

LEADERSHIP AND CULTURE ALIGNMENT

Seven Practical Steps Can Help Leaders Bring Different Cultures Together

BY DIANE L. DIXON,
EdD



Dr. Dixon, a consultant specializing in leadership development and change management strategies, lives in Columbia, MD.

The Catholic health ministry is increasingly a collaborative effort, involving mergers, acquisitions, alliances, joint ventures, and partnerships of various kinds. Making such ventures work often depends on how well the partners' cultures fit together. Because cultural fit is so important, leaders planning such partnerships must thoroughly understand what "culture" is and how it functions.

Culture has been defined as "the learned, shared, tacit assumptions on which a group of people base their daily behavior."¹ For the purposes of this article, culture is both what holds an organization together and the way the organization's work gets accomplished. Culture is not a *thing*, a separate entity that leaders may fix or manipulate, but rather the very fabric of the organization. Leaders working to form a partnership may, nevertheless, find it useful to think of culture as having three interrelated components.²

The Strategic Component This component is the organization's strategy, including the mission, vision, and values established by its leaders. Differentiating between what might be called "espoused values"³ (those formally described in mission statements, for

example) and "values in action" (those that actually guide day-to-day behavior) is important. An organization that allows too great a gap to grow between the two kinds of values is likely to find itself generating confusion—which will affect its culture in negative ways.

2001 Assembly

The 86th Catholic Health Assembly, which will be held June 10 to 13, 2001, in Atlanta, GA, will focus on issues related to Catholic health care culture development and alignment. The May/June 2001 issue of *Health Progress* will include a special section to further explore culture in relation to mergers and acquisitions.

The Symbolic Component This component is made up of structures, systems, processes, language, stories, and ritualistic activities—the "visible" parts of an organization. One can see, hear, and touch this component.

The Human Component This component is made up of employees' feelings, their unconscious or semiconscious assumptions and attitudes, and their unarticulated or semiarticulated beliefs and values concerning the organization. The human component drives commitment and action; it is also the one that leaders have the most difficulty doing anything about.

Many people use the term "cultural integration" in describing the formation of a partnership between two or more organizations. Expecting a partnership to have fully integrated its two cultures (and their various subcultures) within a brief time frame is, however, unrealistic. Culture building is a complex, often difficult, time-consuming activity. What is practical to achieve is *culture alignment*, especially in large, multientity health care systems.

In health care, culture alignment involves positioning and focusing two or more hospitals on a common vision, mission, and set of values in order to create unity of purpose—while, at the same time, allowing each hospital to maintain its individual culture in alignment with the system's focus. Cultural alignment is thus a "both/and" approach: It presupposes the existence of both a dominant culture and individual cultures within the overall system.

Leaders are the critical architects of cultural alignment in collaborative partnerships. They must have, first, a deep understanding of cultures, and, second, an ability to apply that understanding pragmatically. In working to align two or more cultures, leaders should keep seven practical considerations in mind.

BE CLEAR ABOUT CULTURE DECISIONS

Leaders need to be clear about the type of overall culture they want to create for the partnership. In choosing a model, they must be guided by the planned partnership's goals and business strategy. There are several basic cultural models.⁴

Combined Organizations, Separate Cultures The partner organizations retain their independence and identities, coexisting in a loose confederation. This model may be the best for large firms composed of various businesses, each of which has its own core purpose—a situation that makes cultural blending difficult.

A Dominant Culture Leaders determine that a single culture will dominate the partnership, leaving little room for diversity.

Blended Cultures Leaders form a culture by adopting the best traits of each of the partner organizations' cultures, as in the formula $A+B = C$. Achieving this synthesis presupposes that the leaders of the partner organizations understand their cultures well enough to see how they can fit together synergistically.

A New Culture Leaders superimpose an entirely new culture on all partners. This approach is difficult because it requires everyone involved to "unlearn" the assumptions and values of the old cultures.

A Mixed Model Leaders establish a dominant culture but allow partner organizations to retain some of their individual cultural traits.

In choosing a cultural model, leaders should first gather accurate cultural data and then engage in honest, open dialogue about the proposed partnership's strategic direction and goals. Clarity is vital and should drive all culture alignment activities.

