

Small Ethics

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ABSTRACT

Traditionally, ethics in the professions has focused on big problems that could be found on other peoples' back porches. Small, habitual, frequent, and personal lapses get little attention. In this essay, the literature on opportunism is applied to dentistry with a view toward bringing matters of "near ethics" within reach. Examples of small lapses are discussed under the headings of shirking, free riding, shrinkage, pressing, adverse selection, moral hazard, and risk shifting. The conditions that support opportunism include relationships with small numbers of transactions and uneven access to information. Practical limits on understanding all the consequences of agreements and the costs of supervising others and enforcing corrections of breaches are inescapable aspects of opportunism. Opportunism may not be accepted by all as the subject matter of ethical, but curbing it is a worthy goal and understanding the causes and management of opportunism casts some light on the ethical enterprise. Four suggestions are offered for addressing issue of opportunism.

Perhaps the dental profession has not been well served by grounding its approach to ethics in classical theory such as normative principles, virtue ethics, and utilitarianism. Perhaps we are spending too much time tussling over big issues such as managed care and commercialism and looking for some bad guys who justify our use of high rhetoric. Through attention and money we might be able to reduce the number of high profile ethical breaches in the profession by 10% or more. But surely it would be better to stop one lapse each day in every dental office.

This is an essay about small ethics. What we need is some way of talking about the very common miscalculations, cases of negligence, sharp dealing, "self first this time because I deserve it," "those who can work the system do," and "don't kill myself if I don't have to" patterns of behavior that have become rationalize habits. And we need a way of talking about this without having to label ourselves as unethical people.

Opportunism is a term sometimes applied to this kind of "near ethics." There is a small literature in the field. Some good work can also be found under the headings of agency theory or organizational economics. Consider the examples in the sidebar.

Perhaps some readers will be annoyed with this list of opportunistic actions in dentistry. Perhaps the list was only scanned after the realization that "near ethics" means close to us, not

approximation to traditional ethical theory. Each of the examples has an odor of not being quite right, but they come perilously close to common practice. No one is necessarily damaged irrevocably; we might bellyache about some of these examples in a general sort of way if we can make the case that someone else is doing the deeds. But anyone who puts down his or her productive work to make a campaign to stop these practices would be thought quixotic. Probably, no one would do jail time for any of these behaviors, even if engaged in habitually. But students at several dental schools were recently and very publicly disciplined for the counterparts of the practice indiscretions mentioned in (c), (q), (r), and (t) in the sidebar. Maybe we could agree to call these examples of "near ethical violations" but we cannot agree to disregard them.

Opportunism does not mean ignoring the posted speed limits on the highways—almost none of us do. It means knowing when to obey the speed limits—almost all of us do. The remainder of this essay will take up four topics: a) exploring the major categories of opportunism; b) attempting to define opportunism and how it relates to ethics; c) discussing why opportunism arises and how it is managed; and d) suggesting what might be done with this insight to improve the daily practice of dentistry.

EXAMPLES OF OPPORTUNISM IN DENTISTRY

SHIRKING

- a. Dental students start reducing patient treatment after they meet their “requirements” or skip recalls because they need crowns.
- b. A certain clinic is known for its shoddy work – the fee for a poorly done crown is the same as the fee for one of high quality.
- c. Dentists sign in for CE credit but leave early or don’t stay at all; the questions for the free CE in the journal are filled out while reading the article or with the help of a few fellow practitioners.

Free riding

- d. A faculty member basks in the reputation of a prestigious dental school without contributing to that reputation.
- e. A dentist accepts an invitation to sit on a prestigious board but misses many meetings and fails to do his homework.
- f. A student puts his name on a group project and earns credit for it despite doing almost none of the work.

SHRINKAGE

- g. The new Vita EasyShade device is permanently borrowed from the school’s clinic; six carpules of anesthetic are on the bracket tray just in case.
- h. Staff helps themselves to the photocopy machine, phones, computers, and “company time” for personal uses.
- i. A very liberal definition of business expenses is used in preparing income tax returns.

PRESSURE

- j. A student presents only the option of a crown to her patient (when a build-up would be perhaps more appropriate) because she needs her C&B requirements and then begins the prep before the instructor gives the final start check.
- k. As more dentists establish practices in a small community they reduce the number of days worked and increase fees correspondingly rather than accepting more patients at slightly lower fees.
- l. A practitioner shades informed consent to favor the procedures that are more fun to do or return higher income per time spent, or not giving informed consent at all.

