, governments and organizations face legal and ethical challenges that will affect both an individual's chance of survival (e.g. allocation of scarce resources, such as antivirals and vaccines) and freedoms (e.g. travel restrictions). Legal considerations must therefore include federal, provincial and territorial legislation, including contract, employment, patent law, insurance and labour issues.

Consequently, have you considered your legal obligations to your employees in the face of a pandemic, and what you might undertake beyond compliance with laws? Have you taken into account ethical principles and values to address moral concerns (e.g. who gets the 16 million doses), identified measures that can diminish the impacts of

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a pandemic on your employees and addressed the benefits and costs of these measures?

The need for a widely accepted, pre-pandemic ethics approach was highlighted during the 2003 SARS crisis, when difficult ethical choices rapidly arose. In the future, whose values should prevail? How should individual freedoms be balanced against the common good or economic losses against the halting of disease?

A sound ethical framework will help guide organizational policies concerning such issues as benefits and compensation packages, decisions to close a site, evacuation of employees working in or near an affected area, financial assistance, flexible worksite and work hours, preventive medical opportunities, etc. Finally, organizations must engage employees regarding ethical choices in order that they understand the decisions that will have to be made during a pandemic. Open, transparent communication between employer and employee allows for greater trust, decreases fears of the unknown, and increases cooperation and acceptance of difficult decisions. ✱

Dr. Kirsty Duncan is a medical geographer, Adjunct Professor, and author of 'Hunting the 1918 Flu, One Scientist's Search for a Killer Virus'. Her second book, 'Environment and Health: Corporate Contributions to Our Common Future', will be published in fall 2006.

Part two of this series, in the next edition of Management Ethics, we will discuss the complex ethical dilemmas that a possible flu pandemic may create for the business community as well as government, media and the healthcare profession. Please send your comments to editor@ethicscentre.ca regarding how your organization is addressing the issue.

EDITORIAL

Over Before It Begins?

By Flip Oberth

As a newly-fledged teenager, I developed a reluctant appreciation for the term “unlucky 13”. It was a rare, hot summer’s day in London, England. I found myself engrossed in the medical section at Foyles, touted then - and now - as the world’s best bookstore. To my mind, it really *was* the world’s biggest bookstore. My then keen eyesight quickly spotted what I had been searching for - a how-to guide on applying to medical school and becoming a doctor. With immense anticipation, I pulled the Holy Grail from the



shelf and eagerly delved into it. The opening sentence quickly put an end to my medical career. It read along the lines of ‘If you are a girl reading this book and are interested in getting into medical school, forget it, the odds are against you.’

In outlining this early experience I realize that I may be revealing that your new editor was once a wimp. Yet, the most unfortunate aspect of the tale is neither that the author wrote this caveat nor that the publisher agreed to leave it intact, but that I actually believed the words. The pen can indeed be mightier than the sword. A single author influenced my life in a manner that seems inconceivable to me now. If I could choose again between

“fight” or “flight”, it would most certainly be the former. Perhaps I lacked the right stuff to deal with the gauntlet that he had thrown down? Perhaps I was indeed ill-suited for the medical profession? Yet, that day in Foyles remains a compelling *what if* Life memory.

Instead of practising medicine, I now occasionally experience the medical system either as a patient or as a family member. As infrequently as possible I too sit out those gruelling wait times in hospital emergency rooms. I’ve learned the hidden benefits of walking into the ER carrying a three-year old with a patently obvious broken arm. No need for that Don’t-Leave-Home-Without-It card. A child with a broken arm will immediately get you to the Front of the Line. Depending on the competition in the triage pool, an 85-year old with Alzheimer’s, high blood pressure and chest pains may have to settle for “Do Not Pass Go Just Yet” along with most everyone else.

These joint experiences triggered in this editor’s mind several new challenging themes for the Centre’s newsletter. In upcoming editions of Management Ethics, watch for articles on ethics in health care, the music industry, international business ethics and a range of perspectives on workplace ethics, including harassment and workplace violence. We begin the health care series in this edition, with a fascinating lead article on the ethical implications of the anticipated flu pandemic, by Dr. Kirsty Duncan. Her follow-up article will be published in the fall newsletter.

