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### Constructive Cultures Retention Strategies: Improving Your Financial, Quality and Team Performance



April 12, 2017 Scott W. Goodspeed, DHA, FACHE Director, Stroudwater Associates



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## **Real Culture**

is the root of your organization's success.



## The Concept of Culture: Edgar Schein



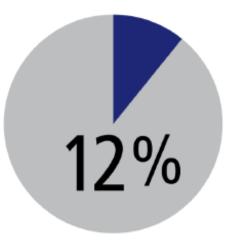


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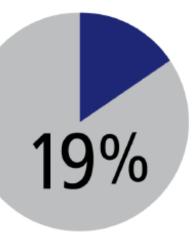


## Culture Poll

### Organizations that truly understand their culture



Organizations believe they have the "right" culture







## Constructive Culture





IF YOU WANT ENGAGED EMPLOYEES, LET THEM BREAK RULES AND BE THEMSELVES. WE'LL SHOW YOU HOW. BY FRANCESCA GINO

"In a recent survey of more than 2000 employees across a wide range of industries, nearly half the respondents reported working in organizations where they regularly feel the need to conform, and more than half said that people in their organizations do not question the status quo".



## Measuring Organization Culture

The Circumplex is a highly visual and consistent throughout the Integrated Diagnostic System.

It breaks the factors underlying performance down into 12 ways or "styles" of thinking, behaving, and interacting.





## Three Types of Culture



#### **Constructive** cultures promote effective goal setting and achievement, growth and learning, and teamwork and collaboration. SATISFACTION NEEDS -CONSTRUCTIVE STYLES SELF-ACTUALIZING 11 ACHIEVEMENT PEAFECTION DEPEAFECTION HEFTILLATIN 2 MGHESSINE | DEFENSIVE STYLES PEOPLE ORIENTATION ASK ORIENTATION APPROVAL 3 CONFINIONAL PASSIVE ( DEFENSIVE ) POINTER OPPOSITIONAL DEPENDENT AVOIDANCE

#### **Passive/Defensive**

cultures lead to conformity, rigidity, and lack of team member accountability and initiative.



## SECURITY NEEDS Research and development by Robert A. Cooke, Ph.D. and J. Clayton Lafferty, Ph.D. Copyright © 1973-2013 by Human Synergistics International. All Rights Reserved.

#### **Aggressive/Defensive**

cultures lead to internal competition, management by exception, and short-term emphasis as opposed to longterm effectiveness.

## **Constructive Styles**

Interacting with others and approaching tasks in ways that will help them to meet their higherorder *satisfaction* needs

#### **11 Achievement**

Employees are expected to set realistic goals and solve problems effectively

#### 12 Self-Actualizing

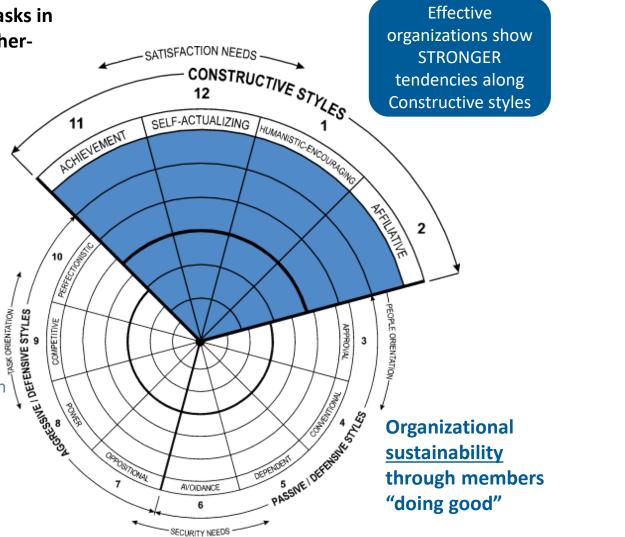
Employees are expected to gain enjoyment from their work and produce high quality products/services

#### **1** Humanistic-Encouraging

Employees are expected to be supportive, constructive, and open to influence in dealing with others

#### 2 Affiliative

Employees are expected to be friendly, open, and sensitive to the satisfaction of the work group





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## Passive/Defensive Styles

Interacting with *people* in ways that will not threaten their own *security* 

#### 3 Approval

Employees are expected to agree with, gain the approval of, and be liked by others

#### 4 Conventional

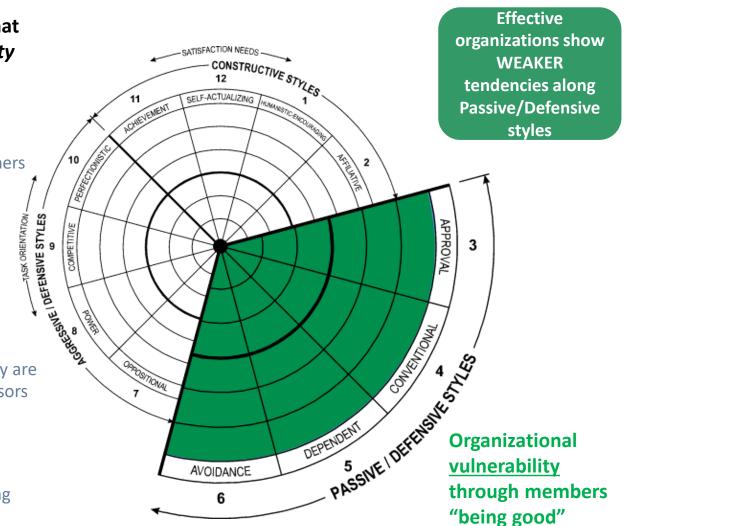
Employees are expected to conform, follow the rules, and make a good impression

