



# THE MAKING OF ASCENSION HEALTH

In late 1998 the sponsors and executive leaders of the Sisters of St. Joseph Health System (SSJHS), Ann Arbor, MI, and the Daughters of Charity National Health System (DCNHS), St. Louis, decided to form a single organization, which they would cosponsor. To do this successfully, they realized, they would have to bring together two well-established cultures.

They knew this would not be easy. The 1990s had seen an increasing number of mergers, joint operating agreements, and other forms of strategic affiliation among U.S. organizations, including a number involved in the Catholic health ministry. Many of these efforts had failed, however, and even the survivors had tended to produce results that disappointed their managers and stockholders.<sup>1</sup> The culprit most often identified was a clash between "organizational cultures."<sup>2</sup>

An organization's culture is usually understood to be the shared assumptions, beliefs, and values that guide its members' perceptions, judgments, and actions. Culture is formed over time as the result of the embedding of its founders' personal beliefs and values and of successful actions taken

*The Bringing  
Together of  
Two Catholic  
Health Care  
Cultures  
Was a  
Complex  
Effort*

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in response to various challenges.<sup>3</sup> In fact, successful actions tend to confirm and strengthen the founders' beliefs and values. That is why culture is so difficult to change—it is the product of success, not failure.

SSJHS and DCNHS both had long histories of success. Their leaders therefore faced the cosponsorship project with great care and guarded optimism.

## THE COSPONSORSHIP APPROACH

Once the leaders had decided to explore cosponsorship as an affiliation model, they appointed a Steering Committee to guide and manage the process. The committee was composed of four members of SSJHS's sponsoring congregation, one member from each of the four provinces of DCNHS's sponsoring congregation, and the two system CEOs. The committee hired a facilitator to help manage its working process.

The committee broke down the cosponsorship planning approach into three phases:

- *Phase I:* Exploring the concept of cosponsorship and establishing the shared sponsorship foundations
- *Phase II:* Carrying out the due diligence by identifying successful practices from both health systems
- *Phase III:* Facilitating the transition and integration process associated with bringing the two organizations together

From the start, the committee's members paid particular attention to culture-related issues. They understood that in everything they did—the early choices they made, their style of deliberations, the way they conducted their work, and the way they communicated the results of that work to their respective organizations—they would be modeling the kind of culture they hoped to create in the new health system. They therefore



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designed the sequence of the three phases to ensure that foundational sponsorship concepts and elements would be agreed to first, thus serving as the basis for subsequent organizational decisions, design, and integration work.

As they began their work, the committee members expected to confront a variety of sensitive and difficult issues commonly associated with mergers: a general sense of loss, fear about how influence and control were to be exercised, and unease concerning which aspects of the former organizations were to be preserved in—or abandoned by—the new system. The committee agreed to work through such issues, no matter how emotional, as they emerged.

The committee also agreed to follow three key principles in its work. These principles, which formed early norms for working together and helped establish some of the formative beliefs of the new culture, were:

- Coming together as partners to create a new organization, rather than allowing one organization to subsume or dominate the other
- Deliberately exploring differences in perspective or opinion as they emerged, in order to work toward mutual understanding and building of common goals
- Building support and commitment across both organizations, through broad and balanced participation in the design and integration processes

### PHASE I VALUES TASK FORCE

In this phase, the Steering Committee focused on building a shared sense of their foundational thinking and developed mission and vision statements for the new system. Once that was done, it formed a Values Task Force, composed of executives and managers from both SSJHS and DCNHS, whose job was to articulate the values of the new organization.

Task force members solicited input from a broad cross-section of executives, managers, physicians, and staff regarding what they believed should be the new system's core values. Once a particular core value was identified, respondents were asked to describe work-related behaviors that modeled it. The task force then wrote up a description of these values, which was refined further through additional dialogue sessions conducted with associates from each system. The task force then submitted this final statement of values to the Steering Committee for its approval.

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### PHASE II CULTURAL INTEGRATION TASK FORCE

For the second phase, SSJHS's and DCNHS's CEOs formed five new cross-organizational task forces, assigning them the areas of human resources, finance, legal affairs, risk management, and cultural integration, respectively. Co-leaders from the two systems directed each group.