As the new editor, I find myself stepping into not one pair of size XL shoes but two.

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Legislative Watch

Federal Accountability Act - Oversight or Overkill?



by Tracy Parker

The Conservative government is seeking a culture change. As the first step in meeting the election promise to “clean up government”, Treasury Board president, John Baird, tabled the Federal Accountability Act and Action Plan on April 11, 2006. The Action Plan includes a proposed Federal Accountability Act, supporting policy and other non-legislative measures. The overall objectives are to make government more transparent, stop unethical behaviour in government and increase accountability. To meet these laudable goals and the desired change in organizational culture, new legislation and policy changes are only the first steps.

In a speech given to the Public Service in March 2006, Prime Minister Stephen Harper clearly stated that the blame for recent scandals should be laid with the political players, not those in the Public Service. The emphasis is therefore on the political process and not the bureaucracy. The Bill, however, will have consequences for the Public Service. It is intended to improve the fairness of the system but will also create several new positions in the bureaucracy and expanded authority of some existing departments, including the Auditor General and Integrity Commissioner.

Some of the key proposed changes include:

- Limiting fundraising for political parties by banning donations for corporations and unions and limiting individual donations to \$1000 (down from \$5000).
- Reducing the influence of lobbyists with changes to the Lobbyists Registration Act

and strengthening the role of the Registrar of Lobbyists

- New positions created include:
 - Director of Public Prosecutions to investigate wrong-doing in the public service.
 - Procurement Auditor to increase the transparency of the government contracting process.
 - Budget Officer for Parliament that would provide MPs with objective analysis of financial planning.
 - A Conflict of Interest and Ethics Commissioner, with a judicial or quasi-judicial background, to replace the current positions of Ethics Commissioner and Senate Ethics Officer.
- Making government appointments merit-based as opposed to based on political connections
- Protecting whistle-blowers who would receive a cash bonus of up to \$1000 for reporting wrongdoing/ethical misconduct.

Learning between the public and private sectors

Developing and maintaining an ethical organizational culture is a familiar challenge to any company that has experienced the fallout from corporate scandals and the resulting Sarbanes-Oxley (SOX) legislation. Even before SOX, establishing an ethical corporate culture was a necessary due diligence defense for corporate directors against legal liability for the unethical actions. Recent developments in the US and Canada make directors and senior officers legally responsible for the creation and maintenance of a system that ensures that employees act ethically. The concept of ministerial accountability could be viewed as a parallel theory in the public sector, which the Accountability Act is trying to enforce.

Parallels are also evident between the criticisms of Sarbanes Oxley and the Federal

Accountability Act. Do the policy changes address the reality of corruption in the current system or are they a reaction to the perceptions of taxpayers and shareholders? What is the difference between the perception and reality? Regardless of the answer, it is clear that the consequences of scandals, be it a sponsorship scandal or corporate fraud, have had a lasting effect on levels of trust in social institutions.

In both private and public sector organizations, developing and maintaining an ethical culture is a process, not just a piece of legislation or a new corporate policy. In light of the new Federal Accountability Act it's worth mentioning some of the basic concepts of sustaining an ethical corporate culture.

- Establish a set of shared values that are aligned with the interests of key stakeholders.
- Articulate the shared values in a code of conduct and support the values with various organizational systems and functions.
- Conduct training and communication initiatives that raise awareness of ethical issues.
- Measure, monitor and report on ethical performance.

Setting the tone from the top is another key component in creating an ethical culture, which is why Stephen Harper's comments to the Public Service earlier this spring were significant. The importance of the Prime Minister's words and behaviour is also why much protest was made of the Cabinet appointment of former-Liberal, David Emerson. While there is integrity in fulfilling promises, the ultimate test of the Prime Minister's moral leadership will be in his own actions as well as those who he can inspire. ✨

Tracy Parker is the Executive Director of EthicsCentre CA.



Ethical Issues and Considerations

New governance rules, evolving best practices, and emerging technologies continue to challenge those charged with promoting an ethical corporate culture. This column highlights new developments in the field of business ethics, along with tools, strategies and information.

Business entertainment expenses and gifts

“Everyone has different ‘job perks’. Presents, dinners and personal discounts from suppliers are one of mine”

“It would be rude for me not to accept.”