#### **5** Dependent

Employees are expected to do what they are told and clear all decisions with supervisors

#### 6 Avoidance

Employees are expected to shift responsibilities to others and avoid being blamed for mistakes





## Aggressive/Defensive Styles

## Approaching *tasks* in forceful ways to protect their status and *security*

#### 7 **Oppositional**

Employees are expected to gain status and influence by being critical and constantly challenging one another

#### 8 Power

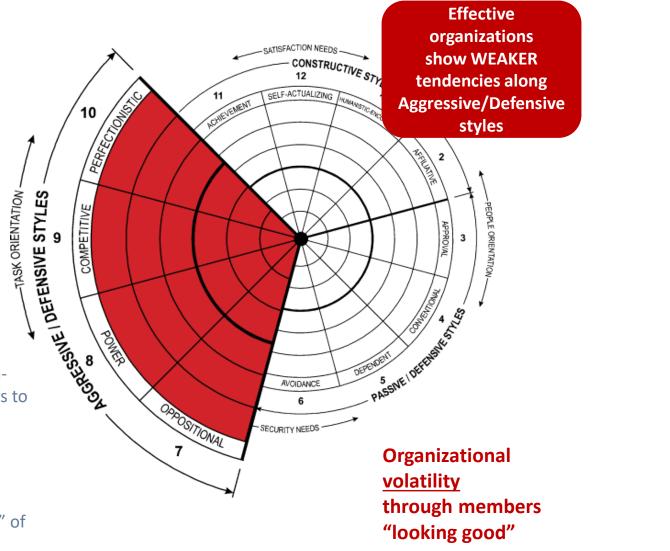
Employees are expected to take charge and "control" others, and make decisions autocratically

#### 9 Competitive

Employees are expected to operate in a "winlose" framework and work against their peers to be noticed

#### **10** Perfectionistic

Employees are expected to avoid making mistakes, work long hours, and keep "on top" of everything

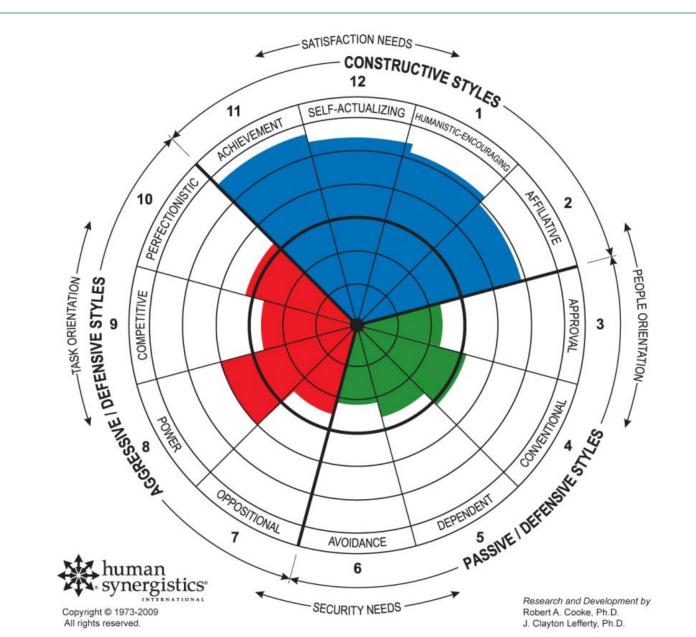




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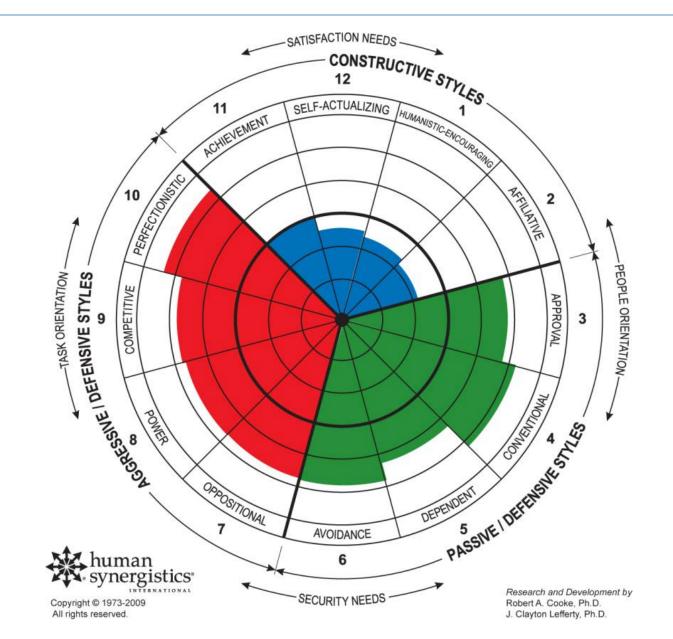
## Impact of the Most Effective and Successful Leaders





