



UNDERSTANDING CULTURE: KEY MESSAGES FOR LEADERSHIP

Healthcare delivery is evolving at an unprecedented rate because of a variety of market and social forces, including healthcare reform, changing technology, shifting demographics, and exploding costs (and efforts to contain them). As the delivery system moves to anticipate and meet needs, many healthcare organizations are transforming their very structures through mergers and acquisitions, changes of sponsorship and modes of delivery, and the creation of new arrangements such as integrated delivery networks. In all these efforts, one of the most important but sometimes overlooked areas is organizational culture. Given this massive change, it is crucial that leaders understand organizational culture and the role it plays in major transitions.

According to Rev. Gerald A. Arbuckle, SM, an expert in organizational change, organizational culture is "a pattern of shared values enshrined in a network of symbols, myths (e.g., stories about the origins and identity of a people), and behaviors or rituals developed by a group over time to help people cope with life's challenges."¹ Culture is the natural response to the basic human need for order or control over an unpredictable world (see article on p. 25).

In healthcare the dominant culture has been bureaucratic, with hierarchical structures that maintain the status quo. But recent qualitative research by Stephen M. Shortell and colleagues² and the Catholic Health Association's work with leadership development³ suggest that successful organizations must be highly adaptive to meet the demands and service commitments in the current environment. Many healthcare organizations are being challenged to change their culture to encourage flexibility, creativity, and teamwork. This article's "key messages" explain the importance of organizational culture and managing cultural change.

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Will Help
Healthcare
Leaders
Guide
Change*

THE IMPORTANCE OF CULTURE

Research on hundreds of recent corporate mergers in the United States suggests that organizational culture is perhaps the single most important factor determining whether an organization can adapt and renew itself.⁴ Thus leaders should take the time to understand a few key concepts about cultural change and ways they can shape, facilitate, and manage it.

Summary

It is crucial, in an era of healthcare mergers and acquisitions, that leaders understand organizational culture and the role it plays in major transitions. Research indicates that organizational factors can lead to either the success or failure of a major change. Too many failed mergers testify to the fact that cultures sometimes *collide*, rather than coalesce.

Culture is the human dimension of an organization. Anytime an organization makes a major change, some of its employees will experience the change as chaos. But chaos is not necessarily a bad thing. It can free people from the constraints of the past, enabling them to create new structures. But, for this to happen, leaders must help employees separate essential from peripheral matters and specify their common values and beliefs.

Good leaders are vital for change as significant as an acquisition or a merger. They may want to begin with assessments of their respective cultures. They will certainly give employees an opportunity to express their sense of loss. As early in the process as possible, they should create communications mechanisms that involve employees in the change process and share vision and values. And leaders should share themselves, both their strength and vulnerability, so that employees can see change as something all are experiencing together.



Simply to continue to exist, Catholic health-care organizations must be adaptive, flexible, and continually undergoing renewal. The continuation of the ministry may not mean "organizational survival" as we know it, but, rather, continuation through transformed, "reinvented" organizations and other forms of healthcare delivery. The ministry's leaders must strive to create and carry out a values-based, shared vision for tomorrow's healing ministry in all its forms.

But leaders must take great care in doing this. Organizational culture factors can lead to either the success or failure of a major change. Too many failed mergers testify to the fact that cultures sometimes *collide*, rather than coalesce. A leader who ignores the cultural aspect of change does so at his or her own risk.

Culture is the human dimension—the *relationship* dimension—of the many changes under way in an organization. Recognizing this dimension and these relationships is important for reasons that go beyond the organization's success or failure. Both the spirit of the Second Vatican Council and of Catholic social teaching—with its call for justice, charity, compassion, and respect for human dignity—demand that Catholic health-care organizations and their leaders recognize and attend to the importance of human relationships, as well as to the dignity and meaning of work.

AN UNDERSTANDING OF CHAOS

Anytime an organization makes a significant change, some (perhaps most) of its employees will experience the change as *chaotic*. That is not necessarily a bad thing.

