

**Response to the Papers of Charles M A Clark
(Practical Wisdom and Understanding the Economy:
The Financial Crisis as a Case Study) and
Theodore R Malloch (Doing Virtuous Business)
by
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Abstract: This response will make general comments concerning the content and impact of the reviewed papers and then focus on the implementation (practical wisdom) of the papers major points, using examples from the experience of Ascension Health's measurement and formation programs. In response to the Clark paper I will present examples of how Ascension Health has attempted to measure organizational spirituality and the principles of Catholic healthcare. In response to the Malloch paper I will discuss how Ascension Health is fostering the development of virtuous leaders.

Practical Wisdom and Understanding the Economy: Clark's major theme is that, by adopting an exclusively scientific model, the field of economic analysis has lost the ability to make moral judgments or assessments of behaviors related to the economy. He observes, however, that imbedded in the models used by economic analysis there are implied values: "theories and models help us to categorize reality, but these categories are humanly created and are based on value judgments". The question of practical wisdom which Clark's paper illuminates for me is: if the economist will not enter the realm of virtue, how does the ethicist or other practitioners of moral and spiritual constructs enter the world of empiricism and business measurement? Measurement is a critical component of commerce. If the ethicist and spiritual practitioner cannot demonstrate that virtue and values can be measured, they risk the perception of being irrelevant in the eyes of the economist and business person.

At Ascension Health we use a number of business tools which include the use of spiritual or value-based measures. Ascension Health, a not-for-profit, faith-based system with 67 critical care hospitals in twenty states and the District of Columbia, and over 106,000 associates conducts business as a corporate ministry in the marketplace. We operate with one foot in the business world and one foot in the Church. To assess the impact of its strategy in the marketplace Ascension Health uses a corporate scorecard which is similar to many other corporations. Our Integrated Scorecard is a very high-level tool which assists senior leaders throughout the system in the assessment of how we are progressing in our *Call to Action* for Healthcare That Works, Healthcare That Is Safe and Healthcare That Leaves No One Behind. The Integrated Scorecard is a small set of metrics tuned to the *Call to Action*. Not surprisingly, it includes budgetary measures, supply chain compliance, mortality rates and a measurement of our care for those who are poor. But from 2004 through 2009 it has also included a measure for workplace spirituality.



Integral Model for Mission Integration & Spirituality: A TOOL TO HELP US IDENTIFY & DEEPEN SPIRITUALITY IN THE WORKPLACE