DEVELOP A SHARED PICTURE OF THE PROPOSED PARTNERSHIP

Choosing the right culture model is a critical part of forming a partnership. If employees are to embrace the new organization, they will need to understand the strategic direction. Workers naturally want answers to such questions as: "Where are we going?" "What are we going to look like?" "What are we going to be doing?" and "How will I be affected?"

If employees cannot get answers, they will not be able to let go of old cultural assumptions, attitudes, values, and feelings. Leaders who ask workers to join them on a journey to the future without first telling them where they are going are really asking them to walk a high wire without a safety net.

Leaders must, therefore, develop a mental picture of the partnership to be shared with employees. Although the picture will not be perfect, it should be clear enough to answer employees' questions. To accomplish that, leaders should make sure they involve all key stakeholders.⁵

CONTINUE DIAGNOSING AND UNDERSTANDING

Leaders must begin diagnosing and understanding a prospective partner's culture before the actual partnership is formed. By conducting an early "cultural due diligence," they can identify various cultural characteristics and implications, thereby minimizing surprises later.⁶ However, confidentiality concerns sometimes make it difficult for the cultural due diligence process to capture deep cultural issues. Leaders should, therefore, continue cultural diagnosis during the formation of the partnership.

Employee surveys are good tools for leaders to use in seeking a broad picture of the strategic and visible components of an organization's culture. But this picture will inevitably be somewhat superficial because surveys usually do not reveal a group's underlying attitudes, values, feelings, and shared assumptions. That being the case, leaders should also use processes that engage both individuals and groups in dialogue, thereby uncovering the core assumptions critical to culture change.

DEVELOP A WELL-DEFINED CULTURAL ALIGNMENT PLAN

A culture alignment plan should address each key cultural component and include action steps and reasonable schedules for implementation. The cultural components should be viewed not in isolation but as interrelated parts of the whole organizational landscape. The partnership effort will be incomplete if only the strategic and symbolic components are aligned. Unfortunately, most culture change efforts stall at this point because they do not fully address the human component. Bringing shared assumptions, attitudes, values, and feelings to the surface and dealing with them thoroughly is critical. Only then can deep culture change occur.

As mentioned earlier, leaders must include all employee levels in the alignment effort. Too often, culture alignment processes stop at the upper echelons of the organization. This is a mistake because frontline managers and employees—the people who largely determine how work is carried out day to day—are the heart of the effort. Including them in the change process is not enough; they must be developed to become the process's leaders.

Organizational Fitness Profiling, a tool developed by Michael Beer and Russell Eisenstat (see **Box**, p. 37), can help leaders quickly locate barriers that will have a heavy impact on cultural alignment and the entire partnership effort.

DEVELOP COMMUNICATION AND DIALOGUE PROCESSES

To achieve culture alignment, leaders must take charge of communication and dialogue processes. They should not simply assume that employees understand the changes required in creating a partnership. Also insufficient are the "large group" meetings that leaders often use to communicate

changes in organizational structure or strategy to employees. Leaders may hold large group meetings, but they should also use multiple forms of communication, such as small group exchanges, one-on-one talks, e-mail, voice mail, teleconferences, newsletters, and bulletins.

Leaders must, however, use these media appropriately. Casting the message about the new culture in the form of public relations promotions will not help because those broad forms of "telling and selling" are not likely to engage employees.

To get workers' attention, leaders must apply the human touch. Dialogue in small groups can be a very effective mechanism, especially when

the dialogue is between leaders and those who report directly to them. But this dialogue must go beyond discussion and a simple sharing of ideas. Leaders must actively *listen* to the others in the group. The group's shared assumptions, attitudes, values, and feelings—a culture's core—are more likely to surface and be understood in small dialogue sessions than in large ones. Not until employees have thoroughly discussed these assumptions will they be ready to let go of old cultural norms and values and be prepared to embrace new ones.

Leaders need to keep this dialogue simple and straightforward. Employees just want to know the

CULTURE ALIGNMENT AT CATHOLIC HEALTHCARE WEST

Catholic Healthcare West (CHW), San Francisco, is composed of 47 hospitals, 45 of them in California and one each in Arizona and Nevada. Because the system's growth has been rapid—30 of its hospitals have been added since 1994—CHW's leaders have given culture alignment a high priority.