According to Fr. Arbuckle, chaos is "the generally sudden cultural breakdown in which a people's network of meaning systems—their symbols, myths, and rituals—disintegrate."⁵ Chaos is a radical breakdown of the predictable. When organizations undergo radical changes, chaos in varying degrees is inevitable. Having lost the sense of belonging that culture provides, people feel rootless, anxious, and depressed.

The word "chaos" is nearly always used negatively—the implication being that chaos is neither a normal part of organizational life nor conducive to an effective work environment. Paradoxically, however, no significant change is possible without chaos. It provides people, now freed from the constraints of the past, with the space to ask fundamental questions about the organization's purpose and values. In fact, chaos gives people an opportunity to re-create an appropriate organizational mythology and new structures.

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order are, like yin and yang, parts of the same whole. People will not let go of the old and secure if there is no experience of chaos. And people will not let go of *deep* attachments unless their experience of chaos is fairly intense. Thus alternating periods of order and upheaval should be expected in any living organization.

In the Hebrew and Christian Scriptures the experience of chaos is described in terms of confusion, darkness, emptiness, and nothingness. It carries with it the notions of indeterminacy and potentiality. The story of Jesus in the garden at Gethsemane provides a powerful metaphor for trusting in the working of chaos. Agitated and disturbed by his approaching ordeal on the cross, Jesus went to pray in the garden. Initially he wanted to hold on, to "keep things as they were." But, after a period of prayers, tears, and reflection, he abandoned himself to God and the impending change. He trusted that this painful, approaching chaos would finally result in a new order and new meaning.

OVERCOMING RESISTANCE TO CHANGE

Culture answers the basic human need for felt order or control over an unpredictable world. However, since change is an inevitable and necessary part of life, people must sooner or later "let go" of this felt order. Although they may not always resist change, they resist *being changed*, especially if they do not understand the reasons for the change. Employees want to hold on to their old ways of knowing and doing things. This makes it extremely difficult for organizational change to succeed.

To determine a culture's readiness to change, some organizations perform culture assessments. This process can include extensive use of surveys, consultants, group meetings, storytelling, and a variety of other means that allow leaders to learn the organization's stories, acquaint themselves with its culture, and perhaps identify any obstacles to change.

This is not an easy step. It is hard for an observer to determine an organization's real thoughts, feelings, beliefs, principles, or values. Fr. Arbuckle cautions that it can be extremely difficult to judge people's deeply held values, enshrined as they are in symbols and myths, simply on the basis of what they do or say. The most deeply rooted and influential beliefs are often hard for people to articulate. In extreme cases, Fr. Arbuckle contends, it is possible for someone to study an organization for months and still not be certain whether he or she has accurately captured the deeper principles—what he calls the "underlying assumptions"—of the culture.⁶

The acceptance of change involves a conver-



sion process. Leaders must repeatedly voice the message, "We will need to let go of some things, but there are others we must hold on to—or do in a different way—if we are to get through this. Let's talk about what we can let go of and what we should preserve." By inviting such dialogue, leaders will help employees separate essential from peripheral matters and specify their common values and beliefs.

The process of joining with another organization can raise some difficult questions about "founding stories" and core values. For example, if two organizations merge, what happens to their originating myths and stories? If one organization takes another into its fold, how does the acquired organization hold onto its founding story—or does it? When a Catholic organization merges with a secular one, what happens to their respective values, myths, and rituals—the very essence of what they believe about themselves? These are not unimportant questions. In such situations much dialogue will be needed about symbols, stories, and essential values and about what will be preserved and fostered in the new arrangement.

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call to say good-bye to the past. If this is not done, the past will haunt them and prevent them from moving into the future. This part of organizational change can require as much time and attention as its marketing and financial aspects. Leaders must acknowledge the grieving process and implement a clearly articulated strategy that will allow employees to let go in a way that respects their dignity. Leaders must provide rituals, processes, support, and time for people to grieve and say farewell (see article on p. 40).

THE IMPORTANCE OF COMMUNICATING

Serious organizational change can be painful. It often upsets relationships, redirects work flow, and even affects such apparently minor matters as where employees eat, take breaks, and park their cars. Employees need to know the new route their organization is taking, the reasons for the change, and the benefits expected from it. Thus it is important for leaders to involve employees from all organizational levels as early as possible in the change process. Information is a source of order and structure; people thirst for it.

