

# Chapter 35

## Organization–Wide Culture Change in a Large Healthcare Organization: A Case History

**Louis Neumann Quast**  
*University of Minnesota, USA*

**Jane M. Kuhn**  
*University of Minnesota, USA*

### ABSTRACT

*This reflective case history explores a large-scale organizational culture change in a private, global organization based in the United States. The organizational culture concept first emerged in the 1970s and is an influential and controversial concept in research and practice. The success rate of change initiatives is only about 30%, while success for culture-change drops to 10%. Because culture change is not easy, this case history highlights evidence-based practices, supportive factors, barriers, and recommendations for culture change.*

### INTRODUCTION

The U.S. health care industry has undergone considerable upheaval and public scrutiny over the past 30 years and continues to experience challenges as the Trump Administration is challenging the Affordable Care Act (ACA), which President Obama signed in 2010. To address the current challenges of health care costs and government regulations, while managing the delicate balance of numerous stakeholders, health care organizations are looking for ways to do business more efficiently and effectively.

With the increased rate of change and uncertainty plus the added pressure from the ACA implementation, this large (>300,000 employees) global health care organization, headquartered in the United States, considered various opportunities to prepare for these changes and pressures. Additionally, the organization had recently experienced other challenges, including service concerns and reputation is-

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sues. One of these opportunities to ensure on-going success was to implement an organizational culture change to serve as an organizational foundation and a common frame of reference to encourage collaboration and innovation.

Schein's (2004) research suggested that crises create new norms, thus driving the culture change. These crises usually cause anxiety, and people are more open to shift their thinking to help reduce the anxiety. Schein (2004) noted that there must be "some sense of threat, crisis, or dissatisfaction ... before enough motivation is present to start the process of unlearning and relearning" (p. 324). Schein (2000), however, warned that "management should seek not to change culture, but to change effectiveness. Only if it can be shown that the culture is actually a constraint should one launch a culture change program" (p. xxix).

Shifting the organizational culture at this time in its company history and industry environment was strategically important for the organization; as Ribando and Evans (2015) noted, a dynamic culture should change as the organization changes and the old culture behaviors considered part of their success are no longer effective.

However, making large-scale changes is not easy; researchers report that the great majority of change efforts fail (Choi & Behling, 1997; Kotter, 1995). According to Griffith (2010), "Given the dismal record of organizational change, it is imperative that a prescriptive protocol for effective and rapid change be made available to practitioners" (p. 2). Implementing organizational culture change is particularly difficult, due to organizational cultures' complexity of shared beliefs, behaviors, and assumptions of people. Hofstede (2015) acknowledged that "understanding, and dealing with, culture is strategically important for organizations" (p. 566). Because of the complexity of organizational culture change and the low likelihood for success, this global organization implemented a planned approach by partnering with an external culture change consultancy.

## **EVIDENCE-BASED OCD INITIATIVE**

### **Implementing Organizational Culture Change**

Changing a culture is not easy and is not a "one-shot process;" rather, "it takes sustained attention from top management, persistence for several years, and usually a second culture assessment to see whether the intended changes have, indeed, been attained" (Hofstede, 1994, p. 11). Over a timeframe of eight years (and on-going), the organization attempted to use an evidence-based approach to organizational change and development. According to Hamlin (2016), "evidence-based organizational change and development is the conscientious, explicit and judicious use of current best evidence and/or of action research to inform, shape, critically reflect upon, and iteratively revise decisions made in relation to the formulation and implementation of organizational change and development interventions and the associated change management processes" (p. 129). The approach taken by this organization reflects the persistent attention recommended by Hofstede, particularly his observation that sustained culture change takes time and requires implementing numerous actions to transform the organization's culture to align with its business strategy.

The organization implemented changes in four categories drawing upon evidence-based practices identified in the literature on culture change along with an action research approach to guide the culture change process. These broad focal areas provide the structure for the next section of the case history:

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