“It’s standard industry practice. I’d lose business if I didn’t hand out a few freebies.”

“How could I turn down four tickets to the Playoff game and save face with the supplier?”

Many companies have policies in place that are designed to avoid any undue influence among

or by customers, partners and suppliers. It is, however, an ambiguous area that is often left up to individual discretion. As many of us know, this issue has a slippery slope.

Business entertainment expense and gifts are areas that are particularly vulnerable to fraud, abuse and unethical practice. As a result, these are also areas that regulators have begun to look at more closely. The requirements on employers to track and monitor various aspects of a code of conduct have become more onerous with the implementation of Sarbanes-Oxley. There is also a ripple effect within various other regulatory bodies. Monitoring and tracking an element such as business expenses can be a time-consuming, expensive and exhaustive task.

Tell us more about your experience and in particular, ethical dilemmas in this area that required management, by contacting editor@ethicscentre.ca.

- What is your organization’s policy? What’s deductible and what’s not?
- Does the policy vary according to industry sector?
- Has your business entertainment expense policy been revised in the past three years?
- Is reciprocity an essential element of your organization’s approach to gifts and entertainment expenses?
- Do you use a system or custom software to track expenses?
- What new trends, tools and policies are you aware of?
- Do you handle the issue differently in different parts of the world?

Next issue we will share your experiences, provide some best practice examples and give an update on current regulation. ✨

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Larry Hebb and Julie Walsh have co-edited recent editions of Management Ethics with tremendous passion and commitment. Previous editors and contributors have also shown similar flair. On behalf of the members of EthicsCentreCA, warm appreciation. I am looking forward to continuing their efforts as the newsletter evolves. My recognition and thanks also go to our new Editorial Board, comprised of Shelly Potter, Vince Power, and Seymour Trachimovsky, aided and abetted by Tracy Parker. Their collective creativity and wisdom have been invaluable in bringing this edition to you.

What’s in the pipeline? The newsletter will feature several new features and topics:

- Legislative Update will highlight pending

and/or new ethics-related legislation that has implications for corporations and ethics practitioners.

- Member Profile will introduce our members to the Centre’s community. If you would like to be included, please submit a recent photograph and brief bio (maximum 130 words) to Tracy Parker at tparker@ethicscentre.ca
- Feature articles will take a closer look at key issues that fall under the umbrella of “business ethics”.
- Ethical Dilemmas will highlight ethical issues and choices. We invite you to submit a specific dilemma to the editor at editor@ethicscentre.ca. We will print a variety of ethical situations along with responses. Recognizing that what works for one organization may not be appropriate for

another, published responses will present a variety of potential ways and means for resolving ethical issues as well as ethical decision-making tools.

Management Ethics is an important means for the EthicsCentre to serve as a forum and catalyst for constructive discussion and debate. Above all, it is designed to highlight the Centre’s mission to champion ethical values, both in corporate decision-making and across other sectors. The newsletter must also be responsive to readers’ needs and interests. Please e-mail comments to the editor at editor@ethicscentre.ca to help us continue to bring forward the most topical and member-focused items of interest. ✨



profile editorial board

Management Ethics aims to bring you timely, topical and informative ethics-related analysis and discussion. Our contributors, past editors and other volunteers have played an essential role living up to that challenge. Now that tradition will continue with a new Editorial Board, under the direction of Flip Oberth, the new editor who you met in the editorial. The combined knowledge and experience of the Editorial Board provides a great source and sounding board for *Management Ethics* which will challenge and provide insight to you the reader. In addition to Flip Oberth, the Editorial Board members are Tracy Parker, Shelly Potter, Vincent Power and Seymour Trachimovsky.



Flip Oberth

Flip is President of Flipside Solutions Inc., a strategic consulting firm based in Toronto and specializing in diversity and human rights, strategic planning and corporate development. Flip has a background in media relations, government relations, labour relations and strategic human resources management. She has taught adults in England, Sweden and Canada. She has an MBA from the Rotman School of Management, an M.A. in International Relations and postgraduate certification in education. Flip is also a Certified Human Resources Professional (CHRP). She is a member of the EthicsCentre CA Board of Directors and Communications Committee and a former member of the Program and Education Committee. She welcomes her new role as editor of *Management Ethics* and the new challenges that it brings.