An example of the mixed-model approach to culture alignment (see p. 35), CHW is a dominant system culture that respects the local cultures of its member hospitals. One CHW region, Catholic Healthcare West Southern California (CHWSC), Pasadena, CA, may serve as a model of CHW's alignment process. CHWSC consists of 12 hospitals, eight of which were acquired from the UniHealth system in 1998. (CHWSC worked hard to achieve an alignment that honored the former UniHealth facilities' tradition and values and, at the same time, helped them embrace CHW's mission, vision, and values.) Beth O'Brien, CHWSC's president and CEO, says the system's culture alignment process has three stages:

- Formation
- Transformation
- Strategic repositioning

O'Brien, a strong believer in "cultural due diligence" (see p. 35), says it must be initiated at the formation stage to be effective. Bernita McTernan, CHW's senior vice president for human resources, organizational development, and mission, agrees that cultural diagnosis should begin before the actual

affiliation and become part of a continuous process of culture building. In aligning cultures, CHW focuses on locating their common ground but also honoring diversity among them. CHW's leaders believe that cultural clarification processes should be conducted through all organizational levels, particularly during the transformation stage.

In planning the acquisition of the former UniHealth hospitals, CHWSC leaders began by developing a comprehensive culture integration plan. To this end, they facilitated mission and values alignment meetings to identify the cultural elements the two organizations possessed in common. Managers from all levels of both CHWSC and the UniHealth facilities met to discuss how integration would be carried out from day to day. Values integration turned out to be a key component of the process for everyone—executives, employees, physicians, and board members.

But culture alignment is also important at the system level. CHW's CEOs meet monthly; regional leaders in finance, mission, fund development, communications, managed care, and information technology also gather frequently, either through video conferencing or in on-site meetings. O'Brien believes such gatherings help reinforce strategic repositioning. "Leaders need to explore creative ways to get the message out for greater understanding of what is happening and going to happen," she says.

CHW serves as an excellent model for cultural alignment because it effectively uses education and other integrative experiences to help people understand the new culture and adapt themselves to it. CHW's leaders facilitate values integration throughout the system.

In one activity, for example, Janet Ladd, the system's manager of training and development, brings together participants from all the system's facilities and seats them in chronological order, according to the date they joined their respective hospitals. Ladd then hangs a blank piece of paper on the wall before them. One after the other, the participants introduce themselves, tell how they came to work at their particular institutions, and why they choose to stay at them. As these stories are told, Ladd responds to them by drawing a picture on her piece of paper—until, finally, CHW's shared values begin to emerge in the picture. The participants return to their facilities carrying a CHW perspective—instead of one limited, as before, to a single hospital.

Ladd compares such activities to the training pilots receive in flight school. As in flight simulation, values integration is most effective when those involved learn by doing and getting immediate feedback. Like young pilots, new CHW employees quickly learn to "fly" when everyone cooperates and focuses on common values.

—Diane L. Dixon

truth about what is going on in the organization and how it will affect them. If leaders throughout the organization deal with employees honestly, they will find them increasingly open to learning the new way.

CREATE A LEARNING ENVIRONMENT

Culture alignment involves learning new ways of working to accomplish organizational goals—which is hard to do. It is especially difficult for today's health care organizations, which are going through a period of historic turbulence. Because this is so, health care leaders should work to create a "continuous learning environment," which they can do in a variety of ways.

Modeling A leader's behavior is crucial because employees watch it closely. They are sure to notice those occasions when the leader makes a mistake. Good leaders will therefore learn from mistakes—and show employees the lessons they have learned from those mistakes. When leaders behave in this fashion, they open the door for everyone else in the organization to learn from mistakes too.

Creating Learning Opportunities Leaders can create learning opportunities in the midst of day-to-day activities. In a staff meeting concerning a merger, for example, the organization's CEO might add to a report on the merger process a discussion of the lessons being learned during that process. By doing this, the CEO is likely to inspire input from staff members about ways they might apply such learning as the merger negotiations move forward. This is learning seen as part of everyday business, not an isolated event.