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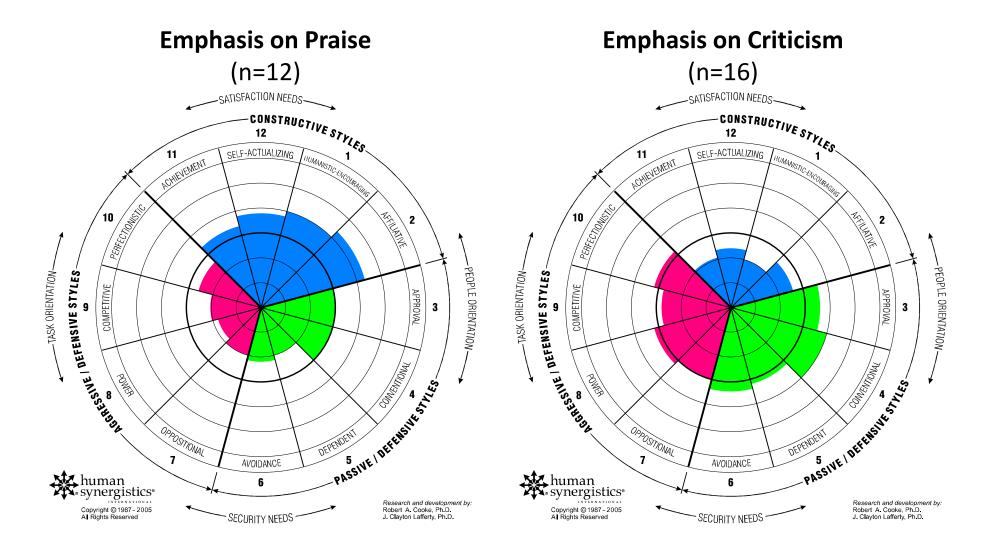
## Impact of the Least Effective and Successful Leaders





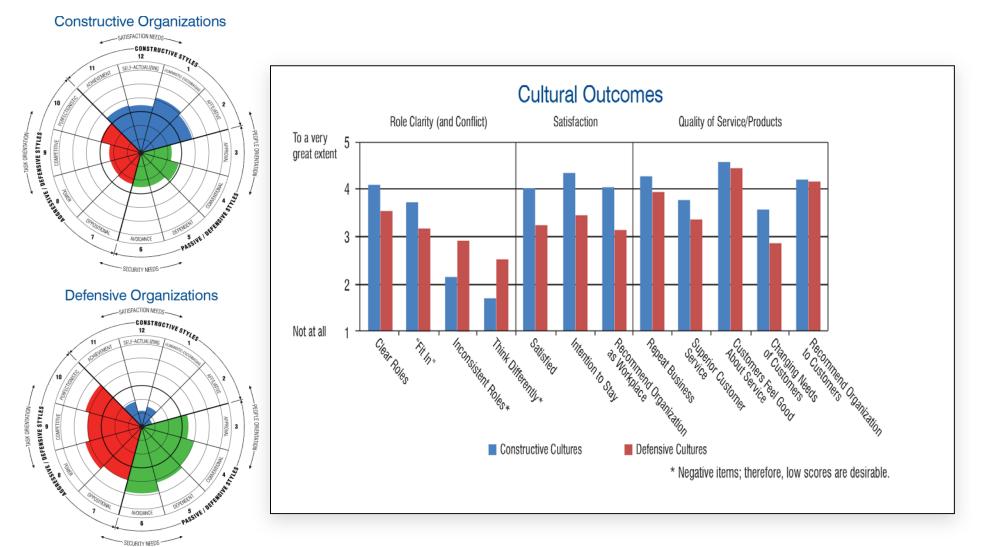
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## **Emphasis on Praise and Criticism**



