

DEVELOPMENT AND APPLICATION OF THE DESIRED CULTURE ANALYSIS TOOL

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Abstract

This paper reports the development and application of a tool to measure desired culture in an organization. The Desired Culture Analysis (DCA) allows practitioners to identify their organization's desired culture and compare it with the perception of culture of subgroups of their organization. The DCA was developed based on core values cited by organizations in lists such as *Fortune's* Most Admired Companies, the *Working Mother* 100, Malcolm Baldrige National Quality Award (Healthcare), and the Center for Health Design's Pebble Partnership. The DCA relies on allocation of points among multiple categories and elements of Saaty's Analytical Hierarchy Process (AHP) to force evaluation of pairs of values. The DCA provided organizational leadership with a profile of the desired values for the organization. Having leadership rate the values on a typical Likert-type scale would have produced scores at the high end of the scale, because these values are all desirable (e.g., serving the customer, performing at high levels of competence).

This process produced 11 sets of four values, which were then used with the entire employee base. The DCA was applied in a regional multi-hospital system to compare leadership's view of desired culture with the view of the current culture from non-managerial employees. The DCA was also used to compare the desired culture with the current cultures at each of the system entities. Based on gaps identified in this comparison, targeted action plans were developed to reduce the gaps. This paper shares action planning processes resulting from the application of the Desired Culture Analysis and draws implications for engineering managers in other types of organizations.

Key Words: culture, measurement, application

“If you don't know where you are going, any road will take you there.” G. Lewis Carroll

One of the responsibilities of the leadership team in any organization is to clearly convey the desired set of values and principles of that organization, in other words, its culture. Culture is important. It helps define the accepted practices of any group or element of an organization.

A good question to ask among today's progressively managed organizations is “Who should determine the desired culture of the organization?” Initial thought

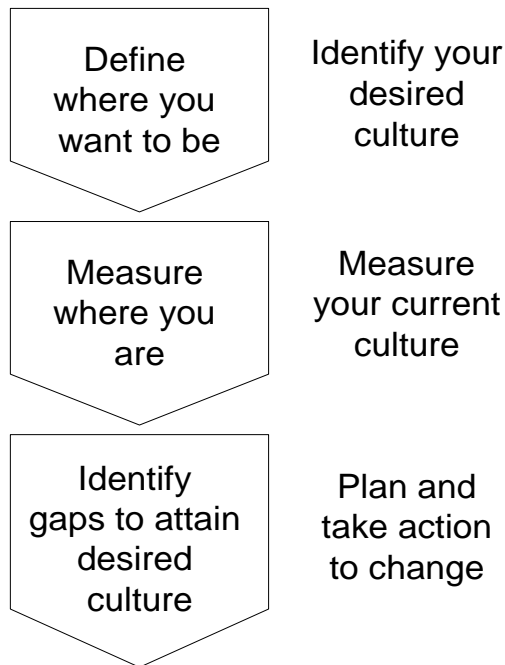
may be given to make this an organization-wide endeavor. However, this diminishes the role of the leadership team who holds responsibility for guiding and managing the organization to its desired future. As such, the leadership team should define the desired culture for the organization, but not without the following caveats:

1. The leadership team should have credibility and legitimacy from its followers. Since leadership power comes from those being led, this is an essential requirement for leadership to be able to define strategies for all organizational members.
2. The desired culture should track with the existing culture. Radical departures from the current culture should not normally be attempted. Culture change is gradual, building upon existing rituals, traditions, and beliefs. Radical changes to these cultural components can result in the deterioration of what has taken many years or decades to achieve. There are exceptions to this point, but radical departures from the norm should be reserved for desperate organizations whose survival hinges upon radical change (“change or die”). This is a last resort option that is not advised in the course of most culture change.
3. Organizational members should be involved in the process of defining the desired culture. This does not mean that non-leadership employees will or should determine the desired culture. It means that employees should be kept informed of the changes, be given opportunities to review draft strategy and culture statements, and have opportunities to have their voices heard concerning the proposed changes. Long-time employees hold much of the cultural heritage of the organization, something that many of the leadership team may not have due to turnover in those ranks.

Many culture instruments are designed to assess the current culture of the organization. Those results are reviewed and leadership determines action plans by identifying what they feel needs to change in the current culture. A more systematic approach involves defining what should be most important to the organization (its desired culture), measuring the existing culture, and identifying the major gaps between the existing and desired culture (Exhibit 1).

Defining the desired culture does consume more time earlier on in the process, but it should make the process more effective and save time in later phases using evidence from gap analysis to define action plans for culture change.

Exhibit 1. Start with the end: then, measure the current state and identify gaps.



Where Should We Be?

