Introducing the Concept of a Corporate Culture to the Hospital Setting

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The hospital industry is undergoing radical changes. To keep pace with the ever increasing demands for improved productivity and performance, hospitals are attempting to operate like businesses. This article examines one hospital's attempts at establishing a culture focused on excellence in its occupational therapy department. Guidelines are offered for creating positive cultures in other hospital settings.

A review of the literature on corporate or hospital culture revealed a void in one area: The administrator's or department head's perspective on efforts to establish a culture in hospital settings has not been presented (Deal, Kennedy, & Spiegel, 1983; Allen & Kraft, 1983; Bice, 1984; St. John, 1985). This article describes one hospital's efforts to develop a hospital culture and to maintain that culture in an industry undergoing radical changes. Interventions were made at both the administrative and departmental level. The benefits derived from such a culture, as well as the barriers to its successful implementation and maintenance, are discussed.

Culture Defined

Corporate culture has been described as a set of basic assumptions a group uses in coping with problems of external adaptation and internal integration. These assumptions have worked well enough to be considered valid and thus are taught to new group members as the correct way to think, act, and feel in relation to problems encountered (Schein, 1984). Put another way, corporate culture is a collection of shared values, norms, and beliefs that guide everyone in the same direction (Pascale, 1984). Culture has become to the eighties what strategic planning was in the seventies (Pascale). Many companies are implementing culture change programs in their businesses. Those that do not are seen as not progressive (Booth, 1985). Current thinking is that the survival of a business may depend on the culture that exists in the business setting (Deal, Kennedy, & Spiegel, 1983)

Three basic conclusions can be drawn from the literature on corporate culture:

1. All businesses have cultures (Deal, Kennedy, & Spiegel, 1983; Iacocca & Novak, 1984; Kennedy, 1984; Peters & Waterman, 1982).

2. Businesses that have cultures which relate strongly to the environment in which they exist, perform better than others (Allen & Kraft, 1983; Bice, 1984).

3. Corporate cultures are malleable—they can be managed, shaped, and changed (Nystrom & Starbuck, 1984; Schein, 1984).

In a review of the literature, Bice (1984) found that too few health care corporate managers placed culture management high on their priority lists. This is perhaps understandable when one considers the enormity of the task. The many factors involved make it much more difficult to achieve excellence in a hospital than in a business in another industry (Deal, Kennedy, & Spiegel, 1983).

The following five elements which are found in many cultures, from primitive tribes to corporate giants, must be considered important to the
development and establishment of cultures (Egan, 1985):

1. Values and beliefs about success and achievement
2. Role models who display and epitomize values and beliefs
3. Ritualistic behaviors establishing norms and standards
4. Ceremonies that bring attention to successes in the culture
5. A cultural mythology

Case Study

The Setting

The hospital described in this paper is a 117-bed, acute psychiatric facility (private and for profit). It has been in existence for 16 years and is well respected in the community for the quality and variety of its clinical programs.

The Administration’s Point of View

Prior to the replacement of the administrator and key personnel about 8 years ago, many employees expressed discontent with the administration and with their jobs. A strike was called, and unionization was fast becoming a possibility.

The new administrator made a personal commitment to improve employee morale, increase productivity, improve the image of the hospital, encourage physicians to develop a stronger allegiance to the hospital, and attract more patients. These were respectable goals, but something was lacking—a hospital mission statement to tie the goals together and provide a common focus around which the employees could rally.

To formulate a mission statement, a hospital needs to have a corporate philosophy which defines organizational goals, operating procedures, and social and economic environmental constraints (Ouchi, 1981). On the basis of this philosophy, guidelines for practices and behaviors can be developed. The first task of the manager is to define the work group’s mission and values (Bice, 1984). This provides the foundation upon which to plan for changes. In our case, the hospital’s mission was defined by the administrator as (a) being the community’s mental health resource and (b) providing the highest quality care in the area.

The Role of the Occupational Therapy Department

The occupational therapy department is a well respected and established department in the hospital. The hospital is known for its long-standing commitment to providing rehabilitation services and has the distinction of having been one of the first hospitals in its geographic area to provide such a service.

The department has been able to weather all of the administrative changes throughout the years by having a very stable leadership. In its 16 years, the department has had only 3 directors. Our occupational therapists are well known in the hospital for their energy and drive.

In the last 3 years, the hospital has made a concerted effort to fulfill its mission statement to its full extent. This task was seen as a challenge by the new occupational therapy director. The decision to establish a strong corporate culture arose as a result of discussions between the occupational therapy director and the administrator. Because, at that time, the occupational therapy department embodied the values and goals of the administration more closely than the other departments in the hospital, it was decided that any attempts to establish a stronger culture in the hospital would be started in the occupational therapy department. These attempts would provide a model for implementing such changes elsewhere in the hospital.

