The importance of organizational culture in a non-profit hospital: the soft side of healthcare transformation

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Abstract

This paper presents the results of the partnership between academic group, a consulting firm, and a philanthropic hospital, aiming to diagnose its organizational culture and develop an evolution plan. The knowledge of a company's culture is fundamental to its management and changes efforts. Interviews were conducted with employees and two surveys were applied, one adaptation of the OCAI, developed by Cameron and Quinn (2011), and other based in values, investigating the convergences. The diagnostic highlighted critical points and improvement opportunities, revealing a gap between current and desired culture, and a lack of alignment, facilitating the co-creation of an evolution plan.

Keywords: Change Management, Healthcare, Organizational Culture

Introduction

According to Katzenbach et al. (2016), "culture is the self-sustaining pattern of behavior that determines how things are done". In the definition of Edgar Schein, "organizational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems" (SCHEIN, 1984, p.3). It is made of instinctive, repetitive habits and emotional responses and it cannot be copied. A company's culture is its basic

personality, the essence of how its people interact and work, and it contains reservoirs of emotional energy and influence. Thereby, when positive culture forces and strategic priorities are aligned, companies can draw energy from the way people feel, which can lead to competitive advantage (KATZENBACH, et. al., 2016). The culture provides a well-rooted sense of purpose within an organization, keeping everyone marching in the same direction (MICHELMAN, 2017).

An effective culture can account for 20-30 percent of the differential in corporate performance, compared with competitors with less remarkable cultures, according to Heskett's book "The Culture Cycle"[1] (2011) (*apud* CAMPBELL, 2011). Nevertheless, recent research shows that in many companies there are gaps between the desired culture and the culture experienced by the employees, creating inconsistency and confusion for employees and customers. Successful companies are able to identify these gaps and implement strategies to reduce them, taking actions that move the company towards the desired state. Strong cultures must always be reinforced, with performance management systems aligned with the cultural aspirations, so that employees can better understand what behaviors and values are prioritized in this environment and they can be recognized when their actions support the desired culture (DVORAK; NELSON, 2016).

Organizational culture has, according to research, five significant drivers: leadership and communication, values and rituals, human capital practices and policies, work teams and structures, and performance. In the context of values and rituals, it is important that they are aligned with the company's purpose, related to its culture. Values should guide the employees in their day-to-day tasks and the actions based on that must be recognized to foster a culture based on what matters the most to the company. In order to shorten the gap between the current culture and the desired one, companies must bring their values to life, in a way that they resonate with employees and influence the way work gets done (DVORAK; NELSON, 2016).

Ideally, company's core values must define how people will behave with each other and its customers (CANCIALOSI, 2015). The values that a person prioritizes shape their relationships, behavior, choices and personal identity. When values and actions are synchronized, the person feels confident and satisfied, with a less stressful and more productive life, and when it does not it can create a negative energy and bring a sense of uneasiness. Therefore, it is important that personal and organizational values are aligned, so that employees can feel comfortable with their actions and thoughts and behave in a way that fits their personality and the goals of the company in order to reinforce the desired culture (KROPP, 2015).

Several studies have already examined possible classifications for the different types of organizational culture found in companies, such as the division proposed by Charles Handy (1996) in four different types (Zeus, Apollo, Athena and Dionysus), the one proposed by Sethia and Von Glinow (1985), with a division, also, in four different types, and the most recent proposal by Groysberg et al. (2018) with eight types of culture. A well-known method is the one of Quinn and Rohrbaugh (1981; 1983), with the creation of the Competing Values Framework (CVF), as shown in Figure 1, a four-quadrant model that was later developed by Cameron and Quinn (2011), promoting the relation of each quadrant to a different kind of organizational culture (Clan, Adhocracy, Hierarchy, and Market) (HANDY, 1996; SETHIA; VON GLINOW, 1985; GROYSBERG et al., 2018; QUINN; ROHRBAUGH, 1983; QUINN; CAMERON, 2011).