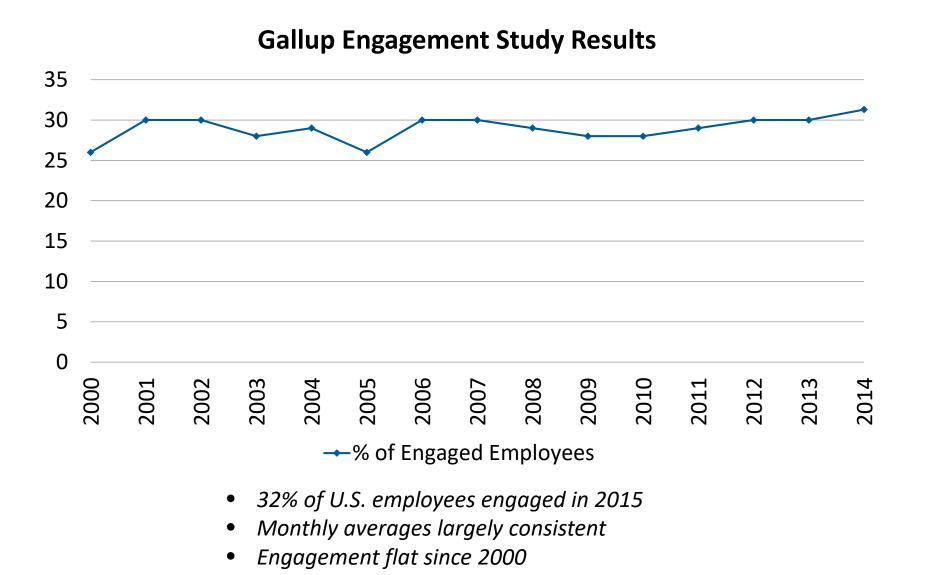


## Industry Profiles—Healthcare





## 15 Years of Engagement Emphasis-Isolated Progress & Limited Impact





Both research and my own professional experience suggest that constructive norms and expectations lead to high retention and improved financial, quality and team performance.

Turnover, financial performance, quality and teamwork are leadership and management phenomena and not an organizational occurrence.

Leaders and managers impact people and culture directly.

Independent research demonstrates that organizations using the Balanced Scorecard framework achieve 27% greater value over a three year period than non-Balanced Scorecard users.

What leaders and managers do <u>and</u> how they do it determine the impact that they have on the people around them.

