SUSTAINING A RELENTLESS FOCUS ON DOING THE RIGHT THING EVERY DAY IN EVERY ASPECT OF HEALTHCARE IS AN ENDURING CHALLENGE FOR EVEN THE MOST ETHICAL ORGANIZATIONS.

It’s a challenge made more difficult in an era of transformational change for the industry, as stress and uncertainty mount and workloads increase. But the need for healthcare organizations to have a solid ethical foundation—demonstrated and supported by senior leaders and managers at all levels—is especially critical during times of change.

As anyone faced with an ethical dilemma knows, these types of situations are rarely straightforward. That is why having a framework for addressing ethical concerns in hospitals and health systems ensures that the organization’s intentions—its vision, mission, values, strategy and goals—are reflected in the daily work of leaders, physicians, clinicians and staff. Equally important, healthcare leaders must model ethical behavior and instill a culture in which unethical behavior is not tolerated.

In the seminar “Ethical Leadership in Uncertain Times”—a program funded in part by The Foundation of ACHE’s Fund for Innovation in Healthcare Leadership and held in conjunction with ACHE’s Salt Lake City Cluster program this past October—Jack A. Gilbert, EdD, FACHE, a clinical associate professor at Arizona State University, shared that there is a strong bond between an organization’s ethical foundation and its performance.

All aspects of performance—from patient safety and quality of care to the organization’s financial health, level of satisfaction among patients and stakeholders, retention rates and reputation—are affected by how well the organization puts its ethical principles into action, Gilbert says.

“An organization can have an authentic vision that it lives by, but some leaders don’t take the time to think about this vision. When that happens, this vision becomes a statement on a wall that fades into the background,” Gilbert says. It’s what he calls ethical erosion: when the connection between an organization’s beliefs and what it actually does wears away over time—one very small step at a time.

WHEN ETHICAL LEADERSHIP IS PUT TO THE TEST

Ethical erosion, according to Gilbert, is characterized by a series of small, sometimes unnoticed acts that erode ethical behavior, with each act providing a foundation for a more erosive act. Taken together, such acts can lead to significant and even disastrous consequences for both the organization and individuals.
“Ethical erosion is a slow, almost unnoticeable diminish-
ment of values,” Gilbert says. “When you let little wrongs
continue, this makes it easier to slowly slide into commit-
ting wrongs of a larger scale.”

Gilbert pointed to consumer health company Johnson &
Johnson and the ways in which the company both lived up to its inten-
tions and failed to during two crises 25 years apart.

Robert Wood Johnson II, who for-
merly served as president of Johnson
& Johnson from 1932–1963, crafted
the company’s credo in 1943, just
before Johnson & Johnson became a
publicly traded company. The orga-
nization thought so highly of its
credo that it engraved the credo onto
a large piece of limestone that sits in
the lobby at its headquarters in New
Brunswick, N.J. The beginning of
the credo states, “We believe our
first responsibility is to the doctors, nurses and patients, to
mothers and fathers and all others who use our products
and services. In meeting their needs, everything we do
must be of high quality.”

Johnson & Johnson’s credo was put to the test in 1982 dur-
ing what became known as the Chicago Tylenol murders,
in which seven people died after taking cyanide-laced Tylenol. Within 24 hours, the manufacturer pulled the
product off every shelf in the country. “It was a no-brainer,”
Gilbert says. “They didn’t wait. [Johnson & Johnson’s]
action came about because of their credo.” It was learned
that bottles on the store shelves had been tampered with.

In 2008, however, the manufacturer was faced again
with another crisis—but this time, the company was
slow to react to consumer complaints. Fortunately, no
consumers suffered serious health problems. As a result
of this incident and others, Johnson & Johnson’s reputa-
tion suffered.

“Our promise is to our
patients. The one thing we can
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make a commitment to patients
that we will keep them at the
center of what we do.”

–Darlene M. Stromstad, FACHE,
Waterbury Hospital

“It was a lesson for any organization proud of its values:
Without vigilance, there is an ever-
present risk of waiving them,”
Gilbert says.

So how can organizations make
sure they are doing the right thing
every day in these uncertain times?
For Darlene M. Stromstad,
FACHE, president and CEO of
Waterbury (Conn.) Hospital, it’s
about never forgetting the organiza-
tion’s purpose.

“Our promise is to our patients,”
says Stromstad, who participated on an ethics panel during the pro-
gram. “The one ethical thing we
must do is to make a commitment to our patients that
we will keep them at the center of everything we do.”

Adds Joseph N. Mott, FACHE, vice president, health-
care transformation, Intermountain Healthcare,
Salt Lake City, who also participated on the panel:
“Healthcare transformation is an ethical journey for
Intermountain, and we believe that there is ample evi-
dence pointing to overtreatment. Instances of over-
treatment are not, generally, overt, but they do occur
nonetheless. And knowing that overtreatment exists,
we have a duty to search it out and redesign our pro-
cesses to minimize it.”