The Desired Culture Analysis (DCA) was developed as part of a project to take a cultural approach to system integration in a regional hospital system in the Midwest U.S. The system has a flagship medical center with 360 beds, six other hospitals, and two support functions owned or managed within the system; these were referred to as entities. The system’s vision is to provide a seamless patient experience everywhere in the system. Managers in engineering and technical organizations having decentralized functions can learn from this system’s experience in using culture measurement to support organizational system integration through the use of DCA. The case study focusing on system integration can be found in Mallak and Lyth (2005).

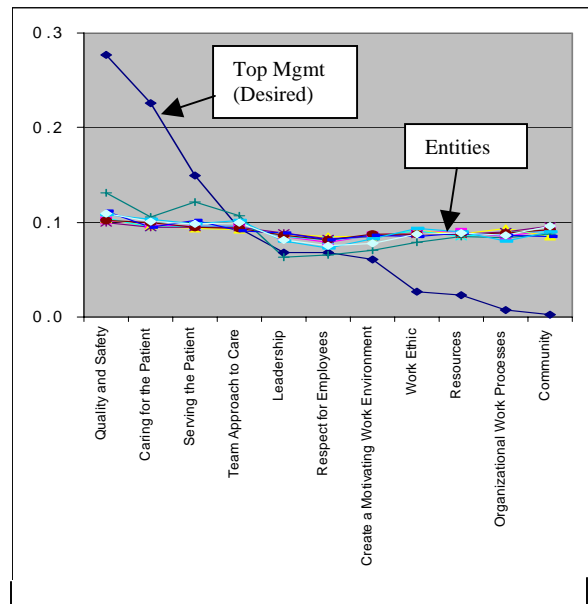
Many organizations in the technology and engineering sectors face similar challenges and have similar goals in their strategy documents. Corporate engineering and field sites, acquired firms in mergers and acquisitions, and other organizational systems don’t always meld

into the parent organization. Spinoffs still need connections to the parent organization for resources, marketing, expertise, legal counsel, environment and safety standards, etc. Developing a desired culture that serves as a vision for all system entities helps to develop shared experiences across the system, so that an employee in one part of the system can act effectively with and within other parts of the system. Similarly, a customer may access the system in several points throughout a single experience. The customer should experience similar processes, practices, courtesies, etc. wherever he or she accesses the system.

This Tool Doesn’t Fit, Make Me a New One.

An initial meeting with system leadership identified the need to define the desired culture of the system. This was accomplished through a survey of the desired culture among leadership and other representatives of each of the system entities. Exhibit 2 demonstrates the difference between desired culture analysis and Likert-type surveys. All factors are important; therefore they end up being all highly-ranked. Desired Culture Analysis forces respondents to choose among values providing a more valid representation of the desired culture of the organization (Dutter et al., 2005).

Exhibit 2. Desired culture vs. actual culture.

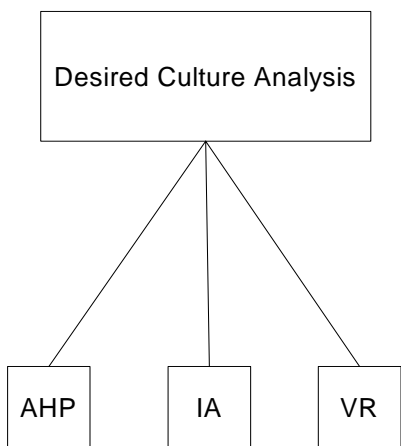


This survey was developed based on a thorough review of the stated values of leading organizations around the U.S. and the world. Respected lists of admired companies, such as *Fortune’s* 100 Best Companies to Work For, the *Working Mother* 100, and others were reviewed. We then visited those companies’ web sites to obtain their values statements. These were put into a master list, which the authors edited by removing redundant values, making each value understandable, and selecting values having relevance to the healthcare

industry. From an initial list of over 100 values, we ended up with 44 values, which were placed into 11 values categories. These included values such as provide a promote system-wide quality, treat each other with respect and dignity, practice a global, inclusive approach where employee input is valued and used, follow through and answer for one's performance, and many others.

The measurement process for the desired culture required several steps to assure a valid and usable set of desired values were produced (Exhibit 3). Alone, the Analytical Hierarchy Process (AHP) can become unwieldy. AHP requires pairwise comparisons, which is combinatorial and produces many pairs for the respondents to evaluate. The ipsative assessment—allocating points among a set of responses—becomes challenging with the general population due to the need to add four numbers to sum to 100. The use of Likert-type scales with desired values would result in a skew toward the high end of the scale. This response behavior would likely violate assumptions of normality when conducting statistical tests involving the means of those items.