Tracy Parker

Tracy Parker is Executive Director of EthicsCentre CA and ex officio member of the Editorial Board. As a consultant her experience has focused on the planning, implementation and evaluation of various elements of ethics and corporate social responsibility programs. Prior to returning to the Centre, where she had worked in various capacities since 1997, Tracy was the Values Programs Communicator at The Body Shop Canada. She has presented workshops and seminars on international business ethics and ethical decision making to various groups including classes at University of Toronto and Ryerson University. Tracy holds an MBA with a specialization in Business and Sustainability from York University. She has also completed a Bachelor of Public Administration at Carleton University.



Vincent Power

Vincent Power has spent over thirty years with Sears Canada Inc., starting in 1975 while attending high school and university in Ottawa. From 1983 to 2002, he held progressively senior positions in buying, merchandising and marketing in Montreal and then at Sears Headquarters in Toronto. When the company bought Eatons in 2000, he was named Group National Marketing Manager, Home and Hardlines. In March 2002, he became Director, Corporate Communications, responsible for the Company's external communication activities including media and public relations, and internal activities such as the Company's multimedia studio and content management for SEARSnet, the Company's corporate intranet. He is a member of the EthicsCentre CA Board of Directors and the Communications Committee.



Seymour Trachimovsky

Seymour Trachimovsky is Chief Legal Officer and Corporate Secretary of Zenon Environmental Inc. Prior to joining Zenon in 2004 he was General Counsel and Corporate Secretary of DuPont Canada where he was employed for 25 years in a variety of positions including Director of Taxation. Seymour participated on the Canadian Bar Association Task Force on Systems of Civil Justice which led to significant efficiency reforms in the judicial systems of a number of Canadian provinces. He has spoken at a number of professional conferences on substantive and practice issues of interest to corporate counsel and written a number of articles in that respect. He has degrees in law and in chemical engineering from McGill University as well as an MBA from Schulich and LLM in tax policy from Osgoode Hall Law School.



Shelly Potter

Shelly is a results-oriented, quality-minded leader and strategic communications professional now working as an independent contractor. She specializes in corporate communications and conference planning and has worked in the private, public, and NGO sectors. Shelly has substantial work experience in business ethics, literacy, and social policy. She has an M.A. in English literature from Queen's University and is a past member of the EthicsCentre board.



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BOOK SUMMARIES

The following book summaries have been provided by Books for Business, www.booksforbusiness.com

Tougher Boards for Tougher Times: Corporate Governance in the Post-Enron Era

Author: William A. Dimma

Published by: John Wiley & Sons

One of Canada's most experienced board members uses his forty years of board experience to evaluate the evolving role of boards and the key issues, challenges, and controversies they face in the aftermath of Enron. He shows that only by being tough can boards regain their governance rights to achieve an equal balance of power. Dimma has served as a board director on over fifty corporate boards and forty nonprofit boards. He is a former professor and dean of the Faculty of Administrative Studies at York University and is the author of Excellence in the Boardroom.

Courage: The Backbone of Leadership

Author: Gus Lee & Diane Elliott-Lee

Published by: John Wiley & Sons

The author captures a critical component of leadership: not only being honest and fair but acting beyond what may be obviously required, in a way that may be uncomfortable, and often lonely, but is utterly necessary. Author Lee posits that integrity and character drive profits, and he provides the tools for creating and sustaining courageous action in the workplace. He helps the reader develop the "moral intelligence" necessary to root out unethical practices and behaviours by assessing them for "rightness" and integrity, addressing moral failures, and following through with dialogue and direct action.

Integrity: The Courage to Meet the Demands of Reality

Author: Dr. Henry Cloud

Published by: Collins

The author shows how a person with integrity has the ability to pull everything together, to make it all happen no matter how challenging the circumstances. Drawing on experiences from his work, Dr. Henry Cloud, a clinical psychologist, shows how our character can keep us from achieving all we want to (or could) be. He explores the six qualities of character that define integrity, and looks at how people with integrity are able to connect with others and build trust, are oriented towards reality, finish well, embrace the negative, are oriented towards increase and have an understanding of the transcendent.