In this article, we will focus on the Cultural Integration Task Force, which was assigned four tasks:

- Describe SSJHS's and DCNHS's existing organizational cultures, thereby facilitating mutual understanding
- Identify any gaps between the cultures that were so serious they might be considered "deal breakers"
- Articulate a shared preferred culture for the new organization
- Formulate a comprehensive culture formation approach for moving the two existing cultures toward the preferred future culture

The last objective was critical because it made explicit the Steering Committee's desire to create a new organizational culture, rather than merely attempting to blend elements of the two old ones. The task force was given three months to complete its work.

### CULTURE STUDY FRAMEWORK AND APPROACH

The Cultural Integration Task Force's members began by devoting time to building their own working relationships and framing a common perspective.\* They discussed their personal beliefs and views concerning culture and the manner in which it should be studied, eventually agreeing on four underlying assumptions:

- *Culture is a shared belief system.* Cultural expressions—such as norms, management practices, and other visible manifestations—must be deciphered if one is to understand the core beliefs they express. The task force's study must, therefore, focus at this deeper cultural level.
- *Large organizations contain multiple cultures—cultures within cultures.* SSJHS and DCNHS possess both system-level cultures (initially shaped by their sponsoring congregations, then further developed by executive leaders) and local cultures (developed by the systems' various health care ministries). The task force, although focusing on system-level cultures, should be sen-

\*Two of the authors of this article, Deborah Proctor, then of DCNHS, and Thomas Thibault, then of SSJHS, co-lead the Cultural Integration Task Force.



sitive to local cultures as well.

• *No organizational culture is inherently either effective or ineffective.* Effectiveness is measured by a culture's ability to successfully advance its particular defined mission. The task force should, therefore, make a focused effort to simply *describe* the two existing cultures, rather than compare and judge them.

• *Mutual inquiry and exploration by members of both existing cultures, with the aid of an objective third party, is necessary for reliable interpretation of cultural patterns.* To clearly understand the meaning of various cultural expressions, the task force would need help from outside observers. Because they have not been influenced by the cultures being studied, outsiders bring a fresh, objective viewpoint. Even so, the cultures' own members are best equipped to explain the meaning of various cultural expressions and their underlying beliefs.<sup>4</sup>

At this point, the task force engaged the consulting firm of Cap Gemini Ernst & Young LLC (CGEY).<sup>\*</sup> With the consultants' help, the task force designed an approach that would enable it to learn about each system's current culture, define those characteristics of the future culture that will be required to ensure the new organization's success, and create a plan for bringing the two cultures together, thus making cosponsorship a reality.

In framing and guiding its inquiry, the task force employed CGEY's Five Windows Culture Framework (see **Box**, p. 52).<sup>5</sup> This method conceives each of the Five Windows as a lens through which different facets of a culture can be viewed in action. The various patterns and themes discovered across the "windows" provide the means through which the complex whole of a culture can be understood.<sup>6</sup>

In studying the culture, the task force conducted individual and group interviews with a broad, diverse representative sample of members from both systems. In addition, it made structured observations of work settings and work life and analyzed various SSJHS and DCNHS documents. The task force particularly favored large group interviews (involving 25 to 30 people) because they allowed increased participation from both system offices and local ministries. (Group partici-

pants were required merely to raise and explore different points of view, not reach consensus on them.) Although seeking participants from a variety of levels and functions within both health systems, the task force also looked for people who had system level experience and perspective.

The task force used two criteria in selecting participants for these interviews:

- They should be from locations in which the "cultural edges" of both systems were likely to meet (for example, system offices and facilities in overlapping markets).
- They should represent the broadest possible geographic sample, so the task force could control for any geographically linked cultural differences.

### THREE MEETINGS

Having collected and analyzed this data, the Cultural Integration Task Force developed an approach for sharing it with the Steering Committee. In a series of three meetings, members of the two groups reached a mutual understanding of the SSJHS and DCNHS cultures and agreed on an action plan for bringing the two cultures together.

**First Meeting** The task force provided the committee with an overview of each system's culture, described what it saw as the compatibility of the two culture's underlying beliefs, and presented a "straw model" of the future culture based on the input of executives from both systems.