Exhibit 3. The DCA measurement process uses AHP, Ipsative Assessment (IA), and Values Ranking (VR).



Analytical hierarchy process. The analytical hierarchy process (AHP) is a framework allowing decision makers to evaluate a complex set of alternatives (Saaty, 1988). It breaks the alternatives down into its component parts and provides a relative ranking of their importance. AHP enables people to make decisions in a complex, multi-level environment by simplifying and expediting one's normal decision making process. For example, this desired culture

analysis involved ranking eleven sets of four factors (44 individual cultural values). This method relies on a series of pair-wise comparisons of all factors and identifying the strength of one factor over another. By creating a matrix with each factor listed as a row and a column, the weights of each factor over another is identified and through normalization of the values in the matrix, the weights of the individual factors are identified (Saaty, 1988).

For each value category, respondents allocated 100 points across the four values in the category. Next, a pairwise comparison of values categories was conducted. Each value category was measured against the other ten categories. Respondents were given the choice to identify which of the values categories was more important or to identify that they were of equal importance.

A total of 44 values were identified which were grouped into eleven categories with four values in each. The categories and a sample of values are shown in Exhibit 4. Some individual values were tailored to the healthcare system environment, but they can easily modified to fit most types of organizations.

Exhibit 4. Eleven categories of four values each comprise the DCA.

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- Quality and Safety
 - Leadership
 - Respect for Employees
 - Create a Motivating Work Environment
 - Organizational Work Processes
 - Caring for the Patient
 - Community
 - Team Approach to Care
 - Serving the Patient
 - Resources
 - Work Ethic

Four values were included in each major category. For example, *Respect for Employees* included:

- Support employees so they can perform at high levels
 - Treat each other with respect and dignity
 - Honor differences of opinion
 - Deal with issues directly
-

Ipsative assessment. The next phase of our Desired Culture Analysis required ipsative assessment. This type of evaluation is commonly used and is a significant component of Quinn's (1988) Competing Values Framework. This method relies on the allocation of points among a group of factors or values. In this case, respondents were asked to allocate 100

points among the four values within a desired culture category (Exhibit 5). Data from respondents were aggregated and ANOVA was used to identify differences among the various cultural values. Exhibit 6 shows the results for the category *Respect for the Employees*.

Exhibit 5. Sample Item from the Desired Culture Analysis instrument.

Respect for Employees

8. Allocate 100 points across the following values. Base your responses on how the value should be practiced throughout the entire system.

- ___ Support employees so they can perform at high levels
 - ___ Treat each other with respect and dignity
 - ___ Honor differences of opinion
 - ___ Deal with issues directly
-

Exhibit 6. Mean point allocation results for “Respect for Employees” values category.

Respect for Employees

- 30.3 Treat each other with respect and dignity
 - 29.4 Support employees so they can perform at high levels
 - 22.4 Deal with issues directly
 - 17.9 Honor differences of opinion
-

Through ANOVA it was concluded that there was no significant difference between the first and second cultural value in the “Respect for Employees” category. There was, however, a significant difference between the first pair and the third rated factor. There was also a significant difference between the third and fourth ranked factor.

Value ranking. The final step to of the DCA is to use the input from AHP and the ipsative assessment to create a weighted score for each cultural value. By combining the two weighting factors, the relative importance of each value is identified. Values were then rank ordered across all 44 values to provide the organization’s desired culture. Exhibit 7 shows the top 15 values for this organization, as determined by the results of leadership providing responses to the DCA, alongside the top 15 values as determined by employee responses at the parent organization.

These data then served as the target for comparison when measuring the current culture of the healthcare system. This analysis represented the leadership’s desired culture, which provided an internal benchmark when measuring the employees’ perception of the existing culture.

Exhibit 7. DCA provides a comparison of the values desired by the organization’s leadership compared with those currently practiced by the parent organization, based on employee responses.

Rank (Desired)	Rank (Actual)	Value
1	8	Promote system wide quality
2	3	Deliver compassionate care
3	2	Provide for the safety of the patient
4	4	Practice safe and fact based medicine
5	15	Include patients and designated representatives in care decisions
6	13	Provide for the safety of healthcare employees
7	1	Advocate for the patient’s safety
8	9	Mission to heal
9	44	Balance the needs of body, mind, and spirit
10	22	Provide a seamless patient experience
11	6	Work together to serve the patient
12	16	Develop enthusiastically satisfied patients all of the time
13	28	Focus on the patient in the design of facilities and processes
14	5	Constantly seek to improve the patient’s experience
15	32	Role model of effective leadership

See Exhibit 5 for an example of one of these categories. For this case study, DCA was based on data supplied by 75 respondents throughout the organizational system. The survey was conducted electronically and respondents were primarily from top management and leadership within each organization.