The Five Elements of a Culture

1. Values and beliefs about success and achievement. No organization can claim to be all things to all people. Likewise, no hospital can claim to be all things to all patients. We had accomplished the most important initial task—defining the hospital’s mission or purpose. Employees did not find the hospital’s goals difficult to accept because they were congruent with their own attitudes.

The core of any culture is formed by its hard-won lessons from reality. These lessons are passed on to co-workers and succeeding generations of workers through values and beliefs (Deal, Kennedy, & Spiegel, 1983). We were able to trace values which were prevalent in our hospital to actions, behaviors, and practices, by the administrative and professional staff. Some were articulated orally and others were put in writing. Some of the central values in our hospital can be summarized as follows:

1. Our belief that the patient comes first
2. Our respect for one another
3. Our acceptance of individual responsibility
4. Our belief in the team effort
5. Our belief in the free exchange of ideas
6. Our belief in constructive problem solving
7. Our refusal to compromise our principles

2. Role Models Who Display and Epitomize Values and Beliefs. Individuals learn by watching role models and by hearing stories about achievements of exemplary staff, also known as “heroes.” Heroes mo-
tivate people to work harder and challenge them to duplicate their level of performance (Deal, Kennedy, & Spiegel, 1983). These heroes stand for the best things in the culture.

The administrator at our hospital provides a role model in his consistent performance of actions that support hospital values. He maintains an open-door policy and is ready to hear any employee’s concerns. His respect for the individual and his or her right to be heard is clearly supported by his actions. He focuses on quality care in his discussions with the staff and demonstrates his unwillingness to sacrifice quality in the face of cutbacks. Families are viewed as important extensions of the employee. Letters are sent home to keep families informed of hospital issues such as reimbursement, patient census, and related local and national mental health concerns. The administrator assists employees in their professional and personal growth. Some psychiatric aides are studying for a certificate in marriage and family therapy or to become a certified alcoholism counselor. Department managers pursue degrees in higher education such as an MBA or an MS in nursing.

In the occupational therapy department, employees are oriented to their jobs with the express expectation that they are professionals capable of providing quality service. An implied expectation is that they will make valuable contributions to the success and survival of the hospital because of their efforts in the department. They are respected for who they are as individuals and encouraged to join ongoing projects as they feel capable and ready to do so. Role models abound. Senior staff members are looked up to for their risk-taking behaviors in new ventures the hospital and department embark on. Their wisdom and experience are relied upon by the junior staff. Junior staff members are admired by senior staff members for their ability to assume a great deal of responsibility early on. The department head is involved in many new projects which often provide opportunities for other staff members to become involved in and gain valuable experience. Consistent throughout these experiences is the adherence to the hospital’s values. Employees are heard by the department head and peers alike. Family life is often an important consideration in planning schedules and projects. Peer pressure ensures that a high quality of care is maintained. The department head audits performance and provides the appropriate feedback. New opportunities for inpatient and outpatient services are offered as challenges and are meant to provide new learning opportunities for particular staff members.

3. Ritualistic Behaviors Establishing Norms and Standards. Rituals or habitual behaviors reinforce the values of the culture. Key behaviors are enshrined in accepted rituals that guarantee the consistency of quality in that behavior (Deal, Kennedy, Spiegel, 1983; Rhodes, 1986).

The administrator tries to exhibit consistency in the behaviors that are congruent with and supportive of hospital values. His efforts are conscious and deliberate. Attention to all aspects of a culture is important if a desired culture is expected to develop. The administrator cannot indiscriminately create new rules. He must be sensitive to what the constraints of the culture are. If a high quality of care is an important value in the culture, he cannot decide to hire a poorly qualified employee for the sake of saving money. If he acted in this manner, the values of the culture would be severely shaken if not totally redefined.

Likewise, in the occupational therapy department, consistency in the support of culture values is clearly seen in the ritualistic nature of valued behaviors. When standards for professional behavior or competencies appear to have been violated, staff members will often point out that fact to the department head.

4. Ceremonies That Bring Attention to Successes in the Culture. The most exciting and rewarding element of a culture are its ceremonies. Strong cultures use any occasion to celebrate the organization’s successes, values, or heroes (Deal, Kennedy, & Spiegel, 1983). These celebrations serve to further recognize and entrench sacred values.

The administrator and the hospital recognize employees for length of service at a special dinner, for exemplary service by naming them “employee of the month,” as humanitarians in local and national corporate competitions annually. All employees are invited to participate, at the hospital’s expense, in summer and winter activities like dinner dances or harbor cruises. The administrator hand-delivers flowers to employees on all three shifts on Valentine’s day and individually hands out a box of candy with paychecks at the end of the year. Employees are further recognized for personal achievement with congratulatory notes from the administrator.