This "straw model" was further developed after the committee gave its feedback. Discussion of the then current system cultures proved to be a significant learning experience for the group's members. It helped them better understand and place in context both the similarities and the differences in perspective, style, and approach they had experienced in dealing with each other on various cosponsorship issues.

**Second Meeting** The committee conducted a "gap analysis" of the differences between the current system cultures and the preferred culture for the future. The committee also agreed to focus culture formation and integration efforts on certain high-priority areas.

**Third Meeting** The task force and the committee reviewed and refined the proposed strategies and plan for bringing the two cultures together toward the preferred culture.

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### STRATEGIES FOR PREFERRED CULTURE FORMATION

This plan involved three interrelated strategies for promoting culture formation. Each strategy

<sup>\*</sup>Ira M. Levin, this article's third author, who was then with Ernst & Young LLP, led the consulting team that assisted the Culture Integration Task Force in its work. In May 2000, Ernst & Young's consulting services division became Cap Gemini Ernst & Young LLC.



included a select portfolio of defined tactics that focused on each of the Five Windows used during the culture study.

**Strategy One: Articulate the Preferred Culture** The Cultural Integration Task Force increased awareness and understanding of the preferred culture by engaging leaders from both systems in further refining it and by expanding the involvement of others in shaping it. Representative tactics included:

- Holding dialogue sessions on the new system's preferred culture at various leadership meetings
- Providing "preferred culture tool kits" to CEOs for discussions with their leadership teams
- Disseminating messages concerning the meaning of the new system's name and logo within the context of the preferred culture.

**Strategy Two: Select, Develop, and Lead People** The task force developed new selection criteria for leaders in the new system. It redesigned leadership development programs and other human resources practices to promote and sustain the preferred culture. Representative tactics included:

- Development of a new leadership competency model
- Creation of a leadership development program that builds the skills leaders would need in the new culture
- Creation of employee selection tools that screened for "cultural compatibility"
- Realignment of the performance management system to ensure that culturally congruent accountabilities are established

**Strategy Three: Establish and Manage the Infrastructure** The task force designed the organization and work environment to facilitate and support the desired behaviors defined in the preferred culture. Representative tactics included:

- Development of new organizational traditions and symbols to express and reinforce the new culture
- Creation of an Ascension Health "Living Our Culture" award and design of an integrated "Performance Scorecard" that reflected the preferred culture

In October 1999 the Steering Committee approved the task force's final report, including the "Preferred Culture Characteristics," the profiles of SSJHS's and DCNHS's cultures, and the strategic plan for transforming the two cultures into a new one. With the report's approval, the work of the Culture Integration Task Force came to an end.

In studying the culture, the task force particularly favored large-group interviews.

### PHASE III MAKING TWO CULTURES ONE

Soon after approving the report, the Steering Committee organized a series of closing and celebratory activities to mark the transition to the new health system. The committee determined that it was important that employees understand four things:

- Why they do what they do (mission, vision, and values)
- What they focus their work on (strategic direction)
- How they do their work together (operational model)
- How the success of the new organization was to be measured (integrated scorecard)

On November 1, 1999, SSJHS and DCNHS formally became Ascension Health. The new system's leaders decided to treat culture integration and development as an element of regular work, rather than as a separate issue. They did this in two ways:

*Process* To develop Ascension's strategic direction and operating model, the leaders launched a three-month process involving more than 100 executives from across the system. In itself, this broad participation in helping shape the new organization's future reflected the preferred culture characteristic of "inclusiveness." Throughout the work sessions, those involved modeled the new cultural characteristic of "candor," reinforcing it through frank and open discussion in which all ideas and views were welcomed and considered.

*Content* The system's leaders also made sure that preferred culture characteristics influenced the content of the work done. They made the cultural characteristics of "dynamic" and "adaptive," as well as "balancing system and local needs" major forces in shaping Ascension's new strategic directions and operating model. They employed the desired characteristic "results- and measurement-oriented" to create an integrated scorecard as part of the system's new strategic performance management system.