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[1] HESKETT, J. L. (2011), The Culture Cycle. 1. ed. Pearson FT Press, New Jersey.

The denomination given to the types of organizational culture of the CVF is related to the particularities of each cultural profile. The **Clan** type refers to a culture with an internal and more flexible focus, where a family environment prevails, with integration among members and comprehensive participation in decision making. The culture of **Adhocracy** is also flexible, but focused on the external environment, adapted for action in new opportunities, with high dynamicity. The **Hierarchy** type has more stable characteristics and internal focus, being moved by rules and formal aspects, aiming at the maintenance of its services. **Market** culture, on the other hand, also values stability, but focuses on the external environment, characterizing companies that prioritize productivity and competitiveness (CAMERON; QUINN, 2011).
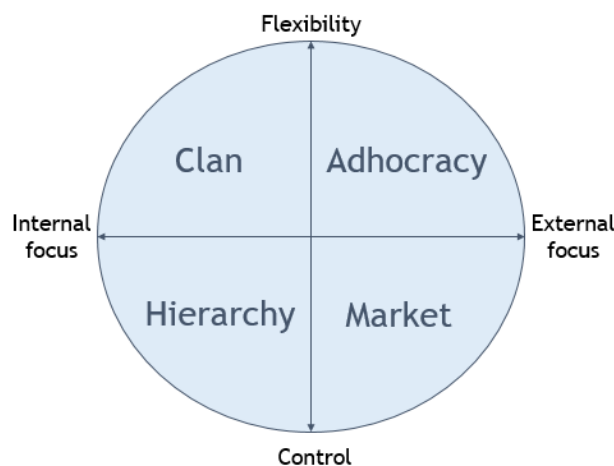

Figure 01: Competing Values Framework (CVF)

Considering the importance of understanding the soft side of organizations, regarding its culture, core values and employee engagement, a partnership was promoted between the University of São Paulo and the philanthropic hospital *Santa Casa de São Carlos*. **The main objective of the project was to analyze different aspects of the hospital's organizational culture, understand the state desired by employees and leaders and evaluate the gap between these states, co-creating a collective plan of organizational evolution**. The study of these aspects and the implementation of the plan of evolution can lead to improvement in performance and engagement in this environment. Considering the context of a healthcare institution with a purpose of philanthropy, these improvements can help to increase the number of patients assisted by the hospital and improve the quality of service for the population.

The hospital operates in the city of São Carlos, state of São Paulo, Brazil, and assists a population estimated at 400,000 inhabitants of the city and its microregion, being a reference in healthcare. The institution is 126 years old and has currently 330 beds including intensive care, coronary care, infant and neonatal intensive treatment units. The hospital employs 1,100 workers and has a medical staff of 350 physicians. The project of the partnership was directly executed by 17 people and involved more than 150 people of the hospital's staff. More than 290 hours were dedicated by the hospital's team to the project.

Research Method
The project's method had two approaches, quantitative and qualitative. The qualitative part involved interviews with more than 35 members of the organization, each one lasting 45 to 60 minutes, held in June and July of 2017. The questions were based on

aspects of the daily routine in the hospital and the vision of the employees and leaders about the weaknesses and strengths of the organization. It was asked, for example, how people understand and define the current culture of the organization, what are the critical factors of success, what is the legacy of the organization for the society, what changes are happening externally and the hospital is not following up, what they wish for the organization in the future and what are the main obstacles to achieve it. The interviews allowed to better understand the structure of the hospital, the behaviors most valued and the most relevant difficulties. It also brought some insights of changes that could be made towards a better performance and increase of the satisfaction in this context.