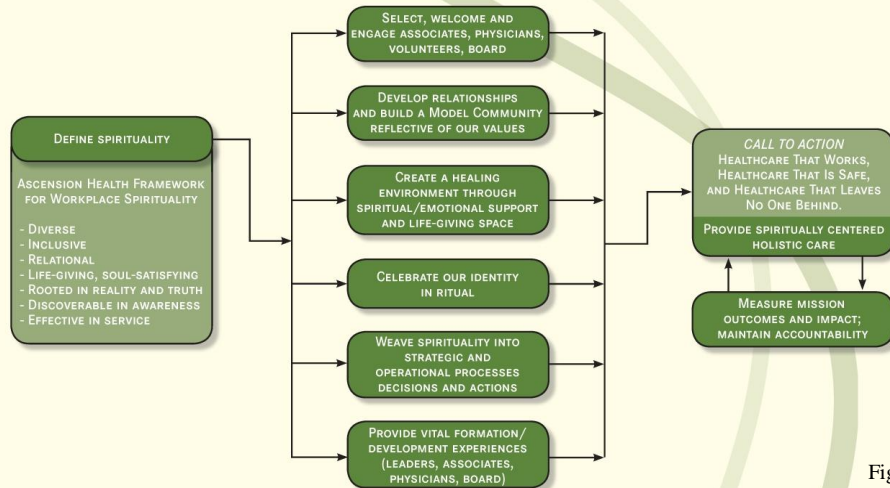


Figure 1



ENABLING STRENGTHS | INSPIRED PEOPLE | *Workplace Spirituality*

Ascension Health has an Integral Model for Mission Integration and Workplace Spirituality (see Figure 1) and each quarter its ministries (hospitals) have reported their progress in implementing this model. Deciding whether to put spirituality on the scorecard was a debated process. Some felt that it was inappropriate to try to measure spirituality; others felt that spirituality would be enhanced if leaders were held accountable in some measurable manner. The latter argument was persuasive. And, during its five years on the Integrated Scorecard, many proven practices in spirituality were documented and shared throughout the System. These proven practices include: the introduction of potential hires to the Ascension Health values in order to determine a good fit; celebrating our 400 year heritage of healing ministry on special feast days and the integration of spirituality into operations through our Organizational Ethics Discernment Process. Implementation of these and other practices are captured on the Integrated Scorecard.

In addition to its high-level corporate Integrated Scorecard, Ascension Health initiated the design of another values-based measurement tool which is data-driven. It is known as the Catholic Identity Matrix (CIM). It was conceived in 2006 in response to a request from Ascension Health's religious sponsors. As shown in Figure 2, the CIM is used to assess how six principles or virtues on the vertical axis are expressed throughout the organization using a maturation framework in the horizontal axis. In 2006, the senior leaders at Ascension Health provided an assessment in each cell of the CIM using a three level stop-light scheme (red, yellow, green). For example, in the upper left cell we assessed how well we have planned for demonstrating Solidarity with Those Who Live in Poverty. The sponsors were pleased with the design of the CIM assessment but asked for further rigor in how the assessments in each cell were conducted. This led to a collaboration between Ascension Health and the SAIP Institute at the University of St. Thomas. The SAIP Institute had developed a means of conducting in-depth assessments for

how organizations operationalize their values. The SAIP process uses specific questions and seeks measurements in each cell of the matrix to determine a level of maturation, which is expressed on a six-level scale. For example, the measurement of Holistic Care is determined by the level and trend of reported patient satisfaction with emotional and spiritual care.

Figure 2: The Catholic Identity Matrix

	Planning	Alignment	Process	Training	Measurement	Impact
Solidarity with Those who live in Poverty						
Holistic Care						
Respect for Human Life and Dignity						
Participatory Community of Work and Mutual Respect						
Common Good/ Stewardship						
Act in Communion With the Church						

The CIM is designed to help a Catholic healthcare institution evaluate the degree to which its current policies and operating processes are consistent with the aspirations of the Catholic moral tradition. The CIM translates standards founded upon this tradition into detailed behavioral benchmarks for Catholic healthcare services. By illuminating gaps between these detailed requirements and its present practices, the CIM enables an organization to modify its operations in a way that brings behavior into closer alignment with moral aspiration. Thus, the CIM catalyzes both critical reflection upon an organization’s current state and practical improvements guided by Catholic moral teaching, thought, and practice

The CIM does not provide a “quick fix” to the challenge of Catholic institutional identity. Rather, it is a multistage process involving data collection, scoring, feedback, and action. It begins with an organizational self-evaluation that entails a careful, evidence-based examination of the institution’s current policies and processes. By facilitating qualitative and quantitative analyses of the self-assessment’s results, the CIM leads to the formulation and implementation of improvement initiatives that can help healthcare institutions realize more fully the critical ideals

of the Church's moral tradition. Woven into an institution's processes, the CIM establishes a discipline of continual learning and improvement that helps to build and sustain Catholic identity over time.

After the collaboration with the SAIP Institute, the CIM assessment was administered again at the Ascension Health System Office in 2007 using the new process, and it greatly assisted the determination of value-driven strengths and opportunities for improvement. The Ascension Health Board of Directors has encouraged the use of the CIM at individual hospitals and in 2008 it was modified for use at that level. To date a total of ten Ascension Health Hospitals have been assessed using the CIM. Results vary significantly but several themes are consistent: first the leadership teams who have used the CIM report that the dialogue which ensued during the assessment was in itself transforming and second the CIM assessments have identified significant strategic opportunities for the organization to enhance how well it has actualized the principles of Catholic identity.