### LESSONS LEARNED

Ascension's leaders and staff learned a number of lessons from their experience:

- When trying to combine two or more organizations, make sure top leaders understand the importance of culture. They must be actively involved in defining the desired future culture and in working to create and model it.
- Culture is a very personal thing. People are intimately connected to the cultures they live and



work in. This being so, you can expect examination of cultural matters to provoke a range of emotional reactions. It is vital that you explore and discuss these reactions openly.

- Take time to examine the two cultures' underlying beliefs and working assumptions. This will help you respond quickly to apparent differences that emerge during the integration effort. In addition, learning about another culture can help you understand and appreciate the nuances of your *own* culture.

- Focus culture work on learning about the different cultures and working toward a desired future culture—instead of comparing and judging them. Be descriptive, not evaluative. This will help you avoid divisive, emotionally heated, and useless debates.

- The sequence followed in culture work is important. Define the new organization's mission, vision, and values before describing the pre-

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ferred future culture. Describe the preferred future culture before designing the new strategic direction, operating model, strategic performance management system, and leadership development program. (SSJHS's and DCNHS's former leaders, who launched due diligence and other integration efforts *before* completing the definition of a preferred future culture, now think they were wrong to do so.)

- Expect many people—executives and managers as well as employees—to experience a sense of loss once the two separate organizations have become one. Hold closing ceremonies to help such people make the necessary emotional transition.

- Begin to work together *now* in the preferred new manner, rather than spending a lot of time talking about it.

If they were to conduct cultural integration

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## FIVE WINDOWS CULTURE ASSESSMENT FRAMEWORK

### WINDOW 1: LEADERSHIP

Leaders' personal beliefs and values exert considerable influence on culture. What leaders pay attention to, how they respond to crises and critical events, how they themselves behave—all give employees cues concerning expected and appropriate behavior. Inquiry into this window focuses on understanding the beliefs and values of current and past leaders. Areas for exploration include asking leaders to describe the qualities of their personal heroes and other people who have had an influence on their personal/professional development; key lessons from personal formative life experiences; how they define success for the organization; their interpretation of critical events in the organization's history.

### WINDOW 2: NORMS AND PRACTICES

Through this window one can learn about unwritten rules of conduct and beliefs concerning how work should be organized, managed, and performed. We surface and explore norms by asking people to describe, on one hand, "how one succeeds in this organization"

and, on the other, the "biggest mistake one could make here." Key management practices also provide information about beliefs. These include business goals and strategies, how power and authority are assigned, how resources are allocated, how decisions are made, how information is shared, and the nature of policies and procedures. Management practices and policies are examined through interviews and document analysis.

### WINDOW 3: STORIES AND LEGENDS

This contains the organization's folklore and oral traditions. Organizational stories convey what is distinctive and unique about an organization; they are both descriptive and prescriptive of cultural beliefs. Like children's fables and parables, organizational stories convey messages about what is valued and what is not. Often such stories and legends describe past heroic efforts; they tell how crises were managed and how major blunders were committed; and they give accounts of the actions of key role models. After hearing these stories, participants are asked to provide an

interpretation of the key messages and to explain their understanding of the "moral of the story."

### WINDOW 4: TRADITIONS AND RITUALS

Traditions and rituals are the recurring structured events that place the culture on display and frequently dramatize important beliefs and values. Such events serve both symbolic and practical functions. On one hand, they celebrate an achievement or mark a transition; on the other hand, they teach cultural values. Analysts identify the important traditions and rituals of each organization and describe the perceived meaning associated with them.

### WINDOW 5: SYMBOLS

Organizational symbols may include the organization's logo, the design of its office space, special language used in its charts and position titles, and the way it presents itself to its employees and the communities it serves. Analysts uncover symbols' meaning through a combination of structured observational techniques and group discussions.

—Ira M. Levin

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again, Ascension's leaders would do two things differently:

- Involve sponsor communities in the effort as deeply and thoroughly as executive leaders. Ascension's leaders now think they should have spent more time helping members of the sponsoring congregations understand the issues identified by the culture study.

- Conduct cultural integration efforts at the facility level, as well as at the system level, especially in geographic areas where local ministries are to be merged because of overlapping services. Ascension's leaders now think they focused too heavily on system-level efforts.