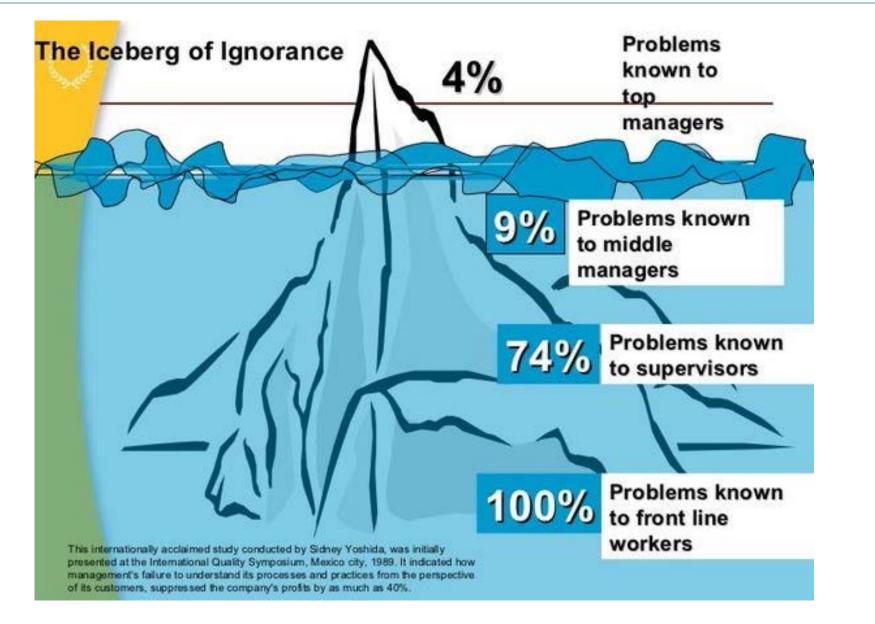




## Approaching the Human Side of the Business: A Community Hospital

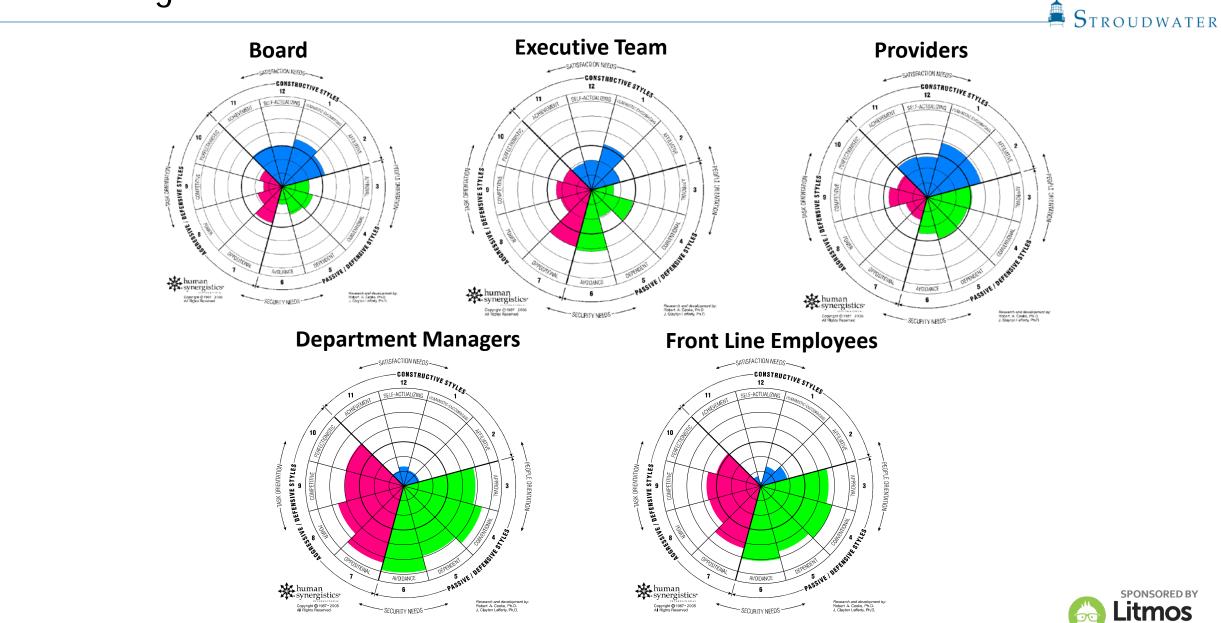


## The Iceberg of Ignorance





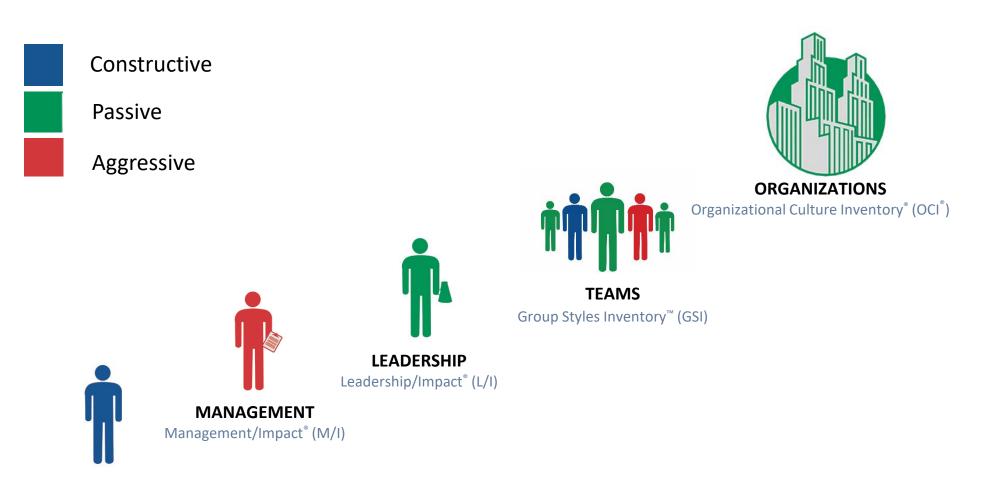
## The Organization



Research and Development by: Robert A. Cooke, Ph.D. and Janet L. Szumal, Ph.D.

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## The Complexity of True Culture

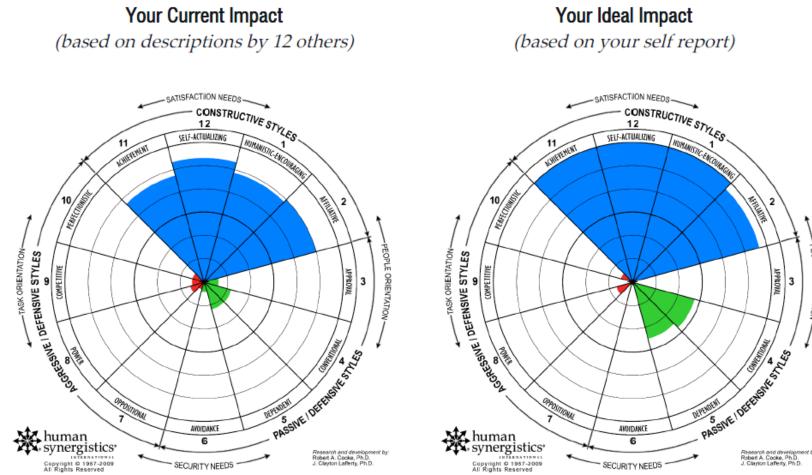


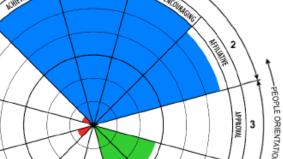
**INDIVIDUALS** Life Styles Inventory<sup>™</sup> (LSI)

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Contention

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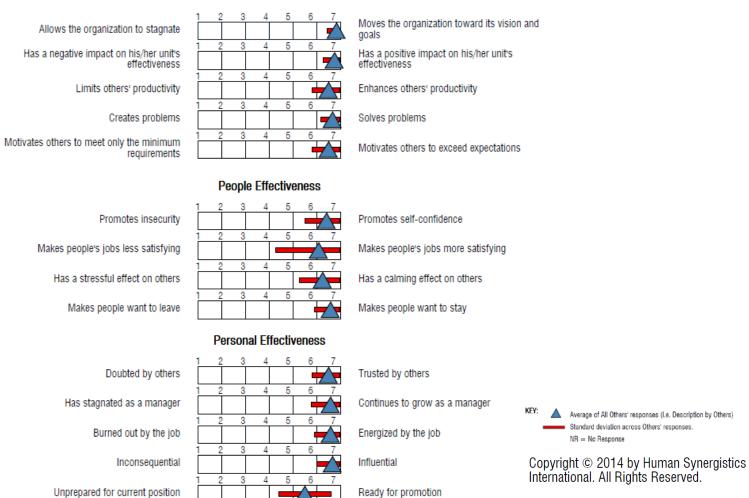
## Joe's Management Impact