Ascension Health's inclusion of its Integral Model for Mission Integration and Workplace Spirituality on its corporate scorecard and the Catholic Identity Matrix are examples of how the assessment of virtues and principles can be integrated into business metrics. They are arguably at a nascent stage of development but offer promise and a method for proponents of virtue to enter the business dialogue. Without such measures of impact, proponents of the practice of virtue are ill equipped to enter the boardrooms of large organizations.

Doing Virtuous Business: Malloch argues that the prevailing negative narrative which describes business as largely selfish and greedy is inaccurate. He points to the many businesses that provide high-quality goods at a fair price as the dominant model. He then asserts that it is essential in this more positive model of business to develop virtuous leaders. He encourages the development of a sense of calling and discreet "habits of the soul" for leaders who would operate in this model.

While I strongly endorse Malloch's call for the development of virtuous leaders, it is only fair to note that as the Vice President of Formation, my role is to do precisely what Malloch advocates. So in response to his paper, I'll attempt to describe some of the lessons learned in two of Ascension Health's more mature formation programs.

In 2004, Ascension Health initiated Formation for Catholic Healthcare Ministry Leadership (FCHML), a two-year, intensive program designed for individuals who have demonstrated the desire and ability to lead healthcare as a ministry. Each year 25 executives are selected for the program based on an extensive narrative application and the nominations of their CEO's. Early in the program, participants are asked to examine how and why they were drawn to faith-based healthcare and the nature of a "calling" is discussed. Their response is usually quick and powerful. They see their work as a calling.

Also, during the program, participants attend eight spiritual retreats, complete six ten-week courses in theology presented by the Aquinas Institute of Theology, select their own spiritual director and complete an integration project which demonstrates that they can apply their theological reflection into the everyday business of their Health Ministry. As an example of how

these components are integrated, after completing a ten-week course on the Catholic Social Teachings, participants attend a retreat wherein these teachings are reinforced and then they experience a reflection wherein they are asked to assess how it is that they, a well paid executive, feel solidarity with the poor. This is a powerful experience for many participants. Often they feel a need to act on behalf of justice. Many of the participants have chosen a project which fosters social justice in their ministry or in their community as result of this theological reflection. For example, one participant was a devout Jew and the system-level VP for compensation. During the Social Justice course he was exposed to the Catholic Social Teachings and found that they resonated very well with his faith tradition. He asked for additional materials to read on the subject of the Church's social teachings. But during the retreat that supported this course he was perplexed by what he saw as a dissonance between the social teachings and the system's practices for executive compensation. So for his project he and another participant in the formation program developed a redesign of the executive pay structure. And, they presented their proposal to the Ascension Health Board of Trustee's Compensation Committee. They did not get every thing they asked for but they did make significant changes which were put into place in July of 2009.

In another example, twelve participants in one formation class were concerned that managers throughout the system are not adequately exposed to teaching on the meaning of being a ministry. We call our hospitals ministries, but this group challenged that our managers truly understand what that means. So for their project they chose to design, lead and develop funding for a Management Formation program. The leader of this team was a new convert Catholicism and the team composition was a mix of Protestants and Catholics, all of whom felt great responsibility for deepening the sense of ministry in our managers. The program was successfully designed and its piloting began in Birmingham AL in July 2009. It is intended to spread the program to our ministry in Tucson AZ in 2010.

Assessing the impact of the two-year FCHML program has been revealing. Through a retrospective questionnaire, we have clearly tested for and demonstrated cognitive proficiency in the critical theological principles including an understanding of healthcare as a ministry, social justice, ethical discernment, workplace spirituality and leading prayer. Impact has also been assessed by tracking the integration projects, as many of them have been implemented system-wide. But perhaps the most powerful, albeit totally unintended, impact is the fact that out of the first 100 people to experience the program, five individuals made a career change and have pursued an advanced degree in theology.