On the whole, however, Ascension's leaders believe they have been successful. Although they still see traces of the two different organizational cultures brought together to form the new system, they believe that their systematic focus on cultural issues as a significant part of the cosponsorship approach helped all involved to minimize the negative impact of the differences between them. After a little over a year and a half, they see visible signs that an *Ascension* culture—something clearly new and different—is beginning to take hold. □

### NOTES

1. P. L. Zweig, "The Case against Mergers," *Business Week*, October 30, 1995, pp. 122-130.
2. Sue Cartwright and Gary Cooper, *Managing Mergers, Acquisitions, and Strategic Alliances*, 2nd ed., Butterworth-Heinman, Oxford, England, 1996, p. 5.
3. Edgar. H. Schein, *Organizational Culture and Leadership*, 2nd ed., Jossey-Bass, San Francisco, 1997, pp. 16-20.
4. Ira M. Levin, "Five Windows into Organization Culture: An Assessment Framework and Approach," *Organization Development Journal*, Spring 2000, p. 86.
5. Levin, pp. 84-94.
6. Levin, pp. 87-90.

## CREATING A MISSION-BASED CULTURE

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change management. One popular approach to change management has four distinct roles: sponsor, advocate, target, and agent.<sup>2</sup> The single most critical imperative for successful change management is "executive sponsorship," without which change efforts are doomed. The leaders of the organization must "sponsor" the change effort, through involvement, support, and commitment.

Governance must play the role of change advocate and hold executive leaders accountable for the effort. The change target in our illustration is the entire Newco culture created or transformed within the mission. Finally, the agents of change are those who execute or implement the new culture. They include senior managers, mission personnel, and human resources personnel.

A third lesson is that, unless consciously erased, the culture of the previous organizations will persist as a shadow culture. This need not be a negative phenomenon; it may be a positive force in Newco's culture as long as it is not divisive. In the instance of  $A + B = A$ , when the intent is to eliminate the culture of B, the residual culture needs to be consciously eliminated.

Mission can and should be the basis for the culture of a consolidated or merged organization. Reflecting on the mission and core values, setting aside time and designing processes to define the desired culture, and rooting benchmarks and personal performance measures in the mission are activities as important as, if not more important than, rigorously articulating the venture's business. □

### NOTES

1. See J. Duncan Moore, Jr., "Systems Divorces on the Rise," *Modern Healthcare*, May 29, 2000, pp. 24-26, and Deanna Bellandi, "Catholic Mergers Take Hold," *Modern Healthcare*, January 3, 2000, p. 26.
2. Daryl R. Conner, "Fundamentals of the MOC Methodology," ODR, Atlanta, 1994. See also Conner, *Managing at the Speed of Change*, Villard Press, New York City, 1992.

## SPIRIT OF THE PLACE

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- The Caught by an Angel program provides forms with which patients, fellow employees, or others can identify a staff member who has gone out of his or her way to be of service.

- The Employee Loan Fund collects donations from employees to help colleagues in need of an emergency loan.

- The McAuley Award celebrates employees who exemplify the Mercy philosophy. Those honored receive a small cash award and have their names added to a permanent plaque.

- Project Opportunity provides training and mentoring for those who want to progress in their careers.

Most of Saint Joseph's employees come from other-than-Catholic traditions, yet few seem to feel they are being treated as outsiders. The system's ceremonies, prayers, and celebrations reflect employees' own language, belief systems, and songs (from gospel to Gregorian chant). The expressions may be different, but the values are familiar. Employees seem to comprehend the "Mercy philosophy" almost instinctively. They are proud of these values and rejoice when they have an opportunity to honor those who exemplify them.

What about the future? What hope can we have that "the spirit of the place" will endure? There are no guarantees, of course. But the spirit will remain alive, I believe, if Saint Joseph's leaders remain true to the system's mission statement. That statement pledges "to recognize the intrinsic dignity and infinite value of all persons, both those we serve and those who serve." □

### NOTES

1. C. Michael Thompson. *The Congruent Life: Following the Inward Path to Fulfilling Work and Inspired Leadership*, Jossey-Bass, San Francisco, 2000, pp. 68-69.
2. R. Thomas Consulting and Training, Atlanta, "Cultural Audit Report: Saint Joseph's Health System," September 16, 1997, p. 45.

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