#### Your Current Effectiveness

(as described by 12 others)

#### **Task Effectiveness**





## Tysha's Management Impact

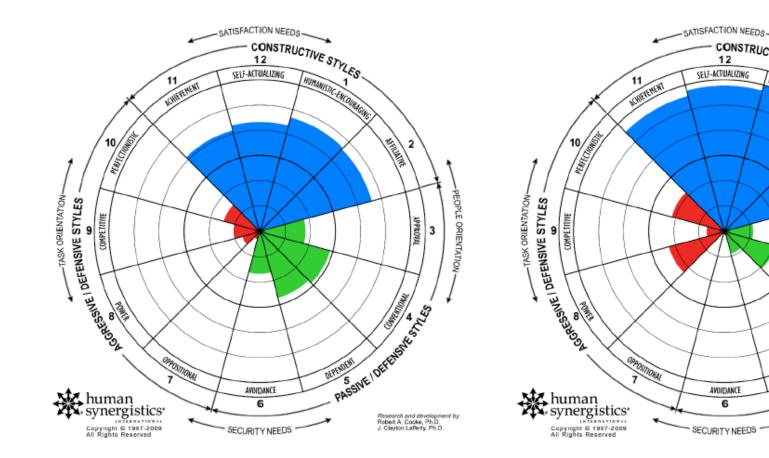
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Your Current Impact (based on descriptions by 11 others)

Your Ideal Impact (based on your self report)

CONSTRUCTIVE STYLES

HUMANISTIC





EOPLE ORIENTATION

APPROVA

Controlling

DEPENDENT

AVOIDANCE

6

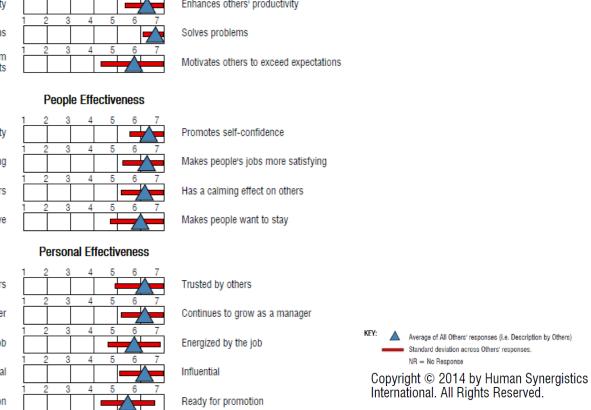
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## Tysha's Management Impact

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#### (as described by 11 others) Task Effectiveness Moves the organization toward its vision and Allows the organization to stagnate goals Has a negative impact on his/her unit's effectiveness Has a positive impact on his/her unit's effectiveness Limits others' productivity Enhances others' productivity Δ Creates problems Solves problems Motivates others to meet only the minimum Motivates others to exceed expectations requirements People Effectiveness Promotes insecurity Promotes self-confidence Makes people's jobs less satisfying Makes people's jobs more satisfying Has a stressful effect on others Has a calming effect on others Makes people want to leave Makes people want to stay Personal Effectiveness Doubted by others Trusted by others 4 Has stagnated as a manager Continues to grow as a manager Burned out by the job Energized by the job Inconsequential Influential Unprepared for current position

Your Current Effectiveness





AVOIDANCE

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SECURITY NEEDS

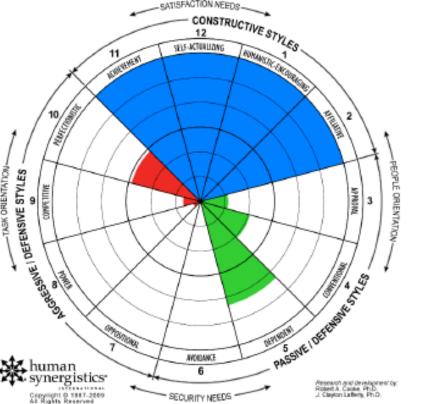
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Your Current Impact Your Ideal Impact (based on descriptions by 10 others) (based on your self report) ATISFACTION NEEDS ATISFACTION NEEDS. CONSTRUCTIVE STYLES SELS-ACTUALIZING SELS-ACTURIZING KORAKSTIK (MC) 11 STREES. WEEHEN 10, 13 10 NUTER NUTER NGGRESSIVE | DEFENSIVE STYLES KGGRESSIVE I DEFENSIVE STYLES OPLE ORIENTATION TNONA UT 3 - PASSINE IDETERSING Commenter DEPRECIPI

Rosewich and development by: Robert A. Caoke, Ph.D. J. Clayton Lafferty, Ph.D.