By forming internal communication mechanisms as early as possible, leaders can reduce employees' anxieties and squelch unfounded rumors passed along the grapevine or sparked by the outside media. Some managers "put up a shield of confidentiality," believing they can thereby avert fear and disinformation. But experience proves the opposite; such a "shield" actually creates an information vacuum in which rumors will grow.

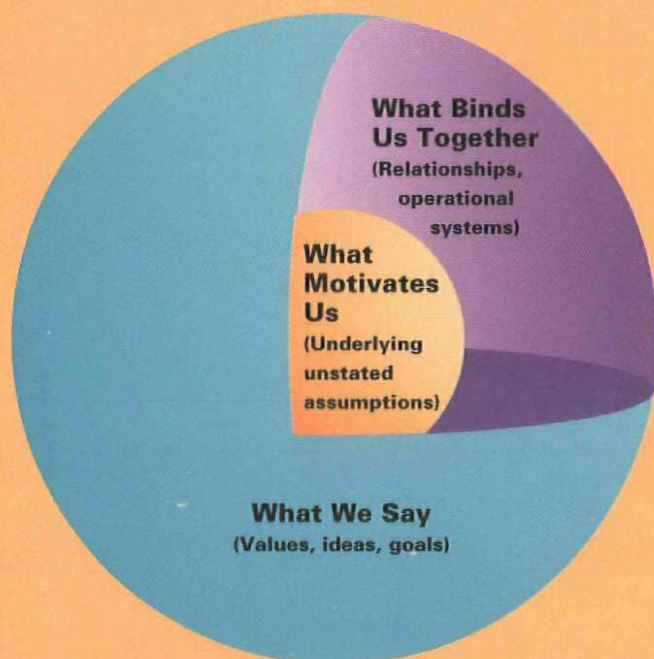
John P. Kotter and James L. Heskett describe the benefits of shared and open information. They argue that it fosters adaptive work patterns which allow:

risk-taking, trusting, and a proactive approach to organizational as well as individual life. Members actively support one another's efforts to identify all problems and implement workable solutions. There is a shared feeling of confidence; the members believe, without a doubt, that they can effectively manage whatever new problems and opportunities come their way. There is widespread enthusiasm, a spirit of having whatever it takes to achieve organizational success. The members are receptive to change and innovation.⁷

CHANGING STRUCTURES TO CHANGE CULTURE

Effective leaders realize that structures must be changed in order to change culture. But the term

LEVELS OF CULTURE





“structure” implies much more than an organizational chart. Organizational structures comprise both formal and informal systems and behaviors—including processes, policies, and bylaws—and sometimes these structures are not easy to identify, understand, and thus change. Structures that help cultures adapt to change are similar to those found in the “learning organizations” described by Peter M. Senge, an expert on leadership.⁸ Such organizations continually seek to renew themselves through values programs, leadership with shared values and vision, and quality improvement efforts. Such structures are fluid and organic and have a self-renewing capacity.

These structures can be compared to a plant growing in a garden. One can cut off the visible part of a plant and not necessarily end its life. Anyone who has cut down a tree at ground level knows that a new tree will sprout up every spring until the roots are also removed. Similarly, an approach that goes to an organization’s root structure is needed to effect lasting change in the organization.

SHARED VALUES AND VISION

One of the primary principles of successful organizational change is that shared values and vision must be developed if substantial progress is to take place. Employees need to know what their work is in essence (mission), where they are headed as an organization (vision), and how they should be proceeding (values). They need to hear their leaders repeatedly state these basics, like a mantra.

According to organizational development expert Jill L. Sherer, “Executives are coming around more and more to the philosophy that shared values and vision—and by extension, shared corporate culture—represent the number one success factor in any merger.”⁹

Shared Values The concept of shared values has always been important to Catholic healthcare organizations. Such organizations draw their values from a common pool, the wellspring of our tradition. Most Catholic healthcare organizations state their values in mission and values statements, and they mandate programs and practices to integrate those values into the practical, daily aspects of organizational life.

Given the dramatic changes all healthcare providers are having to make, Catholic organizations and their leaders must be willing to participate in a process that leads to a different expression of espoused values. The “new” values cannot be contrary to our mission, but they may be a new expression of our commitment.

