

3D: Building a Multi-Dimensional Organizational Culture

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Healthcare has succumbed to a culture of finger-pointing. Discussions of a broken system, patients falling through the cracks, operational inefficiencies, and skyrocketing costs of care headline healthcare discussions.

No matter which way patients, care providers, administrators, or board members look there appears to be a landscape where all involved are simply stuck. Americans continue to spend more money than any other industrialized nation on healthcare, while we remain one of the sickest and most medicated nations.

Business as usual clearly isn't working. Boards are looking for ways to help their organizations get unstuck. One way to move the meter and make these changes is to not just consider but engage in governance activities

that address organizational culture. To get a full grasp on understanding organizational culture, boards must understand not only the cognitive culture, but the emotional culture of the organization as well as consider ways to monitor emotional culture in their organizations.

While many boards remain focused on the finances, processes, and functions, it is imperative that boards consider the emotional impact of governance decisions on the most important asset of the organization: the people.

Multi-Dimensional Culture

In the early 2000s, we were introduced to viewing movies in a new and exciting way: 3D. The once flat, uni-dimensional films jumped out at audiences engaging, enrapturing, and inspiring. In the same way, organizations should take a 3D view of organizational culture to transform organizations from performing to excellent.

A January 2016 *Harvard Business Review* article addressed the multi-dimensional approach to culture frequently overlooked. In this article, the authors acknowledge that most organizations have considered culture as one-dimensional, evaluating and enacting on only the

cognitive culture, which they define as “the shared intellectual values, norms, artifacts, and assumptions that serve as a guide for the group to thrive.”¹

They argue a holistic approach to culture con-

siders not only the cognitive culture, but also the emotional culture. They define emotional culture as “the shared affective values, norms, artifacts, and assumptions that govern which emotions people have and express at work and which ones they are better off suppressing.”

Think your governance culture doesn't impact the emotional culture of an organization? Think again. While many boards remain focused on the finances, processes, and functions, it is imperative that boards consider the emotional impact of governance decisions on the most important asset of the organization: the people.

What does this look like? When a hospital determines that the best way to survive the financial climate is to merge with a multi-facility system, this common decision is typically driven by financial concerns and the implications that are considered are mostly procedural, fiscal, and operational. Do we need two separate executive teams? Will benefits cost be reduced significantly

Key Board Takeaways

In an increasingly competitive environment, healthcare boards need to consider and support leadership efforts that build a strong cognitive and emotional culture in organizations. To do this the board must:

- Recognize the differences between cognitive and emotional culture and understand the implications of both types of culture.
- Identify metrics to measure or understand and build organizational culture such as:
 - » Employee engagement
 - » HR metrics
 - » Purpose-oriented workers

with a larger group of employees to reduce rates? Will staffing models shift or change?

But what often gets overlooked is the emotional response to the news amongst staff, frontline managers, and leaders. Change has an enormous impact on the emotional culture of an organization. As a whole, people typically resist change and during a transition period such as this, there tends to be a lot of policy changes, confusion, rumors, and a general air of uncertainty.

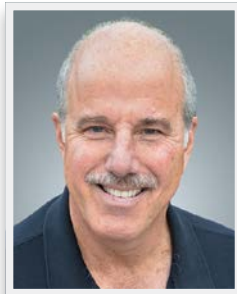
Will employees fear layoffs? Will compensation and benefits be impacted causing employees to incur higher out-of-pocket costs? Will I have to follow a different set of rules or policies? All of these questions are very real and can impact the emotional culture of an organization from one of stability and quality care to one characterized by uncertainty and fear. Boards need to encourage their senior leaders to be mindful and support efforts to manage the emotional culture of the organization.