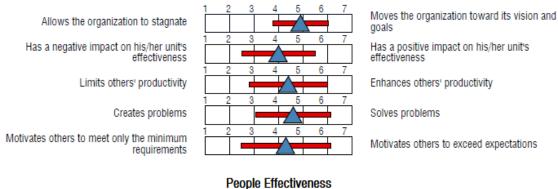
## Brad's Management Impact

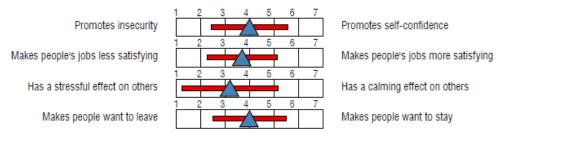


#### Your Current Effectiveness

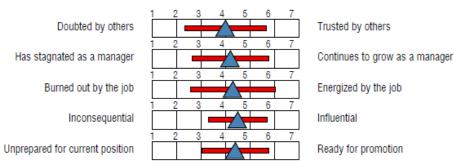
(as described by 10 others)

#### Task Effectiveness





#### Personal Effectiveness



KEY: Average of All Others' responses (i.e. Description by Others) Standard deviation across Others' responses. NR = No Response

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## What Is Joe and Tysha's Management Impact Related to Retention?



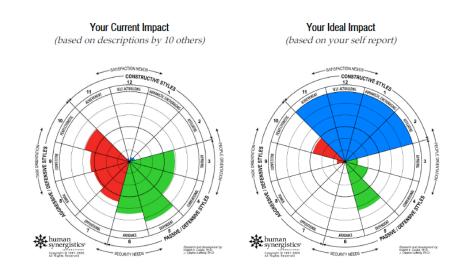
> Joe and Tysha's *Management Impact* is constructive: High task, people and personal effectiveness

- > They go outside of the norm to do what's right
- Create a Balanced Scorecard and lead using the BSC
- Always achieve financial, quality and team goals
- ➤ Hire for attitude
- Specific process for screening and onboarding
- Trusted leadership
- Clear goals
- Behavior norms translated from values
- ➤ Hands-on management
- Create inclusion
- ➢ Real-time recognition
- > Open for opportunities for improvement
- Serious about learning and teaching continuously



## Management Action to Reduce Turnover

- Less than 2% turnover over five years for Joe and Tysha
- State turnover rate 17% and Organization turnover rate 22%
- Leadership matters-Achieve financial, quality and team goals 100%
- Culture and leadership are 3X more important than salary in your employment brand
- Career development and learning are almost 2X more important than compensation, benefits and work environment
- What is Brad's Management Impact?





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## Culture and Engagement

	23			
Meaningful Work	Hands-On Management	Positive Work Environment	Growth Opportunity	Trust in Leadership
Autonomy	Clear transparent goals	Flexible, humane work environment	Facilitated talent mobility	Mission and purpose
Selection to Fit	Coaching & feedback	Recognition rich culture	Career growth in many paths	Investment in people, trust
Small Teams	Leadership Development	Open flexible workspace	Self and formal development	Transparency and communication
Time for Slack	Modern Performance Management	Inclusive, diverse culture	High impact learning culture	Inspiration
Collaboration and Connection				





Board Culture



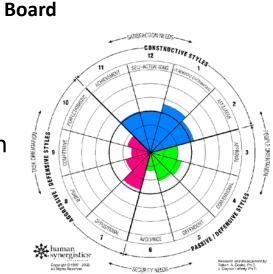
## This Board Sets Tone and Creates the Culture

- Outcomes are better in hospitals where:
  - The board spends >25% of its time on quality and safety.
  - The board receives a formal quality measurement report.
  - There is a high level of interaction between the board and medical staff on quality strategy.
  - Senior executive compensation is based in part on quality and safety performance.
  - The CEO is identified as the person with the greatest impact on QI, especially when so identified by the QI executive.

Vaughn T, Koepke M, Kroch E, et al. Journal of Patient Safety. 2006; 2:2-9

Boards can make a difference, but boards themselves can not make it happen; they can only create the climate and culture to increase the probability quality happens, is nurtured, celebrated and continuously refined.

Boards Matter for a Culture of Quality and Safety







## Key Takeaways



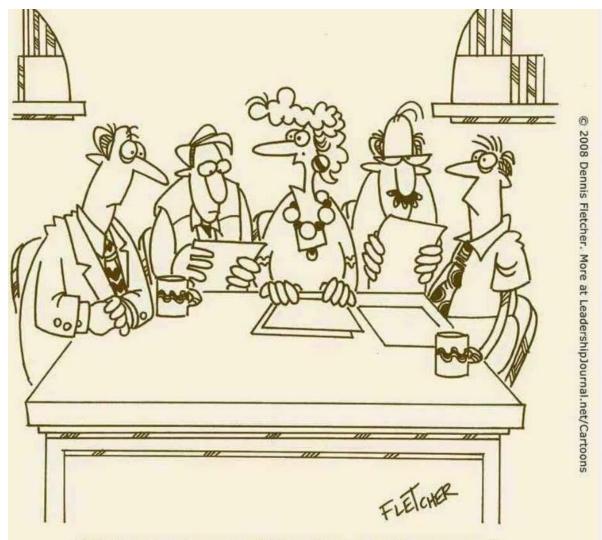


- 2. Assess both leadership and management impact and debrief
- 3. Create an action plan including
  - ✓ Develop behavior standards
  - ✓ Develop a physician compact
  - ✓ Reorganize and empower management
  - ✓ Leadership and management training including individual coaching
  - ✓ Enhanced communication methods, performance management and reward and recognition
- 4. Create a Balanced Scorecard with key metrics
  - ✓ People, infrastructure and technology (turnover)
  - ✓ Quality and patient safety
  - ✓ Growth and provider relations
  - ✓ Financial health
- 5. Best make culture change through solving problems—strategic plan context
- 6. Sustain results with limited investment and measure culture in 18 months



## **Organizational Culture and Future Success**





"We're hoping you'll lead us on a journey of transformation without requiring any real changes."