Conducting "Action Learning" Leaders on all levels can also organize learning around real work experiences. They might, for instance, bring together a small, diverse group of employees to examine a difficult problem the organization is facing. In these cases, leaders not only facilitate the problem-solving effort; they also encourage group members to reflect on the process that finally results in the problem's solution.⁷ The emphasis on reflection makes action learning different from the usual problem-solving discussions.

The challenge for top executives is to develop at every level of the organization leaders who can be both teachers and practitioners of the new culture.

ACT WITH INTEGRITY

To bring about culture alignment, leaders must behave with integrity. They must be open, honest, and congruent—saying what they mean and meaning what they say. Actions must match words, and vice versa. Integrity builds trust and commitment. Without both, culture alignment will not occur.

Employees will need a lot of trust if they are to let go of long-held attitudes, values, and

beliefs and leap forward into the uncharted territory of a new culture. They may see inconsistent behavior in leaders as a sign that the leaders are unclear about their values and beliefs. That being so, leaders need to search their hearts and souls before they embark on the hard task of culture alignment. Leaders might take an "integrity assessment" in which they ask themselves, "Do I tell the truth?" "Do I lie to colleagues or employees?" "Do my actions match

Continued on page 45

ORGANIZATIONAL FITNESS PROFILING

"Organizational Fitness Profiling"* is a process that can help an organization's leaders quickly learn employees' views concerning the pros and cons of culture alignment. The process has several parts.

Senior Leadership Team With the help of a trained facilitator, the organization's senior leadership team writes a strategic direction statement. To do this, the team must first answer several basic questions, for example: "What is the purpose of the partnership?" "What do we want to achieve in the next several years?" "What type of culture will help us achieve our goal?" "What cultural assumptions and norms do we want to hold on to?" "What assumptions and norms do we need to let go of?"

By answering these questions, the team clarifies its picture of the type of culture that will help make the partnership effective. From this culture type, the team can develop a template for its culture alignment plan. (As a bonus, the team will discover that, in developing this template, it has enhanced its own effectiveness.)

Interdisciplinary Task Force Once it has its template, the senior team, aided by a trained facilitator, selects and trains eight or so highly regarded staff members, each of whom represents one of the organization's key functional areas, to serve on a task force. The task force will assist the senior team with organizational diagnosis and analysis. The task force both makes good use of internal talent (thus limiting the need for consultants) and provides leadership development for the task force's members.

Open-Ended Interviews The task force then interviews some 100 team-chosen employees concerning their views of, for example, the organization's strengths and weaknesses in achieving culture alignment. The task force also interviews the senior team. After conducting the interviews, the task force analyzes the data and identifies key themes.

Feedback and Planning Meeting With the facilitator's help, the senior team holds an intensive three-day meeting to examine the results. On the first day, the team gets feedback from the task force's interview. Then, on the second and third days, the team discusses the barriers found to effective culture alignment. The team reexamines the initial culture template, makes adjustments, and develops a culture alignment plan. Task force members review the plan and say whether they think it is realistic.

Implementing the Plan The senior team, with help from the task force, implements the plan.

—Diane L. Dixon

*See Michael Beer and Russell Eisenstat, "The Silent Killers: Overcoming Hidden Barriers to Organizational Fitness," *Sloan Management Review*, Summer 2000, pp. 29-40.

LEADERSHIP AND CULTURE ALIGNMENT

Continued from page 37

Do not allow yourself to become discouraged for more than 15 minutes a day.

system CEO or a nurse supervisor, each day he or she is touching many lives and making decisions that will influence the organization's future. Put simply, health care managers cannot afford to wallow in pessimism because a negative attitude will inevitably have a negative effect on others.

A discouraged health care manager might consider the words of an acquaintance of mine, an associate vice president for nursing at a bustling city hospital for children. My friend told me:

I was very discouraged. Staffing was a problem. Personality conflicts drained my spirit. Plus, my supervisor wasn't very supportive. At the suggestion of a friend, I spent an hour every day visiting with patients and their families. And I made a point of having lunch each day with a staff member. These two strategies . . . changed my mood and put new energy into our department. The visits with patients helped me affirm why I went into nursing. The informal lunches with staff helped me understand their concerns. Staffing shortages persist and budget battles still rage. But reasons for optimism are starting to emerge.

