How to Change the Culture of an Organization

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Senior Leader

About Studer Group

- Our mission is to make healthcare a better place for employees to work, physicians to practice medicine and patients to receive care
- About 200 employees, including 100 coaches
- More than 900 partners
  - 7 of the healthcare recipients of the Baldrige Award
  - Outpace & outperform the nation according to their customers
- We build and sustain a foundation of alignment, accountability systems, and development of leaders so that optionality is reduced and results are hardwired across the organization

Now, let's . . .

Define culture
- The expressed values & observed behaviors . . .
- What happens when no one's watching

Meet you . . .
- Less than 200 employees?
- More than 10,000?
- Have leaders, employees and customers?
- Healthcare?
  - Hospitals/hospital systems?
  - Clinical background?
Purpose, worthwhile work and making a difference

Bottom Line Results (Transparency and Accountability)

Patient and Employee Correlations

Relationship Between Patient and Employee Likelihood to Recommend Hospital

We Practice What We Teach

- 2010 recipient of the Malcolm Baldrige National Quality Award
- 99th percentile employee engagement for nine straight years
- One of the best small companies to work for in America for five straight years
- Vision: to maximize the human potential within healthcare
“Vision without execution is hallucination.”

Thomas Edison

Most Change Efforts Fail

Total Quality Management programs:
• About two-thirds “grind to a halt because of their failure to produce the hoped-for results”

Reengineering
• 70% failure rate


Why Organizational Change Fails

1. Dots are not connected consistently to purpose, worthwhile work and making a difference
2. Do not achieve critical mass - Lack of balanced approach
3. Absence of an objective accountability system
4. Leaders do not have the training to be successful
5. Too many new behaviors introduced at once – need of sequenced approach
6. No process in place to re-recruit the high and middle performers and address low performers
7. Inability to take best practices and standardize across organization
8. Failure to have leaders “always” do desired behaviors

Three Elements to Execution

Example Organizational Results
Using typical Leader Evaluation
Example Distribution of Performance
Using typical Leader Evaluation

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Patient Satisfaction (Inpatient)</td>
<td>62%</td>
<td>51%</td>
</tr>
<tr>
<td>Reduce Annualized Turnover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Employee Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Mortality Index</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Increase Margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Operating Margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce FTE per Adjusted Discharge</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>Increase Inpatient Admissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Outpatient Visits</td>
<td></td>
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</tbody>
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Note: Percentages noted account for 93% of the leaders who have entered data as of 6.7.07.

Distribution of Performance
After implementing Leader Evaluation Manager™

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<tr>
<th>Category</th>
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<tbody>
<tr>
<td>Increase Patient Satisfaction (Ambulatory)</td>
<td>62%</td>
<td>65%</td>
</tr>
<tr>
<td>Reduce Annualized Turnover</td>
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Same Organization’s Results
After implementing Leader Evaluation Manager™

Excellence

- Service:
  - Increase Patient Satisfaction: Goal = 62%, Current = 51%
  - Increase Patient Satisfaction: Goal = 62%, Current = 62%

- People:
  - Reduce Annualized Turnover

- Quality:
  - Increase Mortality Index: Goal = 7%, Current = 5%
  - Increase Margin
  - Increase Operating Margin

- Finance:
  - Reduce FTE per Adjusted Discharge: Goal = 1.15, Current = 1.15

- Growth:
  - Increase Inpatient Admissions
  - Increase Outpatient Visits
Over the Wall

Gap is uncomfortable

Gap is intolerable

The Wall

Everyone thinks of changing the world, but no one thinks of changing himself.
Leo Tolstoy

What you can do Monday . . .

- Create excellence within your sphere of influence
- Share your successes relentlessly
- Say thank you
Thank You!

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