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Let's Talk About Your Staff Training Needs bradyb@litmos.com----512-470-3311

## **Reference Material**



- Culture is an abstraction, yet the forces that are created in social and organizational situations deriving from culture are powerful. If we don't understand the operation of these forces, we become victim to them.
- Cultural forces are powerful because they operate outside of our awareness. We need to understand them not only because of their power but also because they help to explain many of our puzzling and frustrating experiences in social and organizational life.
- Most importantly, understanding cultural forces enables us to understand ourselves better.

Schein, Edgar H. (2010). Organizational Culture and Leadership (The Jossey-Bass Business & Management Series) (p. 7). Wiley. Kindle Edition.



• How is it possible that in a practice, the doctors, nurses, and administrators are often fighting with each other rather than collaborating to improve patient care?

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- How is it possible that employees are encouraged to report unsafe practices, yet the organization continues to experience a major accident?
- How is it possible that the best strategic options for a healthcare organization never get implemented, leaving the organization to inevitable failure?
- How is it possible when the new CEO arrives the employees "hunker down" and don't "want change"?
- If we understand the dynamics of culture, we will be less likely to be puzzled, irritated, and anxious when we encounter the unfamiliar and seemingly irrational behavior of people in organizations.

Schein, Edgar H. (2010). Organizational Culture and Leadership (The Jossey-Bass Business & Management Series) (p. 9). Wiley. Kindle Edition.

- Perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious.
- In another sense, culture is to a group what personality or character is to an individual. We can see the behavior that results, but we often cannot see the forces underneath that cause certain kinds of behavior.
- Culture as a concept is thus an abstraction. If an abstract concept is to be useful to our thinking, it should be observable yet increase our understanding of a set of events that are otherwise mysterious or not well understood.

Schein, Edgar H. (2010). Organizational Culture and Leadership (The Jossey-Bass Business & Management Series) (p. 14). Wiley. Kindle Edition.



- The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.
- The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead.

Schein, Edgar H. (2010). Organizational Culture and Leadership (The Jossey-Bass Business & Management Series) (p. 18). Wiley. Kindle Edition.



- Artifacts (dysfunctional meetings, new task forces)
  - Visible and feelable structures and processes
  - Observed behavior, difficult to decipher
- **Espoused Beliefs and Values** (personal responsibility, do the right thing, get buy-in from those implementing decisions, fight bitterly in meetings yet be friends, real teamwork)
  - Ideals, goals, values, aspirations
  - Ideologies

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- > Rationalizations—May or may not be congruent with behavior and other artifacts
- **Basic Underlying Assumptions** (the best way to fit is to go along to get along, accuracy and truth are more important than speed)
  - Unconscious, taken-for-granted beliefs and values
  - Determine behavior, perception, thought, and feeling

Culture Fundamentals: 9 Insights from Edgar Shine

1. Culture is a result of what an organization has learned from dealing with problems and organizing itself internally.

Culture is the sum total an organization has learned in dealing with external problems, which would be goals, strategy and how we do things and how it organizes itself internally.

2. Culture matters to the extent an organization is adaptive.

If it's adaptive, it doesn't matter much, people don't notice. If it's not adaptive, it matters a lot.

- 3. Do not over-simplify culture. Its far more than "how we do things around here."
  - Culture operates at many levels. "How we do things around here" is at the surface level. The explanation of why we do things forces you to look at the root system.



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- 4. Leaders should not focus on culture change. Focus on a business problem.
  - Ask what do you mean by culture and what do you think you need to change?
- 5. Your culture always helps and hinders problem-solving.
  - There are always parts of the culture that help solve the problem and other parts that get in the way. Then you are finally at the point of saying, well maybe I need a culture change, but you got there by thinking about the business problem you are trying to solve.
- 6. Be very specific about behavior, how its impacting your problem and the future state of the behavior you want to see.
  - The key is to be very specific. Ask: if we solve this problem, what's the behavior look like a year from now?



Culture Fundamentals: 9 Insights from Edgar Shine

- 7. Culture is a group phenomenon. Engage focus groups to define how the culture is helping and hindering work on a problem.
  - Let's look at our culture from the point of view of what it is and how it is going to help and how it is going to hinder, but always in the context of what we are trying to do, e.g. collaborative salesforce.
- 8. Solve problems by identifying and resolving associated discrepancies between values and behavior.
  - The discrepancy between the values and the behavior is what forces you into looking at the root system, and you discover we have always been individualistic.
- 9. Don't focus on culture because it can be a bottomless pit. Again, get groups involved in solving problems.

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