Measuring Emotional Culture in Organizations

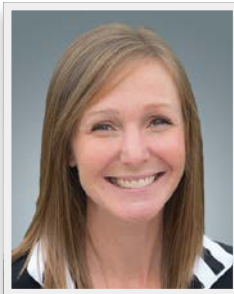
Culture is a nebulous concept. It's hard to define, difficult to describe, and most certainly feels impossible to measure. Yet boards have the opportunity to explore the emotional culture of their organizations through several measures: engagement, employee metrics, and purpose orientation.

Engagement

For decades, organizations have sought to measure employee engagement as a



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1 S. Barsade and O. O'Neill, “Manage Your Emotional Culture,” *Harvard Business Review*, January/February 2016.

measure of the emotional culture.² While the definition of employee engagement varies from organization to organization, Gallup defines engaged employees as “involved in, enthusiastic about, and committed to their work.”³ The fight for engagement has been a mostly uphill battle for the last decade. According to Gallup reports, nationwide averages of employee engagement have floated between 25–33 percent for the last 10 years.

The number of engaged employees is abysmally small and while engagement scores might be readily available and could be indicative of the emotional culture within an organization, studies show that employee engagement is fairly fluid and fluctuates at any given point in time depending on changes in the organization. For example, an employee has a great day at work and takes an engagement survey—scores are high and two weeks after layoffs are announced, engagement scores would go down. The nebulous nature of engagement makes it tough to use to measure the emotional culture of an organization.

Employee Metrics

Another way to assess the emotional culture of your organization is to explore various employee metrics such as:

- Turnover
- Absenteeism
- Sick time
- Leaves of absence
- Tenure
- “Time to fill” open positions

While there may be a variety of reasons impacting each of these, looking at this dataset holistically can help identify the health of the culture. A healthy emotional culture will be a place where employees like to come to work, get sick less often, open positions are easier to fill, and employees stay longer. While external factors (such as a talent shortage in the marketplace) might affect one or two of these metrics, if a



majority of them are not reporting out well, it might be time for the board to ask senior management to take a look at the emotional culture in the organization.

Purpose-Oriented Workforce

While employee engagement and HR metrics have been around for decades, a new metric entering the scene is the “purpose orientation” of workers. In November 2015, Imperative, Inc. released a Workforce Purpose Index study that explored purpose orientation in workers.⁴ Imperative defines purpose orientation as “a psychological predisposition to the role of work in life.”

How does purpose orientation differ from engagement? First, it looks at the traits and the state of the workforce and considers what fundamentally motivates people to come to work. They’ve also found that work orientation is stable and less dependent on external variables and can actually function as a predictor of future behavior and performance in an organization. Since the focus is on traits of the employee vs. the state of the environment, purpose orientation is more static and stable than engagement.

In addition, a higher number of purpose-oriented workers are likely to yield a

healthier emotional culture as purpose-oriented workers are more likely to be in leadership positions, promote their employees, be more fulfilled at work, and have longer tenure. Essentially, purpose-oriented workers are tuned into the work they do and the organizations they work for. Knowing not only the number of purpose-oriented workers in your organization, but also understanding what motivates them to perform allows leadership to build healthy emotional cultures.

The word “culture” evokes plenty of reactions from boards, often negative, yet boards must acknowledge the need to assess both the cognitive and emotional cultures. Boards can assess the emotional culture of organizations by assessing their engagement scores, employment metrics, and purpose. Much like 3D movies, this multi-dimensional culture inspires and engages higher performance. ●

The Governance Institute thanks Jim Finkelstein, President and CEO, and Sheila Repeta, Senior Consultant, of FutureSense, LLC for contributing this article. You can learn more about their company and work at www.futuresense.com or contact them at jim@futuresense.com and sheila@futuresense.com.

2 National Research Corporation, The Governance Institute’s parent company, offers healthcare providers strategic employee engagement measurement tools. For more information, see www.nationalresearch.com/employee-engagement.

3 Amy Adkins, “Little Change in U.S. Employee Engagement in January,” Gallup, February 8, 2016.

4 2015 Workforce Purpose Index, Imperative.