Shared Vision Having a positive vision is an organization’s greatest force for change. This vision, initiated by leaders and shared with employees, should be comprehensive, detailed, and inspiring. Management expert Margaret J. Wheatley says, “I have come to understand organizational vision as a field—a force of unseen connections that influence employee behavior—rather than an evocative message about some desired future state.”¹⁰

Too often leaders, believing they hold the vision for the organization, forget to communicate that vision, which is the first step toward ensuring it is shared. A vision is not something created by one person and then superimposed on the organization. If it is to have any meaning, a vision must be held broadly within the organization—not just within the formal leadership. Leaders must ensure that processes and organizational behaviors are developed that encourage shared ownership of the vision by everyone.

RELATIONSHIPS

Relationships between people are fundamental to organizational culture. Wheatley says:

We don’t know who we are until we are in relationships. None of us exists independent of our relationships with others . . . others as individuals, events, and situations. . . . As we let go of the machine model of work, we begin to step back and see ourselves in new ways, to appreciate our wholeness and to design organizations that honor and make use of the totality of who we are.¹¹

Leaders need to pay attention to the relationships within their organizations, especially at times of major organizational change. But at such times, even the most sensitive efforts toward others can be perceived negatively. What might seem to be insignificant issues to leaders—and thus be overlooked or “put on a back burner”—could be regarded by employees as matters of personal identity with surprisingly deep emotional meaning. These issues could include small things such as how to use a new cafeteria, what uniform to wear, or what logo appears on a new nametag. Even the language used to announce a merger or other major change can be perceived by employees and the community as efforts to “soften the blow” or “sugarcoat” information.

Price Pritchett and Ron Pound say, “Leaders have to care harder to help people through the ordeal.”¹² Good leaders know that there is a time

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to show strength and a time to be vulnerable, a time to have the answers and a time to ask others' opinions. Leaders who always have the answers either destroy morale or encourage unhealthy dependency. Leaders who share struggles share their own humanity, giving others a way to connect and say, "Hey, we have something in common!" Moreover, leaders who share struggles and uncertainties, especially during tough times, open the door for others to offer insights and share confidences. They provide the opportunity for *everyone* to contribute.

THE POWER OF NETWORKS

It is important to recognize the power of networks, not only in building relationships but also in effecting major organizational change. People will support, internalize, and adapt to what they participate in. If leaders build networks that allow people to participate, the organization will have a better chance to succeed.

A leader can do much to ensure that practices

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are developed in the work environment to support employees' ability to adapt. For example, a leader could encourage people from different work units to get to know one another and to learn how they might be helpful to each other. Even better, a leader could encourage employees to perform the work of others, to experience what they do, perhaps in cross-functional work teams.

While building support networks, leaders should remember to protect the organization's creative people—the iconoclasts, the mavericks. Especially at a time of major change, such people should not be suffocated by routine bureaucracy or the mind-set that says, "We've always done things this way." Such individuals are sometimes the organization's best hope for rethinking systems and developing adaptations for change.

THE VITAL QUESTION

Managing large organizational change is a far more complex task than one might guess from reading the financial page of a daily newspaper. Indeed, the financial aspects of an acquisition or merger can turn out to be relatively simple. Leaders in Catholic healthcare—especially those planning affiliations with non-Catholic organizations—must ground their plans in an understanding of their organizations' cultures and the dynamics of culture (see Figure).