ADVERSE SELECTION

- m. Dental schools are looked to as the safety net for welfare patients but are discouraged from competing with private practitioners for high-paying ones.
- n. Episodic treatment is rendered with follow-up and corrective care being “on the patients’ own.”
- o. Spa dentists and extreme make-over practices cherry pick the patients away from dentists providing comprehensive, continuous care.

MORAL HAZARD

- p. A dental student passes out business cards at church describing himself as “Dr. X.”
- q. A dentist retroactively updates the records on a few patients who have mentioned second opinions just to ensure proper form.
- r. Several dentists establish a Web site to share information to set maximal insurance charges and exchange tips on clever ways of documenting otherwise unreimbursable procedures.

Risk shifting

- s. Dental students complain when they are caught “cutting corners” in clinic and defend themselves by saying that practitioners do it all the time.
- t. Difficult partial bony impactions are up-coded to full impactions because the codes don’t reflect the true nature of the work done.
- u. Initial licensure examinations expose individuals who are not patients of record of any licensed dentist to treatment with no provision for follow-up care.

Types of Opportunism

There is no once-and-for-all comprehensive catalogue of opportunism. The following types cover much of the territory.

SHIRKING

Giving less than the expected or originally agreed-upon effort or quality is known as shirking. None of us always does his or her best, but there is something out of sorts if there is a pattern of performance that is generally less than we would claim if asked to publicly describe what we do or if that pattern is somehow related to monitoring by others or the potential for extra reward. Shirking is massive in dental schools that have requirement systems, and most dentists practicing today recall that. Capitation systems are prone to shirking for exactly the same reasons. Shirking will be lurking in any situation where reward is fixed and assured. Individuals who work for a salary are at risk for shirking. The first three examples in the sidebar can be classified as shirking.

FREE RIDING

Should everyone who works in your office get a productivity bonus based on practice outcomes or should all members of your group's organizing committee receive the same public recognition? If the answer is yes, there will be some free riders. Free riders are individuals who expect the same benefits from group membership that others receive without doing their share of the work. Some senior dentists are resentful that young men and women entering dentistry act "entitled" to the privileges of the profession that those who went before worked so hard to establish. There are dentists who grumble about organized dentistry's "failure to represent the

average dentist" although they have never served on a committee and may even be outside the tripartite structure. That is free riding with prejudice. Further examples appear in the sidebar.

SHRINKAGE

There is an old joke about the way communists negotiate: "What's mine is mine; what's yours is negotiable." This gets at the heart of shrinkage. It is human nature to use common resources for our own ends before resorting to expending our own resources. It is not uncommon for American organizations such as Wal-Mart, restaurants, or the post office to experience unaccounted reduction of inventory, small equipment, and breakage caused by unauthorized use in the range of 30%. Some of this just walks out the front door under someone's coat, but most of it is from employees making personal photocopies, "borrowing" the company car, or writing personal matters off as business expenses. The typical rationalization tends to include elements of "the organization is so big they would never miss this little deduction," "others are doing it all the time," and "I am owed this for all the extra things I do that go unrecognized." In some cases, each of these arguments is true, but in aggregate the books never seem to balance.

PRESSURE

I hate it when the car repairman says "In addition to the wuzits that you need to get this thing back on the road, you also gotta have a thingy and a gizmo." I don't know what thingies and gizmos do or why I should have one or more of them, but I always suspect that it is more valuable to the repairman to sell them than it is for me to have them. I am especially suspicious of lawyers, politicians, and regulators who want to create ideal worlds at the expense of folks like me who are satisfied with adequate ones.

Certainly thoughts such as these have flashed through the minds of a few patients during case presentations. It isn't opportunism if the patient really wants a lot more than the minimally acceptable amount of dentistry; it is pressure if the dentist presents the information on which the patient decides in a way that favors any of the dentist's interests (economic, ease of treatment, or satisfaction in doing big cases) or if some or all the relevant information is withheld.

ADVERSE SELECTION

This term may be familiar to dentists as one of the problems with insurance schemes that are not universal. The trouble is something like this. The benefit-to-cost ratio of participants in a pooled resource plan is not uniform. If costs are fixed, those who stand to receive the fewest benefits will opt out of the system, driving up the cost to those remaining. Managed care has reached a plateau for this reason—all the low-hanging fruit is gone. Dentists who treat Medicare patients (regardless of what they feel about social issues) usually report that the costs of treating such patients must be passed on to others in the practice. Dental school faculty understand that students in the bottom of the class receive many times more attention than do the typical students; state boards know the names of a handful of practitioners; and insurance carriers have some things to say about a small number of practitioners that make the things practitioners say about third parties seem polite. Unlike the other examples of opportunism, adverse selection is insidious because it is institutionalized, "forcing" individuals to act opportunistically.

