What Boards Miss in Their Oversight: The Power of Culture

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Our Experiences as Compliance Professionals: 1996 - Today
The Control and Power of Culture

- How, what, and why things are done
- Rules vs. Culture
- “Culture determines and limits strategy.”
  - Dr. Edgar Schein
- Paraphrased by many:
  - “Culture eats strategy for breakfast.”
  - “Culture eats strategy for lunch.”
  - “Culture trumps everything.”

Shades of Compliance and Ethics

- Compliance with Laws and Regulations
  - Compliance with Laws, Regulations, Policies, and Values (Could vs. Should)
- Compliance and Ethics Are Part of Decisions, Strategy, Performance Metrics, Discipline
Transition From Compliance and Reporting to Ethical Culture: The Obstacles

The 6 Culture Influences

- Leaders
- Language
- Enforcement
- Financial Drivers
- Believing the Studies
- Belief in Inherent Goodness
- Too Much Information/Too Little Information
Financial Drivers
What you measure
What behaviors result
Data cross-comparisons

The Belief in Health Care
That WE Are Ethical

Ends and Means
Rules vs. Taking Care of Patients
Conflicts? Never!
Our Language
Lack of Introspection
Regulator bashing: “They are picking on us.”
“Not really a big thing”
Doesn’t everyone have a corporate integrity agreement?
The Struggle to Acknowledge Cultural Issues

Believing the Studies
Compliance Program Maturity
Employee Engagement
Ethics Surveys
Surveys vs. cultural assessments
Enforcement

Timeliness
Consistency
Firing the “Stars”
“Enforcement is to organizations what integrity is to individuals.”

Key communication: Who is fired? Who is hired? How long do those actions take?

Leadership

Boards
Executive Management
Compliance officer's reporting, relationships, and seat at the table

The risk of using leadership video messaging and ethics “talks”
Too much information
Too little information

Following the basics
Drowning in the board book
The skill of tracking information from meeting to meeting
Industry issues and developments
Dangers of the committee structure

Changing Culture

The importance of visible and dramatic change for a real culture shift
Leadership changes
Board involvement
Investigation backlogs
Restructuring