The quantitative side of the analysis was based on the study of authors as Robert Quinn, Kim Cameron (CAMERON; QUINN, 2011) and Richard Barrett (2010). It contained two different surveys, involving 108 respondents. The first one was adapted from the Organizational Culture Assessment Instrument (OCAI), developed by Cameron and Quinn (2011), making it shorter and easier to respond. In this instrument there are 6 items with 4 alternatives each, so that each alternative relates to a type of organizational culture. Initially, the questionnaire is applied to diagnose the current culture, and 10 points should be distributed in the alternatives of each item, with an increase in the number of points proportionally to the similarity with the reality of the organization. Then the method is repeated, but this time analyzing the desired characteristics. After analyzing the data, it is possible to establish numerically and graphically the variations between the current and desired culture. The original instrument was validated in several researches, as mentioned by the authors themselves (CAMERON; QUINN, 2011).

The second survey applied in the organization was related to organizational values. It was divided in two parts, in which the first one was to choose ten values between a hundred that most represent the current state of the organization and the second part was to choose the same number of values that represent the desired state of the organization for the respondent. This survey was developed in the research group, based on an activity promoted by its members of searching different values in the academic literature and in company's published information and correlating them with the types of culture of the CVF. The relationship found between the values and types of culture is not validated yet, but more studies are being made in order to increase the credibility of this experiment. The survey method was inspired by the work of Richard Barrett and his Personal Values Assessment (PVA)[2]. That data was the basis for the development of a relationship between each value and the different types of culture of the CVF. That way it was possible to observe the diagnosis based on the same framework and through different approaches, promoting a quantitative analysis with more than one point of view.

The integration of the results acquired by each method led to a broad analysis of the current profile of the organization regarding aspects of culture and employees' alignment. The union of the quantitative and the qualitative parts allowed observing a convergence in some critical points signaled through all the approaches, with each method corroborating results obtained in the other ones. Consequently, it was possible to realize what are the main problems and strengths of the organization, highlighting points to focus on the development of the evolution plan posteriorly. This integration

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[2] Personal Values Assessment. Available in <https://www.valuescentre.com/our-products/products-individuals/personal-values-assessment-pva> Latest access: May 4th 2017

also helped to validate the results obtained through each method so that the collected data could be used as basis for the next steps of the project.

Even with the positive considerations of each method, there are a few ponderations about them that are important to emphasize. The considerable complexity of the OCAI method, for instance, was a factor that decreased the number of respondents on this survey, that was 43, and not all of the responses were complete, compared to the second one that has a much simpler way to execute, with 169 respondents. The Table 01 contains some of the main points to be considered about the negative and positive aspects of the used methods.

Table 01: Method comparison

	Survey OCAI	Survey based on values	Interviews
Positive aspects	Empirically validated in different researches	Ease of implementation, since the only need is the choice of 10 items among the existing 100	Enables the real understanding of the organization's routine, with members relating the vision they have of the company and its weaknesses and strengths
		Ease of response even for people of operational level	Diagnosis that complement the results obtained on the quantitative methods
		It's quick to answer, which enable more responses to be achieved	
	Diagnosis based on the CVF	Diagnosis based on the CVF	
Negative aspects	Complexity of execution, since it is necessary to perform a point counting process based on the relativity of each item in the studied context, adding up 100 points in total	It was developed by the research group, which means that it's not validated yet in academic literature	Since it requires a real conversation with the project team, the members could feel scared or embarrassed of sharing all the information that they could provide
	Operational and tactical level people find it difficult to respond	The analysis of values purely does not allow identifying cultural archetypes or linking cultural profiles to strategic positioning	

Results

Considering these negative and positive aspects, the integration between the methods reveals even more important to acquire a complete approach of the hospital's situation and obtain a full diagnosis. The results obtained through the integration of the diagnosis of the OCAI and the survey based on values showed that the archetype of the organization observed by its members is more concentrated on the Clan quadrant of the CVF. It means that the members of the hospital consider that the hospital has a profile internal focused and flexible.