At first glance, it may not be obvious that adverse selection is a problem of opportunism. The explanation appears in a well-known essay by G. A. Akerlof on lemons. The lemons in question are used cars that are not what they appear to be. Anyone who sells a lemon makes a surplus profit (and we can argue about whether this is honest or just good business). Akerlof's insight is that the cost of this practice generally is greater than what would be needed to offset the surplus profit. Certainly the buyer who cannot spell caveat emptor gets stuck with an excessive cost, but so do all buyers and sometimes sellers as well. The fact that hard dealing is known to exist in the used car business drives down costs generally as buyers are unable to identify lemons in advance so must assume there is at least some reasonable chance of getting one. Also a new market is created in order to absorb some of this risk in the form of mechanics that will test the car or agencies that sell "certified" used cars. Insurance companies, lawyers, and other intermediaries take their cut out of uncertain transactions, thus reducing the value available to the principals, and thus becoming institutional agents of opportunism. As a class, professionals especially suffer from this form of opportunism. Many dentists are prepared to explain this in detail with regard to the practices of lawyers and third-party carriers.

MORAL HAZARD

This form of opportunism is also common to the theoretical literature on insurance. In that context, an individual enrolls in an insurance plan without fully disclos-

ing existing risk factors or once enrolled elevates the risks. Failing to disclose a family history of an illness or signing up for a no-smoking policy and then taking up smoking are examples. We hear of associateships that fall apart just like marriages do because either the young practitioner misrepresented himself or herself or because the senior dentist turned out to be something other than what was represented. The bait-and-switch approach underlying "free" initial services and advertising pseudo specializations fall into this category. Other examples are listed in the sidebar.

Risk Shifting

When a student enters dental school, he or she can disclose documented handicaps under the Americans with Disabilities Act that then become the school's problem. The same is true for office employees in practice. A patient of record has claims on a dentist that individuals who are not patients do not enjoy. Dentists are normally entitled to favorable malpractice rates if they are members of a state association that offers such plans. In all these cases the form of opportunism is to shift at least some of the risk for adverse outcomes to others.

THE NATURE OF OPPORTUNISM

It may appear that opportunism is just testing the boundaries of what is acceptable in society or a group. But it is more. It is strategically exceeding the boundaries; it is knowingly bending the rules, taking more than one's due, staking out status or exemptions that would not be extended to others, and going back on one's commitments. A definition of opportunism is intentionally acting as if existing explicit or actual agreements had been renegotiated in one's favor. In shirking, the individual does less than expected because additional rewards are not possible. Free riding is helping one's self to benefits others have worked for.

In shrinkage, the individual takes a little something extra to make up for perceived inadequate compensation. Pressure involves making a new contract on terms that would not be agreed to if everything were known. In adverse selection, the original contract for protection against risk is adjusted by defection; in moral hazard, it is adjusted by deception. Risk shifting spreads initial potential downside outcomes to people who did not know they had them in the first place.

Is opportunism a class of ethical violation? By several tests it would appear to be. It is normally done "under cover of darkness," avoiding full and candid disclosure. It is always to some degree a reneging on original mutual expatiations. For these reasons, the normative principles of veracity and autonomy are violated. It certainly abridges the utilitarian test of the greatest good to the greatest number. Whether it could be willed as a universal on the deontological view is certainly debatable. It would alarm a Rawlsian who insists that the original just distribution of goods and rights should not be tinkered with after the fact for personal advantage. One who favors discursive ethics, as I do, would have to step back from any position that calls into question not only specific promises but the whole social apparatus of making promises as a way of grounding ethics. Perhaps only the casuists, who enjoy arguing a position until they make it work, would find anything to like about opportunism.

On the other hand, there are a few good arguments against considering opportunism under the heading of ethics. Some would stop short of calling a little rounding error on the taxes or insisting on one's rights under the Americans with Disabilities Act an ethical

lapse. Certainly the individuals who engage in opportunism have learned to blink at it. It seems to lack the pretense to high tone and principle that bolster our ethical righteousness. Overzealous searching for and punishing opportunism earns one the title of “prig.” And there is the knockdown argument that we all are opportunistic every day. Faced with this choice between admitting that we are unethical and throwing out the evidence is no contest, especially when it is lightweight.

