



Culture Alignment, High-Performing Healthcare Organizations, and the Role of the Governing Board

Part One: Culture and Culture Alignment—The Foundation of a Board’s Culture Game Plan
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Culture is a reliable predictor of performance in organizations. Evidence from the field demonstrates that when culture is misaligned across key stakeholders, organizational performance is at risk.¹ So why is this observation important to boards of healthcare organizations? The answer is boards “own” the culture of the organization they govern. The reflexive response from boards may be, “but wait, isn’t culture the responsibility of management?” Management is hired and directed by the governing board. Affiliated professionals and employees within organizations will reasonably and logically presume that the state of the culture must be what the board desires, directs, or permits it to be. Boards are encouraged here to take an active role in the culture and alignment of the culture within the organizations they govern, with conviction that culture is a strong and primary predictor of all aspects of performance and the board holds final accountability for organizational performance.

Part one of this two-part series answers three questions:

1. What is culture and culture alignment?
2. What role does the governing board play in culture alignment?
3. What does culture alignment have to do with achieving high performance in healthcare organizations?

It’s useful to begin with a definition of “culture” since it is an often-used term for a concept that remains ill-defined and ethereal in many organizations, including at the governance level. Here we define “culture” as “the foundation of intrinsic beliefs that bind and inspire the behaviors of people in communities to pursue a mission with unity and purpose.”

¹ Alina Dizik, “The Relationship Between Corporate Culture and Performance,” *The Wall Street Journal*, February 21, 2016.

Culture is an active and irrepressible force that works within an organization as an invisible hand for good or ill. Culture is the sum total of the human condition at work. It is in constant motion. Culture affects behaviors, emotions, attitudes, self-perceptions, self-value, personal productivity, and organizational performance. All organizations have a culture by design or default.

“Alignment” is technically defined as “an arrangement of groups or forces in relation to one another.” Alignment of culture within healthcare organizations happens when the key groups that govern, lead, manage, and care for patients share a unified definition of culture that is then operationalized through a shared system of beliefs, mission, foundation of values, and expectations of culture that guide and direct the behaviors of the organization.

The path to culture alignment starts with the governing board. Board members of hospitals and health systems can and must understand and take an active role in the culture of the organization they govern—what it is and what it should be. When the culture is “right” high performance on all important metrics typically follows; high-performing organizations have high-performing cultures.

Let’s take a short side trip into the world of the NFL. Super Bowl champion Ben Utecht was quoted as saying, “The reason the Colts won the Super Bowl in 2006 was the culture of the organization and the culture was led from the top and was lived by the leaders. There was a ‘Colts way’ and that ‘way’ was decided, designed, deployed, and directed by the head coach, Tony Dungy. The operationalization of the culture was detailed down to the blue stripe on top of the helmets, which was there to demonstrate that all eyes and ears in the huddle were directed to Peyton Manning; ‘active listening’ was a cornerstone of our culture and it was practiced daily.” Culture was important to leadership because of the nature of the business of professional football: elite athletes operating under intense competitive pressure within highly specialized environments subject to high turnover of players

and leaders—sounds a little like healthcare in the U.S.

Now let's return to board members' responsibilities and accountabilities for creating culture alignment in their healthcare organizations. It's useful to repeat here that the board owns the culture of the organization. The board, together with senior leadership, is accountable for deciding, designing, deploying, and directing the culture. The game plan for culture creates a tangible and "humanizing" connection between the governing board and the people carrying out the work of the organization. Boards are provided a useful perspective when they examine organizational performance through the lens of culture.

Building the Framework for Culture Alignment

If culture is the keystone to high-performing healthcare organizations, the cornerstones of culture are:

- The mission statement
- The values statement
- The belief system statement
- The culture statement

The first two are conventional and may be obvious to board members. The third and fourth of these statements are not typically commonplace with boards, but are critical to achieving culture alignment.

Boards are responsible for the "belief system" of the organization, which is composed of statements that reflect the board's belief regarding the foundations of a high-performing healthcare organization. Examples of statements that define a coherent belief system are:

1. "We believe that an integrated system of care provides the highest quality; integration also creates the potential for high performance, overall."
2. "We believe patients benefit when care is delivered by high-performing teams."
3. "We believe that high-quality care coordinated well over time will produce the best health status of those served."
4. "We believe in a holistic approach to the healing process."
5. "We believe that the organization has the responsibility to effectively manage total cost of care and overall value delivered to patients served."

The statement of beliefs integrates with the others, including the culture statement. Examples of culture statements include:

1. "The culture of the organization operates from principles that align with organizational values."
2. "The culture strives to provide those who serve a place to belong, grow, and develop personally and professionally."
3. "The culture will provide a fair, equitable, and just work environment."
4. "The culture respects and values the contributions of all as essential and important to the work that serves the mission."
5. "The culture encourages the organization to reach high levels of performance and performance accountability."

By adding these two cornerstones to those of mission and values, directors have laid the foundation for a culture game plan. The culture plan and alignment of culture then becomes the work of the senior leadership team working together with the governing board.

The board's culture game plan includes its own four cornerstones:

1. Definition of the performance metrics that matter to the board and, thereby, senior leadership.
2. Having a current and ongoing evaluation of the culture of the organization and how it relates to key areas of performance; a constant and consistent finger on the pulse of the culture.
3. A plan that directs senior leaders to be active in culture development as a priority for their performance and performance evaluations.
4. Dedicated time to address progress on the plan at each board meeting in collaboration with senior leadership.

Board leadership may wish to facilitate a conversation among board members and senior leadership regarding the value of developing the belief system for the organization together with the culture statement. The process of such effort has as much value as the final product. The belief statement and the culture statement creates the basis of the culture alignment game plan.

It's useful to revisit the basics of the message delivered above:

1. It's crucial that hospital and health system directors get their arms around the culture of the organization they serve.
2. A principal goal of the practice of culture is "alignment"; here the board owns the responsibility and accountability for the internal alignment of culture.

3. Experience shows that the board's connection with the culture of the organization can be enhanced by the development of statements that define a belief system and principles of culture in practice for the organization.
4. The board is accountable for the connection of culture with performance in the organization. This requirement provides a fruitful opportunity to connect the work of the board with that of senior leadership; together they own the performance of the organization and the culture that drives it.

Board members should move culture and culture alignment to the top of their list of priorities. Board leadership is responsible for directing the full board in the development of the culture game plan. Senior leadership partners with the board to develop, deploy, and direct the plan. All are accountable together for the results. Culture is a shared responsibility and accountability.

Part two of this series, which will be in the May E-Briefings, will address the governing board's role in creating a culture of high performance.

The Governance Institute thanks Daniel K. Zismer, Ph.D., Managing Director and Co-founder of Keystone Culture Group, and Ben Utecht, former NFL player, public speaker, and Co-founder of Keystone Culture Group, for contributing this article. They can be reached at dan@keystoneculturegroup.com and ben@keystoneculturegroup.com.