Gilbert advises organizations to harness the ethical wis-
dom they have by taking steps to ensure the organization
maintains an ethical culture. *Ethical wisdom* is defined as the individual and collective knowledge, experience and good sense to make sound ethical decisions and judgments everywhere, every day.

For example, Barbara S. Ohm, FACHE, administrator, The Orthopedic Specialty Hospital, Intermountain Healthcare, Murray, Utah, says hospital and health system leaders should have practices in place that make it easy for staff to do the right thing.

“Not all [staff] will have the highest stages of ethical wisdom, but the ones who do should be encouraged to help develop the mission, vision and values of the organization,” says Ohm, who also participated in the panel discussion.

The wisdom to do the right thing could come from anyone at any level of the organization, Gilbert says. That’s why maintaining an ethical culture is an organization-wide effort.

**A FRAMEWORK FOR AN ETHICAL CULTURE**

During his presentation, Gilbert shared five disciplines that can guide the development of an ethical culture in healthcare organizations.

**Mindfulness.** This can be described as simply being aware that something unethical might be going on or that a decision might be off. Mindfulness is the private voice of ethical wisdom. It is also “a time for reflection; to take a step back,” Gilbert says.

**Voice.** This step entails bringing mindfulness into the public conversation and sharing ethical wisdom with colleagues and leaders. “What is the voice of the company?” Gilbert says. “Do people speak up when they see or hear a potentially unethical situation? Do they have an opportunity to speak up? Voice is

**THE FUND FOR INNOVATION IN HEALTHCARE LEADERSHIP**

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The Fund was established in 2006 to bring innovation to the forefront of healthcare leadership by developing and enhancing its focus on future healthcare leaders, ethics and innovations in healthcare management. In its commitment to developing future leaders, the Fund also has provided scholarships for the Foundation of ACHE’s Senior Executive and Executive Programs.

Since the Fund’s inception, more than 2,100 generous donors have made contributions totaling more than $3.1 million. This support has enabled the Fund to strengthen the field of healthcare leadership by providing educational opportunities on important trends and issues.

For more information on the Fund, including ways to contribute, please visit [ache.org/Innovation](http://ache.org/Innovation) or contact Timothy R. Tlusty, vice president, Development, ACHE, at (312) 424-9305 or ttlusty@ache.org.
important.” When employees and leaders do not share ethical wisdom, an organization is at risk of repeating its mistakes.

Respect. This is a basic building block of an ethical culture. “We cannot move forward together unless we are willing to listen to each other,” Gilbert says.

Tenacity. This is a central element in doing the right thing and sustaining an ethical focus. Tenacity is about a shared commitment to seeing difficult conversations through to their resolution, Gilbert says, recognizing that a perfect solution is not always attainable.

Legacy. Leaders that are mindful of their organization’s values and legacy create a positive legacy for those who will follow. “Are we doing what we do just for today or for the future as well?” Gilbert says.

4 DISCIPLINES OF ETHICAL LEADERSHIP

Just as there are disciplines that foster an ethical culture, there also are disciplines that foster ethical leadership. Such disciplines are interconnected with the five disciplines of an ethical culture and set the tone for this culture.

Noble purpose. This is the calling of the healthcare organization as expressed in its vision, mission and values and by those who work for the organization, starting with its leaders. “This discipline is important because the business of the business of healthcare is caring,” Gilbert says.

Ceaseless ambition. This is what transforms an organization’s noble purpose into committed, bold goals and action. Ceaseless ambition is critical to preventing ethical erosion and to leveraging ethical wisdom. “Think of the 100,000 Lives Campaign, which later became the 5 Million Lives Campaign. With this initiative, the Institute for Healthcare Improvement set the bar high to create a challenge for change,” Gilbert says.

Candor. Share the good, the bad and the ugly in a spirit of acknowledgment and engagement for the future.

Passion. A passion for healthcare’s calling to care, combined with rational arguments regarding the need for ethical behavior drives change in healthcare organizations. “Passion reflects a true commitment to care, which can fade if it is not cultivated,” Gilbert says.

Preventing ethical erosion and leveraging ethical wisdom within healthcare organizations are never-ending quests for healthcare leaders and staff—but they are endeavors that patients and their families depend upon.

“What is the voice of the company? Do people speak up when they see or hear a potentially unethical situation? Do they have an opportunity to speak up? Voice is important.”

—Jack A. Gilbert, EdD, FACHE, Arizona State University

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Editor’s note: For information on ACHE’s many ethics resources, including the Code of Ethics and ACHE’s Ethics Toolkit, visit ache.org and, under About ACHE, click on ACHE’s Commitment to Ethics.