We can still learn much of value about ethics by holding opportunism and ethics together for comparison without having to say that they are the same thing. And that is the purpose of the next section.

By way of preliminaries we need to note one more feature of opportunism. It is seldom regarded as “right or wrong” by those who engage in it. The more typical characterization is “acceptable, justifiable, defensible, entitled” and their opposites. The operational question is “can the original understanding be changed unilaterally in light of the present situation.” That is literally what opportunism means. The useful insight that opportunism opens for us is that the boundaries between right and wrong are not crisp and sharp. Even leaving aside the fluid nature of changing circumstances, human expectations of each other (and of ourselves) are inherently ambiguous and open to constant renegotiation. Perhaps this is as it ought to be.

CONDITIONS THAT LEAD TO OPPORTUNISM

Opportunism does not emerge when marriage vows are being exchanged, when a lease on an office suite is being arranged, or when the treatment plan is presented. It comes afterwards in the strategically advantageous enactment of the agreement and absence of any penalties for stepping over the bounds.

Opportunism does not grow under conditions of competent supervision with intent to enforce the original understanding.

Opportunism exists in relationships where one individual has better information than others do and a small number of highly complex interactions are transacted that would be costly to monitor and where it would be difficult to reestablish the original understanding. These are precisely the conditions for most ethical problems of interest, such as cheating, taking advantage of patients or partners, inappropriate commercialism, and lapses of professionalism. If we could better understand the conditions that promote or control opportunism, it may be that we can better understand the conditions that affect ethics.

Relationship

Generally, we do not speak of opportunism in open, competitive, and one-time situations. The stock market is not opportunistic (although your broker might be). Relationships are a precondition for opportunism because they imply an expectation of future interactions, a value to the relationship over and above the sum of the interactions, and actual or implied mutual promises and expectations. Relationships create value—sometimes enormous value—and it is this newly created common value that is an attractive target of opportunism. The understandings that existed as the relationship was being formed are thought to be open to reinterpretation, and opportunism is an attempt by one or several of the parties in the relationship to harvest some of that value without publicly renegotiating the relationship.

This is of high importance to dentists precisely because the profession is insistent that oral health care should be provided in the context of a trusting

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relationship rather than as an open market transaction. The relationship is between professional and patient, not provider and customer. There is an expectation of continuing and growing trust into the future. The profession is right to be concerned about trends toward consumerism, piecemeal dentistry, patients who shop price, and the erosion of comprehensive care. These are examples of opportunism on a wholesale scale.

INFORMATION ASYMMETRY

There is an old story about two great samurais who met for a much anticipated showdown. They faced each other, calculating the attacks and counterattacks available to them and envisaged the replies of their master adversary. After several minutes they bowed simultaneously in recognition that neither could achieve a decisive advantage.

Opportunism requires uneven knowledge. Shirking employees need to know where to hide and how to look busy; students know more about cheating than faculty members do about catching cheaters; welfare recipients often know the applicable laws better than healthcare professionals do; those who game the insurance industry are quite sophisticated. Pressure, selling more than is needed, is especially dependent on asymmetries in knowledge. The same can be said of embezzlement. Normally, the original understanding is close to balanced in relevant knowledge, because of circumstances, vigilance, or advisors and brokers hired to ensure equality. Time passes; things change; and rather than openly renegotiating the understanding, one party helps himself or herself to some of the unguarded common goods.

Information asymmetry is expressly recognized as significant in professional relations. Codes of ethics exist, among other things, to alert professionals to the dangers posed by their superior knowledge and to block them from abusing it. The key elements in every professional code—confidentiality, patient interests, autonomy, and informed consent—are intended to neutralize or compensate for uneven knowledge.

SMALL NUMBERS

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BOUNDED RATIONALITY

Philosophers have long been cautious about the relationship between facts and values. No card-carrying ethicist, for example, believes that multiplying facts, even very accurate ones, will ever reveal how humans should behave toward one another. The argument here is of a different sort. The opportunity for opportunism requires that it be impossible or impractical for us to fully understand the facts of most situations.

