The Culture-Strategy Connection:
Shaping Organizational Culture to Drive Long-Term Success

DRCHSD SUMMIT

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Questions We'll Answer

How might my organization's culture play a role in its long-term success?

How do I define my organization's culture as it currently exists?

How can I intentionally influence culture to better align with long-term goals?

Culture is…

A pattern of shared basic assumptions that a group learns as it solves problems of external adaptation and internal integration…

…that has 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.

Adapted from Edgar Schein (2017): Organizational Culture and Leadership

How Does Culture Show Up?

Artifacts & behaviors

Espoused values

Assumptions
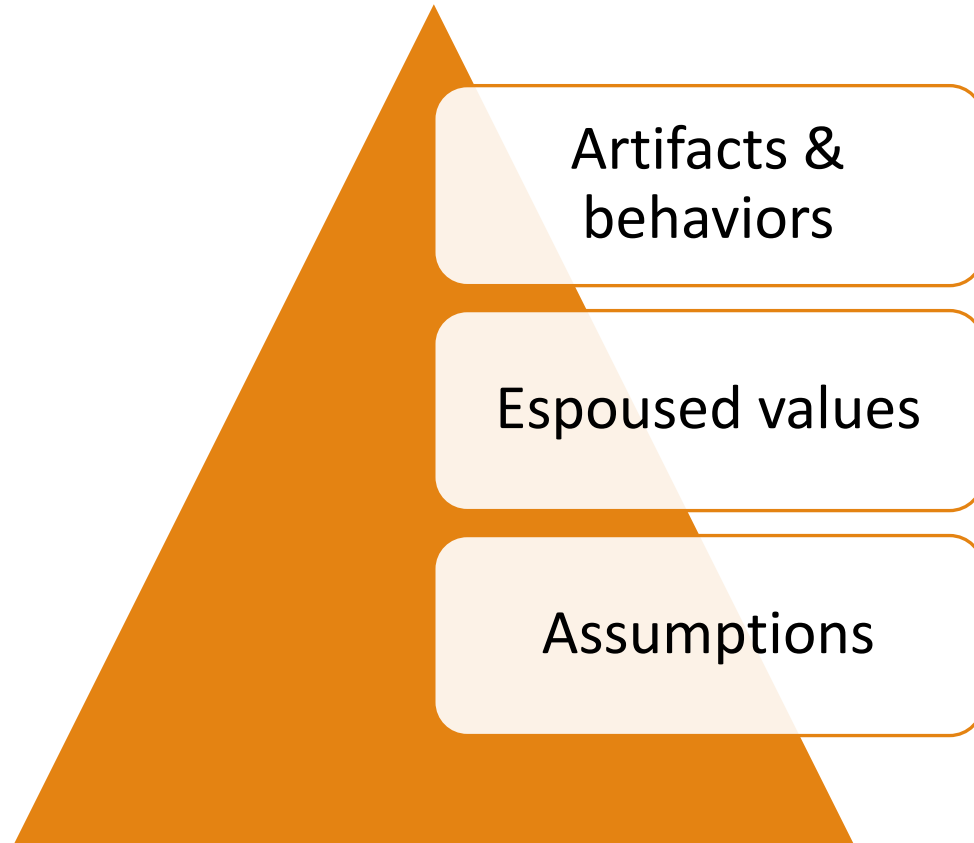
Observable, tangible

"Official"; shared internally and externally

Deeply embedded; often subconscious

Schein, 2004

Development of Culture
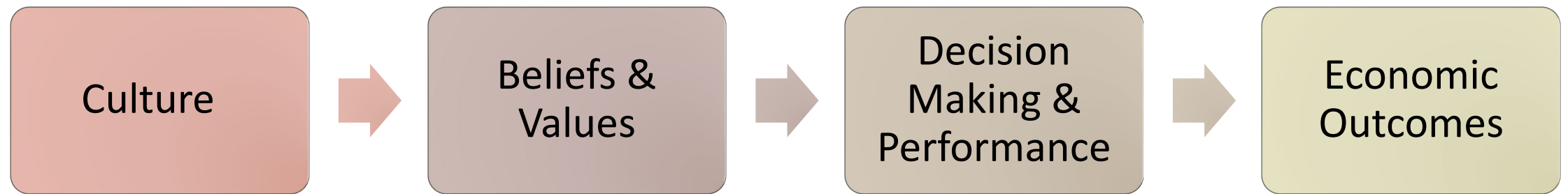
Founders' values and way of operating

Behavioral norms evolve – consistent with values

External environment

Chain of Influence

Culture → Beliefs & Values → Decision Making & Performance → Economic Outcomes

Smith, Mannion, & Goddard (2003).