In the representation of the archetype of the desired culture, it is also possible to visualize that the profile most wanted for the organization is related to the Clan quadrant, but with the characteristics of this type of culture even more pronounced in this context. The comparison between the archetypes of the current and the desired culture also shows that the members want the organization to be less alike the Hierarchy and the Market types of culture. The main gaps of values between these states can help to understand the desired changes for this environment. The values are summarized in the Table 02 that only presents those values most voted by the survey respondents. The Figures 02 and 03 show the quadrants of the CVF with each dot representing the most voted values for each situation. Some of these values, however, were not identified with any of the quadrants, what shows a need of further studies and development of this subject.

Table 02: Values with bigger gaps

Value	Correlation* with Culture Types (CVF)	Votes for the current culture	Votes for the desired culture	Gap
Collaboration between groups	Not identified	18	38	20
Well-being	Not identified	10	29	19
Financial stability	Market	1	20	19
Shared vision	Not identified	3	17	14
Members recognition	Clan	0	13	13
Continuous improvement	Hierarchy	19	31	12
Leadership development	Not identified	9	19	10
Sharing information	Clan	13	22	9
Innovation	Adhocracy	6	15	9
Balance	Not identified	5	14	9
Encouragement	Market	2	11	9
Professionalism	Hierarchy	12	20	8
Job stability	Clan	8	15	7
Shared values	Not identified	0	7	7

* The correlations have been developed by the researchers and it is still not validated.

The interviews collaborated on the contextualization of the team on the problems presented in the daily routine of the hospital. From the situations presented by the leaders and the employees it was possible to categorize and realize what are the main critical success factors observed by them. The categories most relevant on their considerations were "capacity to change", "communication", "financial health", "model and strategy of business", "improvement culture", "reformulation of the organizational structure", "management and leadership competence", "change strategy" and "positive mentality". Besides the presentation of the problems, there were some interesting ideas and insights presented by the interviewees to solve those issues.
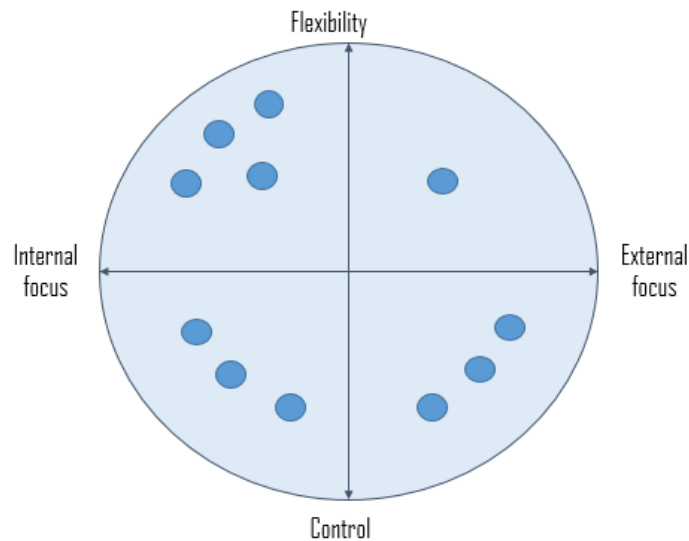
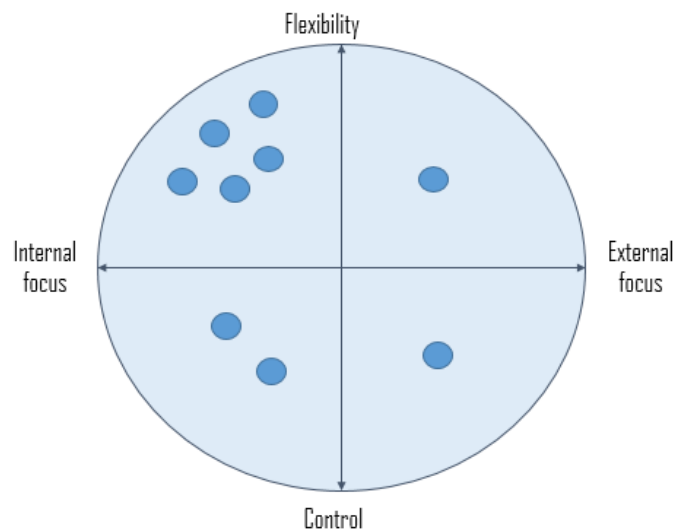*Figure 02: Archetype of the current culture*