Nobel laureate in economics Herbert Simon first developed the theory of bounded rationality. In its simplest form, it holds that we intend to think things through, but have neither the equipment nor the opportunity to do so for all but the simplest of issues. Except for bounded rationality we would be able to spot bad initial understandings and recognize opportunism immediately. In fact, Simon says, we give up trying to get even our original understandings right in all their contingent eventualities and are satisfied to accept approximations with the tacit agreement that we will work

together to smooth out the wrinkles as they appear. Bottom line: there is no armor against opportunism. Human interaction runs out of intelligence and into trust very quickly and that trust must be constantly renewed. We are so constituted that ethics is a requirement for social life but not necessarily a guarantee of the one we want.

COST OF SUPERVISION

Opportunism is a calculated excess; it is neither an abnegation of the original understanding nor a gross excess. We can learn a lot by inquiring how far the opportunist is prepared to cross the line. And there is an answer. The first part of the answer is that the clever opportunist can accumulate undeserved common benefits up to an amount equivalent to the cost of making monitoring truly effective. There are economic, psychological, personal, reputation, and work flow disruption costs associated with supervision and watching out for opportunism. Opportunists know that those with whom they have understandings find it more effective to allow some opportunism than to try to prevent all of it. My wife and I, for example, plant a garden large enough to feed earwigs, slugs, squirrels, rabbits, and ourselves. In this view opportunism is a cost of having a relationship. Some of the benefit that comes from the common good will be lost to opportunism, but it makes no sense to spend more trying to prevent or punish that loss than the value of the loss itself.

There is even an “insult” cost associated with supervision that is perceived as being excessive. Students complain about excessive restrictions and supervision. And they are right to a certain extent. The message sent by

heavy-handed monitoring is that colleagues are not trusted and that the atmosphere of professionalism is being tainted. Lest any practitioner reading this disagree, let him or her ask how they feel about the monitoring that insurance companies do of their work. The insult cost of monitoring for opportunism is normally born disproportionately by those who do not engage in opportunistic practices.

COST OF ENFORCEMENT

There is a parallel argument concerning what is required to reestablish the relationship, with or without the opportunist. Sometimes it really is better to let a small transgression pass when it is recognized. That certainly seems to be the case among the highway patrol officers in my area, and I am grateful for it. As a first approximation we can expect smart opportunists or the average of all opportunism to approximate the combined costs of monitoring and enforcing excesses of the common understanding. It stands to reason that spending more than it is worth to maintain a relationship is a matter of principle rather than common sense.

This is precisely the point where some readers will say they have had enough of this sort of analysis and that they mean something by ethics that is different and superior to tradeoffs designed to maximize the common good. There is a strong tradition holding that ethics is a matter of principles and these are wholly right or wrong. There is no amount of cheating that can be tolerated. The argument usually has as its companion the position that rules are rules and any time they are bent only encourages further and more brazen transgressions. I would never try to talk a person who believes along these lines out of his or her conviction—it has never worked yet. Perhaps there are universals and absolutes where this

belief holds, but I have also never seen a person of this persuasion who was free of personal opportunism, at least selective opportunism.

The solution to the cost problem that seems to work best, and is built into some of our laws, is random monitoring, targeted monitoring with cause, and vigorous enforcement of clear transgressions. These approaches hold down cost (including the social cost of appearing to be Big Brother) and focus on known opportunists. Large but fair penalties for those over the line satisfy the requirements of retributive justice and change the calculus for would-be opportunists.

WHAT DOES IT ALL MEAN?

Can we use this understanding of opportunism to do some of the work we expect of ethical theory? In particular, are there some elements of opportunism that are helpful where classical approaches seem to be letting us down?

First, the net of opportunism captures many more questionable behaviors. Not only is the case of students colluding to reconstruct a test question set with answers cheating, so is the practice of dentists organizing to manipulate payments from third-party carriers. Holding one’s self out to be something one is not—as in selling a large reconstruction case with no more qualifications than having recently attended as course—is a concern that may not come under the traditional approaches to ethics. Little lapses—an unnecessary carpule of anesthetic, a sloppy health history, or a treatment plan motivated to some extent by the dentist’s ego—come before our attention, even if “no damage results.”

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Second, the net of opportunism has fairly large holes in it which allow much questionable behavior to escape. In the traditional approach to ethics, we are primarily concerned with labeling actions as “right” or “wrong” either because we believe such recognition will substantially promote good and retard bad or because this is a precondition for punishing unwanted behavior. (We are not overly concerned with rewarding the good because doing good is its own reward and action for the sake of reward somehow removes it from being praiseworthy.)

