

EFFECTIVE ORGANIZATIONS ARE DRIVEN BY VALUES

Survey Data Show that Values-Driven Catholic Health Care Facilities Are Effective Facilities

Do those ubiquitous value statements hanging on plaques in every hospital lobby have any effect on how the hospital carries out its mission? Are values-driven hospitals better places to work, more productive, more successful, better at retaining employees?

More than 10 years of organizational literature on the topic of values would lead one to believe that core values are a hallmark of great and enduring organizations. Consequently, most organizations have created, embraced, and publicized their mission, vision, and values. In Catholic hospitals, core values are sometimes perceived primarily as a function of mission rather than as integral to the operating success of the business. Thus, they are considered to be more on the "soft" side of the organization. Although anecdotal information regarding the importance of values abounds, until now there have been little hard or scientific data regarding the impact of values on organizations.

ANALYZING THE "SOFT SIDE"

On an annual basis from 1998 to 2001, the survey firm Newmeasures conducted employee satisfaction surveys of approximately 130 Catholic hospitals and long-term care facilities. These surveys included assessment of the core values of the facility. A typical statement regarding values on an employee survey would be: "People at ABC Hospital respect the value and worth each person possesses as

a member of the human family. (Dignity)" Each of the particular organization's values was stated in similar form, with employees responding as agreeing or disagreeing on a scale of 1 to 5 (1 = strongly disagree and 5 = strongly agree). These employee satisfaction surveys were filled out every six months and garnered an average return of 60%. By 2001, our database included 228,000 employees of Catholic hospitals and facilities—a statistically large sample ensuring stable numbers for study. Over time, we were able to discern statistically and scientifically just how significant the commitment to core values is in the life of individual hospitals. We were able to measure the effect of core values on a number of organizational factors using a statistical process called regression analysis. Regression analysis enabled Newmeasures to determine which items on the employee survey had the greatest impact on the outcome measure (organizational effectiveness). Over the four-year period, core values had the greatest impact on organizational effectiveness of any items on the survey. And with each succeeding year, that relationship grew stronger.

CONCRETE RESULTS

The results of our data analysis are unequivocal. These 228,000 employees of 130 Catholic health care facilities stated time after time that when a facility has stated values and operates from a position of living its values, the employees themselves feel more valued and more willing to stay with the organization. They also judge the hospital as a more effective organization. The impact of values on these organizations is powerful, significant, and compelling.

Let's analyze these findings further. How do employees view values? Are employees really in a position to judge how effective an organization is? Do values have any effect on morale and, ultimately, retention?

BY DIANE FASSEL, PhD



Dr. Fassel is president, Newmeasures, Boulder, CO.

Statistics

Workers who rate their organization as more committed to its stated values are *two times less likely* to say that they intend to leave the organization in the next year.

Workers who rate their organization as more committed to their stated values are *16 times more likely* to say that they are proud to work for their organization.

HOW EMPLOYEES VIEW VALUES

One of the first things Newmeasures learned after analyzing the data was that employee ratings of a hospital's commitment to core values formed an internally consistent, or reliable, scale. A scale means that employee ratings of one value correlate highly with their ratings of other values. Thus, commitment to core values was linked into a single, meaningful scale.

Employees seem to be saying that they see commitment to values as an integral part of a values-driven workplace when that commitment permeates all levels of organizational functioning. Although sponsors and boards have labored mightily to come up with three to five well-worded meaningful values, employees are generally not as concerned with individual values as they are with a pervasive sense that values direct action and decisions. When employees perceive values as a dynamic process and not simply a public relations technique, they trust management and they feel part of a larger team pulling in the same direction. Our surveys clearly show that employees can judge when a hospital is operating out of its values base and when it is not.