Supporting Research: The Culture-Outcome Connection

Positive culture consistently associated with patient outcomes

Braithwaite et al., 2017

Organizations in the top quartile for culture outperform those in the bottom quartile on employee engagement, physician engagement, quality, patient experience, and employee turnover

Owens et al., 2017

"Healthy" health care organizations:

- Total shareholder returns 3x higher than "unhealthy" organizations
- Higher patient satisfaction, lower readmission rates, shorter patient time in ED than those in the middle and low end of the Organizational Health scale

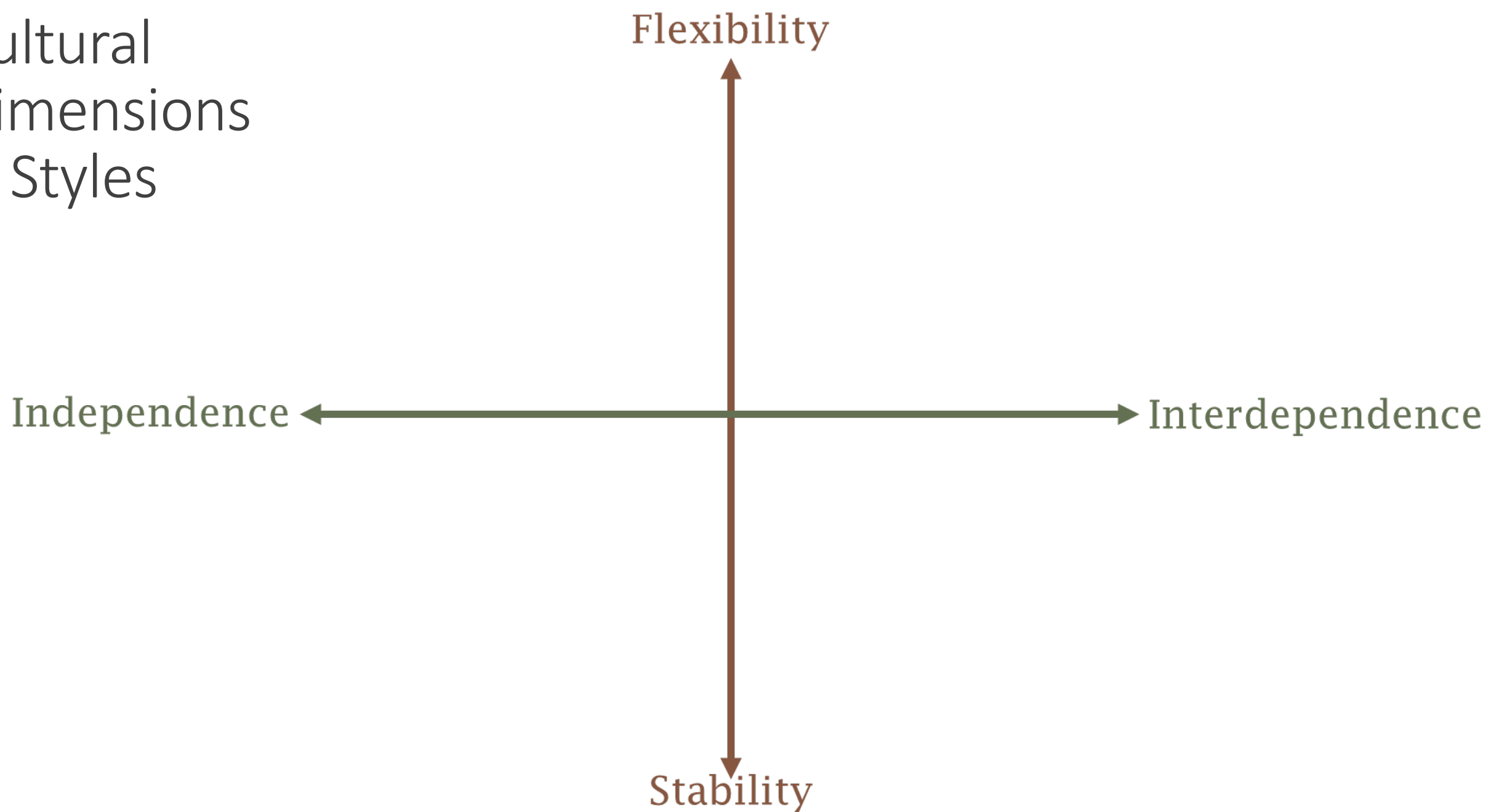*McKinsey Research, Berlin et al., 2019*

Culture and Value-Based Care

"The shift from volume to value is a cultural change that health care organizations are challenged to make to succeed in the current reimbursement climate."

Scheck McAlearney et al., 2018

Cultural Dimensions & Styles