Figure 03: Archetype of the desired culture

This qualitative analysis also allowed recognizing the strengths of the institution observed by its members. There was a great convergence in relation to some factors that were highly cited as positive in that environment, increasing the satisfaction of its employees and patients and representing a differential of the company, increasing its impact and growth potential. The factor most cited was related to the new leadership orientation of the hospital that has a great acceptance from the others and is promoting good changes. The other factors are the hospital's high complexity, the people, its noble cause, its impact, its legacy, the environment, the management, the relationships and its future. The importance given to factors such as the leadership style, the people, the management, relationships and other social causes reveal the presence of characteristics of the Clan quadrant in the hospital's members, which corroborate the results obtained through the surveys.

The analysis of the values with the bigger gaps for the current and the desired culture can be integrated with some of the aspects observed in the interviews. Table 03 contains some of the quotes of the hospital's members during the talks that can be related to the main considerations for changes within the hospital.

Table 03: Relationship between values and quotes

Value	Quote
Collaboration between groups	"Here everyone stays at its own island, taking their department like it's a public job, and the physical space favors this."
Well-being	"We need to be an organization that brings well-being to everyone here"
Financial stability	"Until we have structured the financial management of the hospital, we will not be able to move forward."
Shared vision	"We need to have a collective goal, without prioritizing individual interests"
Members recognition	"We lose many good people for lack of recognition"
Continuous improvement	"If you don't involve people, nothing will change here"
Leadership development	"We need to empower leaders, we don't have a strong leadership in management."

Considering the purpose of healthcare within a hospital and the philanthropy that guides the actions in this environment since its beginning, the results were in line with the expectations for the members and their goals. The social cause and the sense of collaboration with people are the causes that move people there and it is the reason that takes them there and makes them feel satisfied with their jobs. It is also interesting to observe that they want to have more features related to the integration group, which means that they want an environment with more union among all sectors and a better acceptance of different styles and visions, increasing the tolerance and transparency.

All the results obtained were the basis for the next step of the project, the co-creation between the project team and the hospital's members of a plan of changes to be implemented to accomplish their wishes. It was held a workshop in October 20th 2017 (Figure 04) with the entire team to discuss about the diagnosis and think about the main points to focus. The ideas raised on the interviews were carefully studied to understand whether they should be implemented or not and there was also the opportunity to develop new ideas. The strategy of change was guided by the DICE model, developed by BCG (SIRKIN et al., 2005), and the study of Kerber and Buono (2005) about the capacity of change. It was created a board with the strengths and opportunities of the current state of the institution and all of these data were used to rethink the organizational culture, aiming at the desired state for the majority of the members.

Figure 04 – Workshop (October 20th, 2017)

Conclusion

The analysis of the results and the brainstorming during the workshop helped the hospital's team to decide what they want to do now in order to improve their performance and the satisfaction of their stakeholders. This opportunity can help them contribute even more to the society and expand the number of patients supported, improving also the quality of service offered. Based on that, the main contributions of the partnership were in terms of research of the methods used and the integration between them, observing the consequences of this union and the convergence of results obtained through all the approaches. In addition, it can collaborate with the members of the hospital in their daily work, promoting changes that will improve their quality of life and their productivity at their functions. In a healthcare context, these improvements can directly influence the society assisted by the institution, creating a better environment for them, more focused on the patients and guided by values truly aligned with the purpose of the employees, what increases their engagement.

Acknowledgements

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