VALUES DRIVE ORGANIZATIONAL EFFECTIVENESS

Values are important, but do core values have any impact on organizational effectiveness? This question is at the heart of our efforts to measure—in a scientific way—employee satisfaction,

corporate culture, and values. Here again the survey data are compelling. According to our survey results, *commitment to core values is an important factor in organizational effectiveness, if not the most important factor.* In other words, employees who rate the hospital high on commitment to values also rate it high on organizational effectiveness. In addition, employees who rate their hospital high on commitment to values also say that they feel valued as members of the organization.

The **Box** below shows correlation between commitment to values and two key measures: organizational effectiveness and workers feeling valued as employees (a measure of job satisfaction). Some may question whether an individual hospital employee is in a position to know whether his or her facility is "effective." Effectiveness refers not only to accomplishing the mission but also to meeting financial goals and remaining viable as an institution. Perhaps a hospital is doing great with its customers but is about to go under financially. How could employees know or rate that?

To address the issue of employees' ability to accurately determine organizational effectiveness, we ranked all the hospitals in one health care system from highest to lowest based on the score they had received on organizational effectiveness. (The survey statement for response reads: "Overall, this is an effective organization.") When we took that ranking to the system administrators and asked them to describe what was happening at the top 15 hospitals versus the bottom 15 hospitals, they described the top 15 hospitals as places that had fewer malpractice lawsuits, fewer strikes, and less turnover and were meeting their financial goals. This characterization was in marked contrast to the bottom 15 hospitals, which were beset with problems and not considered viable. Although one can argue that it is not scientific simply to interview hospital system administrators, their information was corroborated by the employee satisfaction surveys. Hospitals that were less effective, according to the system administrators, also had lower scores on the employee surveys on almost all questions.

VALUES ARE GOOD FOR MORALE AND RETENTION

Employees who rate a hospital highly on values feel more valued themselves; they are also more willing to stay with the organization than those who rate a hospital low on values. This finding is the more personal side of the equation. Although many value statements would seem to refer to

Continued on page 51

DEFINITION: CORRELATION

The impact of values on organizational effectiveness reported in this article is based on correlation. A correlation is a statistical technique that measures relationships between two variables. Variables are simply things, such as items on a survey questionnaire. So, correlation measures how one variable or thing changes with another. Correlation can range from 0.00 (no correlation) to ± 1.00 . A perfect correlation of 1.00 (positive or negative) means that as one variable changes, the other changes in precisely the same manner. A correlation of 0.00 means that there is no relationship between changes in one variable and another. Correlation closer to 1.00 indicates stronger relationships between the two variables. Generally speaking, a correlation 0.60 or above is considered strong, and one below 0.40 is considered weak; correlation in between is considered moderate.

Commitment to values \longrightarrow Organizational effectiveness
Correlation = 0.66

Commitment to values \longrightarrow Employees feeling valued
Correlation = 0.60

EMERGENCY CONTRACEPTION AND SEXUAL ASSAULT

Continued from page 19

8. Anna Glasier, "Drug Therapy: Emergency Postcoital Contraception," *New England Journal of Medicine*, vol. 337, October 9, 1997, p. 1060. See also Horacio B. Croxatto, Luigi Devoto, Marta Durand, et al, "Mechanism of Action of Hormonal Preparations Used for Emergency Contraception: A Review of the Literature," *Contraception*, vol. 63, 2001, p. 117, and Melissa Sanders Wanner and Rachel L. Couchenour, "Hormonal Emergency Contraception," *Pharmacotherapy*, vol. 22, 2002, p. 44.
9. See, for instance, Walter L. Larimore and Joseph B. Sanford, "Post-Fertilization Effects of Oral Contraceptives and Their Relationship to Informed Consent," *Archives of Family Medicine*, vol. 9, February 2000, pp. 126-133.
10. Anna Glasier, "Emergency Contraception," *British Medical Bulletin*, vol. 56, 2000, pp. 733-734. Emphasis added.
11. See Roberto Rivera, Irene Jacobson, and David Grimes, "The Mechanism of Action of Hormonal Contraceptives and Intrauterine Contraceptive Devices," *American Journal of Obstetrics and Gynecology*, vol. 181, November 1999, p. 1267. See also Peter J. Cataldo and Albert Moraczewski, who note that "the chance of an abortifacient effect in a sexual assault survivor should be 1.2% or less (even less under the restrictions of the St. Francis Medical Center Protocol)," in "A Moral Analysis of Pregnancy Prevention after Sexual Assault," *Catholic Health Care Ethics: A Manual for Ethics Committees*, Peter J. Cataldo and Albert S. Moraczewski, editors, National Catholic Bioethics Center, Boston, 2001, p. 11/14.
12. Rivera, Jacobson, and Grimes, p. 1266.
13. Croxatto, p. 117.
14. Cataldo and Moraczewski, p. 11/16.