Flexibility

Independence ← → Interdependence

Stability

Cultural Dimensions & Styles Continued

Flexibility

Enjoyment & Learning
Casual work environment
Exploration, creativity
Innovation, adventure

Purpose & Caring
Shared ideals
Contributing to a greater cause
Collaboration & teamwork

Independence ← → Interdependence

Authority & Results
Strength, decisiveness
Competitiveness
Goal accomplishment

Order & Safety
Respect, structure
Time-honored customs
Predictability, planning ahead

Stability

Cultural Dimensions & Styles Final

Flexibility

Complex environment, rapid pace of change

Enjoyment & Learning
Casual work environment
Exploration, creativity
Innovation, adventure

Purpose & Caring
Shared ideals
Contributing to a greater cause
Collaboration & teamwork

Independence ←——————————————→ Interdependence
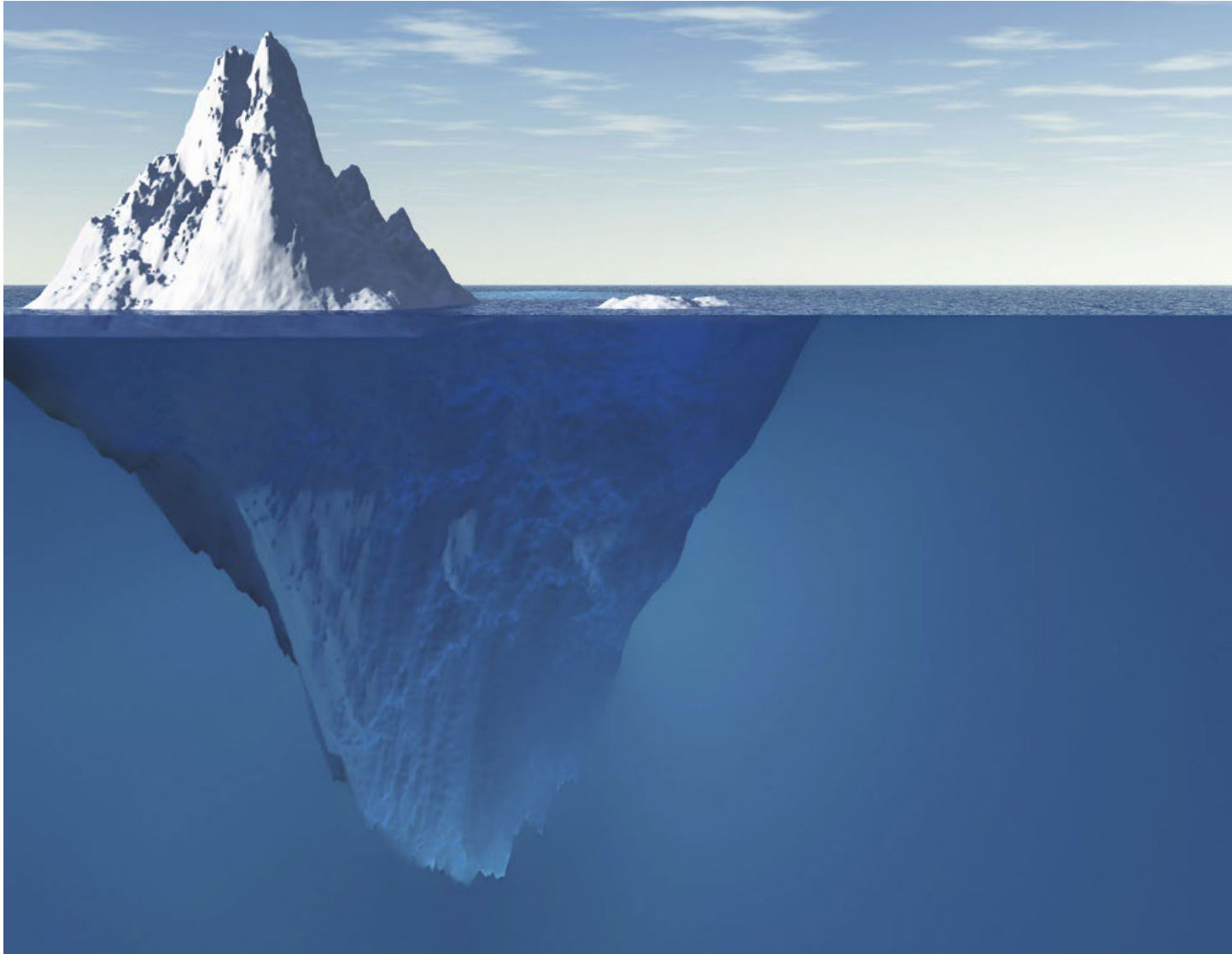
Authority & Results
Strength, decisiveness
Competitiveness
Goal accomplishment