A simpler approach, from a data collection perspective, would have been to simply ask leadership to provide responses on Likert-type scales concerning their extent

of agreement with the values statements. However, since these are desired values of some of the top organizations in the U.S., most respondents would rate each of the values highly. This response bias would make it difficult, if not impossible, to identify which values are the most important. Through the modified AHP process, respondents must make critical decisions concerning which value is more important when compared with each of the other values. Respondents also rate each of the 11 values categories against the other 10 to provide an additional basis for determining the desired culture.

Where's the Instruction Manual for This DCA Tool?

We analyzed the results overall and by system entity (e.g., hospital, home health) so we could compare each entity to the desired culture. It was no surprise that the parent organization was the closest to the desired culture—this unit contained leadership and the namesake flagship hospital. The strategic goal was to get outlying units on board with the parent organization and preserve local values but identify and solidify core values across-the-board.

Using the ipsative assessment and AHP process with the entire employee base would ease some of the methodological complexities—such as make comparisons between the desired culture and the existing culture more directly comparable on an interval or ratio scale. However, the AHP and ipsative assessment are generally too lengthy to include with a longer survey instrument. The culture survey conducted with the employee base was designed for 20-30 minutes and adding the AHP and ipsative assessment would have nearly doubled this time estimate—impractical for this application.

Although we could not compare the results on the same scale as either ratio or interval data, we produced a rank ordered list of cultural values and compared the data as ordinal data. We used a rank ordered list of the values to compare leadership's view of the desired culture with the employees' view of the current culture.

Hey, It Works!

When comparing the importance of the set of 44 cultural values identified earlier and rated by top management, a significant finding was made. Top management's top three values groupings were: 1) quality and safety, 2) caring for the patient, and 3) serving the patient. Interestingly, non-leadership survey respondents rated all eleven groups of cultural values somewhat equally. When the data were sorted by entity and by job description, there was still no observable difference in cultural value importance, except for Nursing, which had a lower correlation with the desired culture than did other position types. The implication of this finding is that there is a significant

gap in emphasis between the desired culture (as measured with top leadership) and the existing culture (as measured throughout the entire system) on the values of quality and safety, caring for the patient, and concern for the patient and that Nursing has larger gaps with the desired culture than does the balance of the organization.

Viewing the results in Exhibit 7 shows many gaps between what leadership desires for the organization and the actual values in practice in the largest system entity. For example, promote systemwide quality was viewed as the number one desired value by leadership, yet respondents placed it at number 8. The employees' number one value was advocate for the patient's safety, which leadership put at number 7. One possible explanation for this disparity is that leadership may have included safety in their definition of quality and ranked accordingly.

The distinct nature of particular occupational subcultures presents an essential management challenge. In most hospital settings, nurses account for nearly 50% of the employee base, are involved in direct patient care, and are facing a serious labor shortage.

Many other industries face similar situations—a shortage of a skilled labor pool that constitutes the core competency of the organization or the need to outsource core competencies to stay competitive globally (e.g., the U.S. automotive industry, call centers and technical support). The implication for the studied organization and for engineering and technical organizations is that these individuals must have good supervisors and managers and supporting management systems. Case literature supports the role of good management and good management systems in reducing turnover in nursing ranks to one-half that of the U.S. rate (Bronson Methodist Hospital, 2005).

Where Else Can I Use This?

The Desired Culture Analysis tool (DCA) can be used in other settings. The following implications for engineering managers guide the proper use of this tool and the context for measurement.

1. Leadership defines the desired culture. Leadership must have the credibility and legitimacy to lead those who are expected to form the desired culture. Without actively engaged followers who attribute power to leadership, leadership will be ineffective in this and other efforts.
2. Modify the DCA values set as necessary to include values specific to the industry, the operating environment (e.g., ethnic or regional cultures, political climate, the "green" environment, and other values deemed essential). Validate and adjust the instrument to ensure leadership buy-in.

3. Measure the current culture and identify gaps.
4. Build a targeted action plan. Use the gaps between the desired and the current culture, combined with knowledge of current strategic initiatives and an initial feasibility assessment (get the biggest bang for your buck).
5. Measure results, compare to plan, and cycle through the action planning process.

The DCA provides leadership with a means to identify their desired culture. This desired culture then becomes a strategic target for the organization to achieve in all its units. Not all units will have high congruence with the desired culture, as those units must preserve some of the local subculture, while adhering to the core values of the entire organization. This requires initiative to systemically guide change that is aligned with the values, practices, and employees of the various system entities. Only through a systematic process, with consistent methods applied to guide the culture to the desired state, will the objectives of establishing a core set of values be achieved across all units.

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