We will have to think this through, but there may be some advantages in soft edges on ethical issues:

1. We can place more questionable actions on the table for discussion (generally and in very specific cases) if we are not first required to label them as “unethical.”
2. We can all learn from the analysis of opportunistic behavior, including learning about the circumstances that promote or permit it, if there are more alternatives than guilt and innocence and degree of retribution.
3. Fear of being wrong about whether another's behavior is wrong may promote doing nothing or worse, performing “trial by rumor.”
4. If we accept that ethical codes evolve or grow more perfect and useful, we must permit some flexibility at the margins.
5. Guilt and punishment are not the only appropriate responses to ethical breaches or opportunism. Rehabilitation, reconciliation, and forgiveness are high human virtues for a reason.

Third, the net of opportunism does not belong to individuals; there is only one common net for the group. The potential benefits of soft edges on ethical or opportunistic behavior mentioned above are not an argument for ethical relativism, That is the defeatist and damaging view that individuals or groups are responsible for setting their own standards. I do see, however, an advantage in judging opportunism “relative to” its overall effect on the parties concerned in a collective sense over and above the behavior in an abstract sense. This means there is also a common standard for what is appropriate behavior across the group.

Fourth, it is the responsibility of the members of the group to maintain the net. We have to talk a lot more about expected behavior than is our current practice. Ethics language sometimes slips into the judgmental and the preachy—not of course for those who are making the noise about taking the high road, but for those listening. There is much work to be done along the lines of “let's talk about the best ways to work out these problems.” This is professionalism.

One thought as you close the journal: failure to mend the net of professionalism by discouraging opportunism and speaking up to correct it is itself a damaging type of opportunism. ■

RECOMMENDED READING



Summaries are available for the three recommended readings marked by asterisks. Each is about eight pages long and conveys both the tone and content of the original source through extensive quotations. These summaries are designed for busy readers who want the essence of these references in fifteen minutes rather than five hours. Summaries are available from the ACD Executive Offices in Gaithersburg. A donation to the ACD Foundation of \$15 is suggested for the set of summaries on friendly competition; a donation of \$50 would bring you summaries for all the 2007 leadership topics.

Barney, J. B. and Ouchi, W. G. (Eds.)
Organizational Economics: Toward a New Paradigm for Understanding and Studying Organizations.*

San Francisco, CA: Jossey-Bass.
ISBN 1-55542-015-X; 493 pages;
cost unknown.

Organizational economics is the study of organizations and organizational phenomena using concepts taken from contemporary organizational theory, organizational behavior, and microeconomics. This is a collection of influential papers in the field that have been published previously, including some classics, such as Akelof's analysis of lemons.

Chisholm, R. M.

The agent as cause.

In M. Brand and D. Walton (Eds.)

Action theory.

Boston, MA: D. Reidel, 1975.

One of the few philosophical efforts to analyze agency as a concept in ethics. The emphasis is slightly off target for an understanding of opportunism, being an attempt to establish conditions for responsibility, thus blame.

Pratt, J. W. & Zeckhauser, R. J. (Eds.).

Principles and agents: The structure of business.

Boston, MA: Harvard Business School Press, 1985. ISBN 0-87584-164-3; 240 pages; cost unknown.

This is a set of papers on organizational economics invited to commemorate the fiftieth anniversary of the Harvard Business School. All of the presenters have a connection with Harvard and none are organizational behavior scholars. They look at the topic from the perspective of law, labor relations, accounting, etc.

Sharma, A.

Professional as agent: knowledge asymmetry in agency exchange.*
Academy of Management Review,
1997, 22, 758-798.

In traditional agency theory, opportunism (taking advantage of others in a relationship) on the part of agents while working on behalf of principals is balanced by principals writing contracts to align the agent's goals with their own or by monitoring agents' behavior or metering their productivity. These remedies are not readily available when the agents are professionals because professional agents have specialized knowledge, because supervising the professionals is costly, and because principals typically are co-producers of results along with their agents. Sharma proposes four other mechanisms that are operational in the case of professional agents: self control (a combination of self-interest and altruism), community control, bureaucratic control, and client control.

Williamson, O. E.

Markets and hierarchies: Analysis and antitrust implications.*

New York: The Free Press, 1975.
ISBN 0-02-935360-2; 286 pages;
cost unknown.

Williamson is the leading exponent of organizational economics, a theory that explains why certain economic transactions are more effectively carried on in organizations than through markets. Certainly, professional activities such as dentistry, fall into this category. Organizations imply relationships that promote efficiency, but they also create the conditions for opportunism.