

DISCUSSION KEY FOR CASE #8

Professional Conflicts of Interest

Case Summary

You work in the public relations department of a major hospital. The hospital is planning an open house for a new children's center that will include field trips for students at a nearby grade school. One of your jobs is to plan and manage the children's events. To make the children's center friendly and inviting for the students, you propose hiring two professional clowns who are popular at kids' birthday parties. Your boss loves the idea and you're excited to book the clowns. You know you can count on the two you've proposed to effectively represent the hospital while they entertain the children. But one of the clowns is your brother-in-law and he and your sister own the party store that handles the clown bookings. What do you do?

General Guidance

Conflicts of interest have the potential to undermine or compromise the impartiality, credibility or trustworthiness of a practitioner due to the possibility of a clash between the practitioner's self-interest and a professional interest, or their public interest, or their client's interest. For more information about this topic, see Professional Standards Advisory #11 – Professional Conflicts of Interest: <http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/PSA-11.pdf>

1. Identify the ethical issue and/or conflict.

- Do I inform the hospital's management about the potential conflict of interest?
- Should I use a different firm to book the clowns and not hire my brother-in-law?
- Should I ask someone else to pick the vendor and if they pick my family's firm and my brother-in-law, so be it? After all, I didn't force the decision, and my family may offer the best price.

2. Internal/external factors that may influence the decision.

Is there a conflict of interest policy at the hospital?

Are there rules about nepotism at the hospital?

Are there competing firms that offer this type of service? If so, how do the prices compare?

3. Identify key values.

- **Honesty** — We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.
- **Expertise** — We build mutual understanding, credibility, and relationships among a wide array of institutions and audiences.
- **Independence** — We are accountable for our actions.
- **Loyalty** — We are faithful to those we represent, while honoring our obligation to serve the public interest.
- **Fairness** — We deal fairly with clients, employers, competitors, peers, vendors, the media, and the general public.

4. Identify the parties who will be affected and define the public relations professional's obligation to each.

Hospital management, who could be embarrassed if a complaint were lodged suggesting that favoritism was used to hire the clowns.

The children, who might not get the best entertainment if you opt to use an inferior firm to avoid the conflict of interest.

Your brother-in-law and sister, whose reputation might be damaged if they were accused of some type of impropriety in getting the hospital contract.

Yourself, whose reputation could be damaged if accused of nepotism or other type of impropriety.

5. Select ethical principles to help the decision-making process.

The core principle of the "Conflicts of Interest" section of the PRSA Code of Ethics Provisions is: "Avoiding real, potential or perceived conflicts of interest builds the trust of clients, employers, and the publics." The intent of this provision is: "To earn trust and mutual respect with clients or employers," and "To build trust with the public by avoiding or ending situations that put one's personal or professional interests in conflict with society's interests."

6. Make a decision and justify.

Building trust with the public, patients and hospital management is key in this case. Even though the use of your family's company would most likely result in a good service and reasonable price for the hospital and provide no financial benefit to you personally, hiring a family-owned firm to supply the entertainment and hiring a family member to be the entertainment could present a definite conflict of interest.

The best solution would be to NOT use your family's firm nor to hire your brother-in-law. Instead, look for a similar service from a non-related firm or consider a different type of entertainment. The loss of the business to your family's company should be secondary to the need to put the interests of the hospital and its employees and patients before your family's interests.

If that option is not available (if they are the only vendor available), the next-best solution would be to ask someone else, such as a purchasing agent for the hospital, to negotiate the terms for hiring this firm and to immediately notify this person and hospital management of your family's involvement.

But even if hospital management approves hiring your family's firm under these circumstances, this solution still has the potential to create a perceived conflict of interest, which could cause the hospital harm. Avoiding the conflict would guarantee continued mutual respect between you, the hospital management, the patients and the general public.