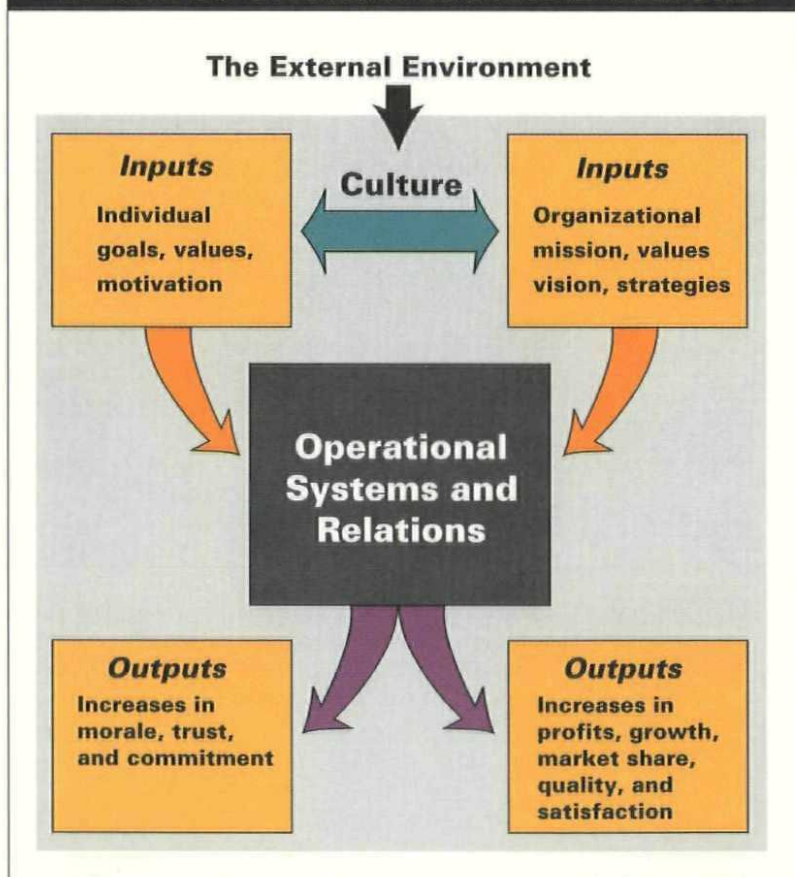
Operational systems and relations—the real heart of an organization's culture—are influenced by the external environment, by inputs from the individuals who work in the organization, and by inputs from the organization—its mission and strategies.

Four other important elements also shape operational systems and relations (represented in center box in figure) and depend on effective interventions by managers:

- Expectations of leaders and how these are explained and carried out—for example, through performance standards and rewards, channels for participation, and structures.
- Employees' behaviors. Leaders must influence behaviors in such a way that they reflect true acceptance of the reasons for change explained by leaders.
- Communication systems. Direct, credible communications such as announcements and speeches are effective, but so are more indirect systems such as ceremonies, logos, stories, and rituals that facilitate transformation to "the new." Consistent actions also communicate the organization's culture.

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DYNAMICS OF ORGANIZATIONAL CULTURE



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• Selection and orientation systems that ensure employees are comfortable with and will support the organization's goals and expectations. Although the organization's goal should be to minimize turnover, employees who are unable to find meaning in the culture may leave on their own or be removed in a compassionate manner.

Cultures are real. Healthcare leaders who ignore organizational culture do so at risk of not achieving organizational outputs of high morale, trust, quality, and economic success. □

NOTES

1. Gerald A. Arbuckle, *Earthing the Gospel: An Inculturation Handbook for the Pastoral Worker*, Orbis Books, Maryknoll, NY, 1990.
2. Stephen M. Shortell, et al., "Creating Organized Delivery Systems: The Barriers and Facilitators," *Hospital and Health Services Administration*, Winter 1993, pp. 447-466.
3. Center for Leadership Excellence, *Transformational Leadership for the Healing Ministry: Competencies for the Future: A Report on the Findings*, Catholic Health Association, St. Louis, 1994.
4. Susan Cartwright and Cary L. Cooper, "The Role of Culture Compatibility in Successful Organizational Marriage," *Academy of Management Executive*, no. 2, 1993, pp. 57-70.
5. Arbuckle.
6. Arbuckle.
7. John P. Kotter and James L. Heskett, *Corporate Culture and Performance*, Free Press, New York City, 1992.
8. Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, Doubleday Currency, New York City, 1990.
9. Jill L. Sherer, "Corporate Cultures: Turning 'Us Versus Them' into 'We,'" *Hospitals and Health Networks*, May 5, 1994, pp. 20-27.
10. Margaret J. Wheatley, *Leadership and the New Science: Learning about Organization from an Orderly Universe*, Berrett-Koehler, San Francisco, 1992.
11. Wheatley.
12. Price Pritchett and Ron Pound, *High-Velocity Culture Change: A Handbook for Managers*, Pritchett, Dallas, 1993.