The authors of this article and the editorial staff of *Health Progress* invite readers to continue this important discussion of emergency contraception in the case of sexual assault. We welcome response to this moral analysis in the form of Letters to the Editor. Send them to hpeditor@chausa.org or:

Editor
Health Progress
4455 Woodson Road
St. Louis, MO 63134

THE POWER OF THE SOUL

Continued from page 24

ments the formal programs with informal, face-to-face interaction with individual employees and teams. The spiritual leader takes every possible opportunity to retell the stories of these heroes, and through each story shapes and fashions the organization's cultural norms.

A PERSONAL JOURNEY

The formation of a spiritual leader is a continuing, personal journey. It begins with the leader's own spiritual transformation as he or she seeks to understand the values that inform and inspire his or her personal ministry, the call to be a leader in Catholic health care.

My journey began in earnest eight years ago. Having exhausted my tool kit of traditional leadership skills, I began searching for the means to reunite my organization and community around our shared mission and to engage them as collaborators in defining our future. I learned, in the most painful of ways, that I cannot do it alone, and that I cannot make choices as to which of the organization's values or stakeholders will be served while others are left behind. I have come to understand that if my organization is to truly succeed, I must be able to ignite the passion of all those who collaborate with me in that pursuit. My job, then, is to create the connectedness of people to each other and to the meaning of their work, to create the conditions within which the spirit of the organization can flourish. I invite you to join me in that journey as we create the future of Catholic health care. □

NOTES

1. Ian I. Mitroff and Elizabeth A. Denton, *A Spiritual Audit of Corporate America*, Jossey-Bass, San Francisco, 1999.
2. Robert M. Pirsig, *Zen and the Art of Motorcycle Maintenance*, William Morrow, New York City, 1974.

EFFECTIVE ORGANIZATIONS

Continued from page 36

how the facility wants to act toward its customers—for example, with dignity, excellence, and justice—employees tend to apply the values to themselves as well. They judge the extent to which *they* are being treated with dignity and justice when they answer survey questions about values. Feeling valued as an employee is our indicator of job satisfaction, and research has shown that feeling valued (and being satisfied with one's job) results in high employee retention and workers stating that they are proud to work for their organization.

VALUES ARE KEY

Again, the data show that all these items—feeling valued, willingness to stay in a job, and organizational values—are linked with one another. The most highly performing organizations reveal a dynamic interplay of all these factors. Employees believe they are valued because they are treated in ways that are congruent with stated organizational core values. They see values in action every day in relationships to customers and to themselves. Thus, they feel more satisfied at work, and ultimately, they judge the organization to be effective.

Values are anything but "fluffy" and soft in organizations. Our research supports the conclusion that values are central to efficient functioning of organizations at all levels. In every instance values are good for business. Consequently, values should be essential to any strategic plan and have a central place in every management meeting and organizational initiative. The vision and mission statement point a hospital in the direction it wants to go; values determine how it will get there. Without the principles inherent in values, the ship is rudderless. With values, employees feel grounded and more eager to commit to a common goal. □