In the occupational therapy department, the department head meets monthly with each employee to discuss progress and recognize effort. The department head makes a point to go out to lunch at least once a year with each employee to recognize his or her contributions and worth to the department. Each time an employee takes a risk and meets a challenge, he or she is recognized in weekly occupational therapy department meetings. For example, various staff members have taken risks to set up new hospital ventures such as outpatient and inpatient programs, industrial contracting, and the like. Each week, to maintain a high level of awareness of these successes, staff members are encouraged to provide a progress report on their ventures. The department head calls
attention to the effort’s benefits to the hospital, department, and individual staff members. All successes are further celebrated in hospital and community outreach newsletters published by the hospital. Whenever possible, successes are further highlighted with coverage by local newspapers and professional publications. No success is considered too small for recognition and no opportunity for recognition too insignificant to seize.

5. A Cultural Mythology. People play a crucial role in keeping a strong culture going. Without stories, important values cannot be handed over to the next generation of employees. Therefore, a rich mythology is a sign of a healthy culture (Deal, Kennedy, & Spiegel, 1983).

Our hospital administrator performed an act of kindness once that was elevated to the status of legend. His concern for an employee became part of hospital mythology despite a few changes to the facts of the actual situation. One evening after work the administrator noticed that an employee’s car had broken down. He offered assistance but the employee was able to start the car and drive off. The story was translated the next day into the following: The administrator noticed an employee struggling with her car. Despite the late hour and the fact that the employee lived across town in the opposite direction from the administrator, he gave the employee a ride home. His only concern was for the welfare of the stranded employee. To this day, this story is heard.

Any new employee entering the occupational therapy department can hear stories testifying to the rich legacy left by previous occupational therapists. Some stories tell about how hard previous employees fought to establish the credibility and value of the department and how this hard-earned respect can never be sacrificed by incompetence or lack of attention to high quality. Other stories emphasize that despite whatever may happen, the occupational therapy department will always be there to maintain structure and order in the various programs of the hospital.

The value of the cultural mythology for establishing and maintaining the hospital structure can never be underestimated.

Analyzing Cultures

The literature provides many different methods for analyzing corporate cultures (Bice, 1984). One method calls for a diagnostic profile. The following steps are suggested (Bice, 1984):

1. Examine the hospital’s physical setting and determine consistency between sites and across employee classes.
2. Track key belief statements over time in materials published by the hospital.
3. Examine how the hospital greets new patients.
4. Interview hospital employees to gain an understanding of consistent and conflicting perceptions. Uncover history (myths); determine what makes the hospital successful (values); determine who works in the hospital and what types of people get ahead (heroes); and discover what kind of place the hospital is to work at and what a typical day is like (rituals).
5. Observe what people say and what they do (cultural cohesion).

To determine if a program to change the culture is warranted in a particular situation, the following indicators can be used (Bice, 1984):

1. The hospital or department is undergoing fundamental changes in how it chooses to operate (e.g., previous values are disregarded)
2. The business situation has become quite competitive and turbulent.
3. The hospital’s or a department’s performance is mediocre or worse.
4. The hospital or department is growing into a larger organization.

Barriers to Successful Culture Implementation

Hospitals are fighting to stay competitive in a highly unpredictable market. As departmental meetings the focus of discussion will shift to why other hospitals are doing so well. Administrators are searching for some magic “right” way to improve performance or occupancy rates. Unfortunately, methods for establishing strong hospital cultures do not lend themselves to a final analysis of a best or most appropriate way of implementation. The success of a particular culture change program will depend on the context within which the change is expected to occur. The following constraints need to be considered before the implementation of a culture change program is attempted (Deal, Kennedy, & Spiegel, 1983):

1. Hospitals must provide multiple types of service to diverse segments of the market. They can provide a range of services from hand therapy to psychiatric care for pediatric as well as geriatric patients.
2. Hospitals are externally regulated by licensing bodies and third-party payers. This external focus detracts from attempts to build a coherent internal focus and strong culture.
3. Hospital outcomes are difficult to measure objectively. For example, there are many different components in the care of a patient that contribute to the overall quality of care that patient is receiving.
4. Individual efforts of employees and departments are difficult to coordinate under a common goal. The hospital consists of too many different parts.
5. Physicians are indoctrinated into a professional culture of their own and are therefore less likely to become part of the hospital culture.

6. The existence of department subcultures adds to the difficulties in establishing a hospitalwide culture.

7. Allied and support staffs rarely feel included in the effort to achieve the hospital's mission.

8. Administrators are caught between the need to establish a strong culture and the need to run a cost-effective business.

Problems that need to be resolved to prevent the failure of a culture change program are as follows (Bice, 1984):

1. Lukewarm commitment from management
2. Insufficient involvement of employees at all levels
3. Lack of attention to middle management
4. Inappropriate pace or poor timing of change effort
5. Unrealistic expectations of change program
6. Failure to internalize changes in culture

Summary

This paper presented one hospital's attempt at establishing a strong corporate culture which was carried out in the occupational therapy department. Although this effort is only a beginning, we feel that it will be a model for the later implementation of a corporate culture in the rest of the hospital. There are many hurdles yet to be overcome as other departments are added to the culture change program.

A method for analyzing hospital cultures and guidelines for implementing culture change programs was presented.

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References