REFOUNDING

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Once we assent to walk with Christ, we must become ruthlessly honest in assessing our institutions, systems, beliefs, and attitudes in light of his mission. We must question whether these further or hinder Christ's mission. Only through ongoing assessment can we refound the ministry.

If we are open to accepting God's gifts, then we will face humanly impossible tasks, as did the founders of religious congregations and the ministry. We will search for the creative and committed people in our midst, strategically placing and supporting them. We will summon our healthcare organizational cultures to grieve over what has been lost in order to move forward to embrace what we may as yet be unable even to imagine. Through these blessings from God, which chaos disposes us to receive, and our ownership of them, we will initiate and continue the renewal and refounding of the Catholic health ministry. □

NOTES

1. I approach the notion of chaos from a cultural anthropological perspective. See Gerald A. Arbuckle, *Out of Chaos: Refounding of Religious Congregations*, Paulist Press, Mahwah, NJ, 1988, pp. 14-45. In a complementary way, Margaret J. Wheatley looks at the relationship between chaos and leadership within the context of contemporary science in *Leadership and the New Science: Learning about Organization from an Orderly Universe*, Berrett-Koehler, San Francisco, 1992.
2. Gerald A. Arbuckle, *Refounding the Church: Dissent for Leadership*, Orbis Books, Maryknoll, NY, 1993, p. 42.
3. This is a modified definition from E. H. Schein, *Organizational Culture and Leadership*, Jossey-Bass, San Francisco, 1987, p. 314.
4. V. Turner, *The Ritual Process: Structure and Anti-Structure*, Cornell University Press, Ithaca, NY, 1977, pp. 94-203; and Gerald A. Arbuckle, *Earthing the Gospel: An Inculturation Handbook for the Pastoral Worker*, Orbis Books, Maryknoll, NY, 1990, pp. 62-78.
5. Arbuckle, *Refounding the Church*, pp. 21f.
6. R. D. Stacey, *Managing the Chaos: Dynamic Business Strategies in an Unpredictable World*, Kogan Page, London, 1992, pp. 189-208; Wheatley, pp. 139-151.
7. Arbuckle, *Out of Chaos*, pp. 29-45 and 88-111.

RITUAL

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LEADERS' RESPONSIBILITY

Ritual is an important way to provide a structure that allows people to express their emotions. For leaders, it can be a visible way to acknowledge grief and show support for organizational members. For ritual to have any meaning, key leaders need to be present and perhaps have a role in the creation and enactment of the ritual.

According to the Center for Creative Leadership in Greensboro, SC, it is the leader's role to structure a confusing and ambiguous environment toward some unifying purpose. Noer says, "This concept defines leadership in terms of process: any individual or group who can create a galvanizing meaning is exercising leadership. . . . The basic task of new-paradigm leadership is making meaning." Thus leaders should not hesitate to turn to others within the organization for help with making meaning. Mission and pastoral care team members—people with a history of tending to people's spiritual and emotional needs—can help develop healing rituals.

Whether dealing with mergers, downsizing, change of sponsorship, or some other organizational or cultural transition, leaders must provide—through ritual—the official, visible symbols to allow employees to deal with loss, let go, say "hello," remember, or, perhaps, cry. Only then can an organization's members make the necessary mental, emotional, and spiritual adjustments that will allow them to become part of a new culture. □

NOTES

1. Janet Schaffran and Pat Kozak, *More Than Words: Prayer and Ritual for Inclusive Communities*, 2d ed., Meyer-Stone Books, Oak Park, IL, 1988.
2. Terrence E. Deal and Allen A. Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life*, Addison-Wesley, Reading, MA, 1982.
3. William Bridges, *Managing Transitions: Making the Most of Change*, Addison-Wesley, Reading, MA, 1991.
4. David M. Noer, *Healing the Wounds: Overcoming the Trauma of Layoffs and Revitalizing Downsized Organizations*, Jossey-Bass, San Francisco, 1993.
5. Martha Ann Kirk, personal correspondence, September 1994.