My friend had "centered down," as the Amish put it. She had made a conscious decision to focus on those aspects of her work life that bring joy and hope to the people she serves. A discouraged manager might consider the words of Mother Theresa: "Our effort could be just a drop in the ocean, but the ocean would be poorer by a drop without it."

TRUST IS "EMOTIONAL GLUE"

None of these strategies takes large amounts of money to implement. All, however, can produce multiple rewards.

As two leadership experts have put it: "Trust is the emotional glue that binds followers and leaders together. The accumulation of trust is a measure of the legitimacy of leadership. It cannot be mandated or purchased, it must be earned. Trust is the basic ingredient of all organizations, the lubrication that maintains the organization."¹⁷ □

NOTES

1. Quoted in Thomas Steward, "Whom Can You Trust? It's Not Easy to Tell," *Fortune*, June 12, 2000, p. 332.
2. Doug Levy, "Managed Care Has Doctors Struggling to Manage Stress," *USA Today*, September 3, 1996, p. 6D.
3. Doug Levy.
4. Quoted in Amy Zipkin, "Attention Bosses: Nice Is Necessary to Keep Employees," *Minneapolis Star Tribune*, June 5, 2000, p. 1D.
5. Amy Zipkin.
6. Bob Nelson, "People Source," *Sam's Club Source*, June 1999, p. 12.
7. Bob Nelson.
8. Robert L. Veninga, "Stress in the Workplace," *Vital Speeches*, January 15, 1998, p. 195.
9. Warren Bennis, "The Future Has No Shelf Life," *Executive Excellence*, August 2000, p. 5.
10. Barbara Vobejda, "Workers in 1990s Less Willing to Make Sacrifices for Jobs," *St. Paul [MN] Pioneer Press*, September 3, 1993, p. 2B.
11. Barbara Parus, "Lives in the Balance," *Workspan*, June 6, 2000, p. 53.
12. Barbara Parus.
13. *USA Today*, January 15, 1999, p. 1D.
14. Mortimer Zuckerman, "Whistling While We Work," *U.S. News and World Report*, January 24, 2000, p. 72.
15. Ted Fishman, "Why Not Shorten the Workweek?" *USA Today*, June 27, 2000, p. 15A.
16. Quoted in Sue Shellenburger, "Executives Reflect on Past Choices Made for Family and Jobs," *Wall Street Journal*, December 31, 1997, p. B1.
17. Warren Bennis and Burt Nanus, *Leaders: The Strategies for Taking Charge*, Harper and Row, New York City, 1985, p. 153.

my words?" "Do I live my personal values?" and "Are we being honest about why we are partnering?"

The results of such a process are useful for all aspects of leadership, but they are vital in culture alignment. Without integrity, leaders involved in such efforts are doomed to fail.

Achieving culture alignment is not an easy task. Making partnerships work requires a tremendous amount of time and close attention to the process. Culture change often entails simultaneous multiple actions in turbulent environments. The seven steps described here can serve only as a guide for leaders. Experienced leaders will be creative in applying them. □

The author would like to thank Bernita McTernan, Beth O'Brien, and Janet Ladd, all of Catholic Healthcare West, San Francisco, and Russell Eisenstat, PhD, president, Center for Organizational Fitness, Boston, and senior organizational fellow, McKinsey & Co., Boston, for their contributions to this article.

For more information contact Diane L. Dixon, 410-740-0986; e-mail: didixon@erols.com

NOTES

1. E. H. Schein, *The Corporate Culture Survival Guide*, Jossey-Bass, San Francisco, 1999, p. 24.
2. Schein, pp. 15-19.
3. Schein, p. 17.
4. Schein, pp. 8-11.
5. Marvin R. Weisbord and Sandra Janoff (in *Future Search: An Action Guide to Finding Common Ground in Organizations and Communities*, Berrett Koehler, San Francisco, 1995) have created a values-based method that helps organizations involve their key stakeholders in developing scenarios for the future.
6. Mitchell Marks and Philip Mirvis, *Joining Forces: Making One Plus One Equal Three in Mergers, Acquisitions, and Alliances*, Jossey-Bass, San Francisco, 1998, p. 65.
7. Michael Marquardt, *Action Learning*, American Society for Training and Development, Alexandria, VA, 1997