Order & Safety
Respect, structure
Time-honored customs
Predictability, planning ahead

Stable environment, slow pace of change

Stability

Culture Change is HARD!

Requires changing underlying assumptions, thoughts, feelings

We learn about an organization's culture through…

- What leaders pay attention to, measure, and control (and what they DON'T)

- How resources are allocated

- Role modeling and coaching

- Criteria for assigning status, hiring, designating "outcasts"

- Traditions

- Physical space & design

- Stories

Panel Discussion

1. How have you gone about intentionally influencing organizational culture?

2. How do you know when culture change is needed?

3. What's the biggest challenge you've faced when it comes to culture? What are you most proud of?

Resources & References

Books

Kevin Oakes: Culture Renovation: 18 Leadership Actions to Build an Unshakeable Company

Edgar H. Schein: Organizational Culture and Leadership

Joe Tye & Bob Dent: Building a Culture of Ownership in Healthcare

Research & Articles

https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/understandinganddevelopingorganizationalculture.aspx

https://hbr.org/2018/01/the-leaders-guide-to-corporate-culture

https://www.huronlearninglab.com/resources/articles-and-industry-updates/articles-and-whitepapers/upmc-focuses-on-culture-to-accelerate-growth

Braithwaite, J. , Herkes, J., Ludlow, K., Testa, L., & Lamprell, G. (2017). Association between organizational and workplace cultures, and patient outcomes: systematic review. *BMJ Open, 2017,*7.

Jacobs, R., Mannion, R., Davies, H., Harrison, S., Konteh, F., & Walshe, K. (2013). The relationship between organizational culture and performance in acute hospitals. *Social Science & Medicine, 76,* 115-125.

Owens, K., Eggers, J. Keller, S., & McDonald, A. (2017). The imperative of culture: a quantitative analysis of the impact of culture on workforce engagement, patient experience, physician engagement, value-based purchasing, and turnover. *Journal of Healthcare Leadership, 9,* 25-31.

Scheck McAlearny, A., Walker, D., Hefner, J. (2018). Moving organizational culture from volume to value: A qualitative analysis of private sector accountable care organization development. *Health Services Research, 53,* 6, 4767-4788.

Smith, P., Mannion, R., & Goddard, M. (2003). Performance management in health care: Information, incentives and culture. HM Treasury Seminar Papers: Public Services Productivity. http://www.hm-treasury.gov.uk/bud_bud03_adproduct.htm