In 2006, recognizing that the entire executive corps of Ascension Health (over 600 people) would benefit from formation, a second formation program was added, Ongoing Executive Formation (OEF). The behavioral expectations for OEF are the same as for the two year formation program (see appendix A), but the approach is more gradual and OEF is conducted as a group formation for the Senior Leadership Team at each Health Ministry (hospital). An OEF coordinator has been trained at each Health Ministry and a variety of materials has been developed, tuned to the same objectives as the two-year FCHML program, albeit at a less intense level. Each year the CEO is responsible for assessing the value of OEF. While these assessments have expectedly discussed things like an improved capability in the ethical discernment process, a great awareness of social justice issues, and a deeper understanding of

healthcare as a ministry, there has been a powerful unintended consequence of this formation. Many CEOs have reported a deeper level of trust and greater ability to communicate among the leadership team. Experiencing formation as a team had a profound communal effect.

In 2008, pilot formation programs were begun for physicians and for our Health Ministry's Board of Directors. And, as mentioned in 2009, Manager Formation was begun as a pilot and as the integration project for the fourth group to go through the two-year FCHML program. At Ascension Health, formation is a growing business.

Given that these programs present the Church's theological tradition, call their participants to reflect on the implications of that tradition on today's delivery of healthcare, and teach reflective processes such as centering prayer, Lectio Divina and ethical discernment, I think all of them speak directly to Malloch's call for developing "habits of the soul". The theological reflection, ethical discernment, social action, and workplace spirituality which our formation participants experience and learn to apply are our attempt to nurture these "habits".

Appendix A

Core Executive Formation Expectations

- **Describe how Catholic healthcare is a ministry of the Church**
 - Develop, within our diverse workforce, a sense of unity regarding our healing mission
 - Describe how the Church understands ministry
 - Characteristics of a ministry
 - Constitutive elements of Catholic Identity
 - Nature of sponsorship
 - Relationship of Catholic healthcare to the local church
 - Discuss the personal sense of meaning derived from participating in the healing ministry
 - Explain the innovative and service-focused spirit and heritage of Ascension Health sponsors
 - Demonstrate how strategic planning derives from our mission and values
 - Identify current challenges to conducting healthcare as a ministry and how these challenges are addressed

- **Recognize your personal leadership style and opportunities to improve as a servant leader in the healing ministry**
 - Use leadership style preference tools to assess your strengths as a servant leader and to develop a personal development plan
 - Understand your personal leadership strengths as “giftedness” which you bring to the healing ministry
 - Relate feedback from associate climate surveys (on you or your area of responsibility) to your personal development plan, particularly as the feedback relates to building a climate of trust, nourishing others, and developing a focus on service to others
 - Explain your leadership role as service in the healing ministry
 - Grow in the ability to exercise a highly effective leadership style as an expression of spiritual depth and centeredness

- **Apply the Integral Model for Workplace Spirituality**
 - Use the integral model of workplace spirituality and *The Framework for Fostering a Spirituality of Work* as organizational development tools
 - Discuss your own understanding of spirituality and how it relates to the healing ministry
 - Engage others in discussing their spirituality and how it relates to their service in the healing ministry

- Demonstrate how “*The Call to Action*” connects us to a deeper purpose in transforming healthcare, as the healing presence of God

- **Facilitate spiritual reflection**
 - Use personal reflection to increase your understanding of Ascension Health’s values
 - Create an awareness of God’s presence in business meetings, to include leading prayer
 - Develop strategic plans which are realistic, creative and hopeful, and which are evolved from discernment and reflection

- **Understand and actualize Catholic Social Teaching (CST)**
 - Discuss the primary themes of CST
 - Identify CST in action within Ascension Health
 - Apply CST to local ministry initiatives including:
 - Just wage
 - Participation and Subsidiarity
 - Preferential option for the poor
 - Recognize constraints to implementing CST and how these constraints can be mitigated
 - Provide advocacy for the poor and underserved

- **Use the Organizational Ethical Discernment Process**
 - Discuss the advantages of the Ascension Health Organizational Ethics Discernment Process
 - Discuss the Ethical and Religious Directives’ impact on discernment
 - Recognize when it is appropriate to use the discernment process
 - Use the discernment process for significant ministry issues