WHY A "BELIEF SYSTEM" IS ESSENTIAL TO THE SUCCESS OF CULTURE IN ORGANIZATIONS; AN APPLICATION TO HEALTHCARE.

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A "belief system"of a person or society can be defined as a collection of beliefs held about what is right or wrong, true or false. Beliefs form a foundation of principles that guide behaviors and cultures in societies and social units, including social units at work.

Most leaders of organizations will agree that cultures in organizations affect the behaviors of the people that compose the organization and thereby the performance of the organization. But where does culture come from? Culture in organizations happens by design or default; ideally by the former and not the latter. "Culture by default" is problematic more often than not. The effects are a challenge to manage, at least, and at it's worst, the pathology of culture by default becomes intractable and deleterious to performance.

What is the Purpose and Value of a Belief System as the Foundation of Culture?

The most basic, practical foundation of a culture is its belief system. Every enduring religion and great society is based upon a foundation of beliefs. Beliefs guide principles and behaviors of organizations. Beliefs are the building blocks of culture. Beliefs can be enduring, such as those that guide religions (often referred to as a creed). Beliefs can be temporal, subject to the vicissitudes of markets, economies, governmental policies and related dynamics, as well as the changing views and perspectives of leaders.

Belief systems in organizations come from the top; ideally a governing board working closely with senior leadership. Belief systems are collection of beliefs about the organization and its role and function in its environment. A belief system guides behaviors of the organization, including mission efforts, strategy, the investment of resources and the ongoing development of organizational competencies. For a belief system to become effective in the guidance of culture, it must also be effectively installed and instilled with the people of the organization.

Belief systems need not and should not be lofty. In fact, the loftier, the less useful. When well-devised, they convert readily to the practical becoming actionable by leaders at all levels.

Moving to Process and a Work Product

The development of a belief system is, by definition a process. It involves the proffering of assertions, assumptions and likely interactions of dynamics by leaders. Debate, argument and disputation define the process of belief system formation. The test of the final product is the ability of leaders to apply the beliefs individually and together to produce and execute on a plan of action for an organization. Beliefs, stated to organizations by leaders become public declarations of commitment and implied intentionality of behaviors. The people of the organization rely upon the constancy of the belief system for needed emotional and social psychological well-being and stability. Clarity of a belief system enhances faith in leadership.

Let's move from here to to an example of an abbreviated belief system applied to guide the plan of a health system; community-based or academic. The culmination of a managed process summarized above produces a belief system. Each,"belief" is annotated for context

Belief #1: "We believe the independent practice model will not produce a sufficient number of the right physicians in the right specialties, in the right locations to best ensure success with the mission goals of the organization."

This belief causes the organization to face a critical shift in tradition, convention and design of the "medical staff" model and strategy; a shift to the employment of physicians across specialties.

Belief #2: "We believe patients will demand a more seamless, integrated and well coordinated care experience across sites, locations and time; especially patients with chronic conditions."

This belief causes the adoption and adaptation of an integrated electronic record. Investments in the development and deployment of a satisfying patient experience will be made made as well.

Belief #3: "We believe the payers in our markets will focus much of their care management effort on total costs of care as opposed to the price of services delivered per episode of care.

This belief causes an internal focus on the understandings of total costs of high cost conditions produced across clinical programs, related specialties and time.

Belief #4: "We believe our competitors will pursue our most profitable clinical service lines with attempts at superior access, ambulatory care delivery innovations and new, larger and more "patient friendly"service sites in our key geographic markets."

This belief stems from the reality that as the economics of healthcare delivery are subjected to accelerating, downward pressures on utilization and total costs of care, excess provider side capacity is revealed in markets. This excess capacity has to find new markets. It naturally moves to the high margin opportunities with increasing efficiency, with a principal goal of increasing market share at the expense of competitors.

Belief #5: "We believe that unsupportable variation in the philosophies of care delivery within our health system causes excessive costs and puts patients at unnecessary risk.

This belief is supported by multiple examples; one of special note is a 49% variation in rate of referral of non-emergent adult patients to hospital emergency departments by primary care sites owned by the health system.

These five examples of beliefs represent a good start at the development of comprehensive enterprise belief system, including the basis for culture development and deployment.

Connecting a Belief System With Culture

As with the brief examples above, a well devised and designed belief system answers four timeless questions central to the human condition and the human condition in organizations:

1. Who are we?
2. Why are we here?
3. Where are we going?
4. How will we get there?

A belief system forms the basis of culture. The belief system serves to define the "what" of how people in an organization move forward together, while the culture serves to guide "how" they move forward together. With the belief system in hand, leaders can attend to the culture of the organization; either a wholesale re-design or the modification of what is in place.

As with a belief system, culture requires definition. One worth considering is:

"Culture is the foundation of intrinsic beliefs that bind and inspire people in communities to pursue unity for purpose."...the "Keystone Way".

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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

By Daniel K. Zismer, Ph.D., and Ben Utecht, Keystone Culture Group

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."

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

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[1] Alina Dizik, "The Relationship Between Corporate Culture and Performance," *The Wall Street Journal*, February 21, 2016.

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.

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

Part Two: Setting a Culture of High Performance and the Responsibility of Governing Boards

By Daniel K. Zismer, Ph.D., and Ben Utecht, Keystone Culture Group

Hospital and health system performance is, or should be, at the top of the agenda for every healthcare board in the U.S., especially given the juggernaut that is the public demand for increased value for the health dollar spent. Board members hold final accountability for the organizations they govern, and management is hired to execute on performance plans approved by boards.

The optics on performance almost always manifest as a scorecard that is owned by the board.[1] Such scorecards typically reflect performance metrics and comparisons to benchmarks across an array of important areas of evaluation. Each area evaluated can be variously important independently and as each interacts with others on the scorecard. Comprehensive performance scorecards have been raised to a high art and science. Most, however, fail to account for what may be the most important ingredient in the recipe that produces high performance: culture. There is such a thing as a culture of high performance in organizations. The balance of this article supports this claim and provides a framework for board discussion.[2]

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[1] Robert Kaplan and David Norton, "Using the Balanced Scorecard as a Strategic Management System," *Harvard Business Review*, July–August 2007.

[2] Part one of this article series looked at the board's role in culture and culture alignment; see Daniel K. Zismer and Ben Utecht, "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," E-Briefings, The Governance Institute, March 2018.

Key Board Takeaways

Cultures of high-performing organizations are encouraged by boards that:

1. Are willing to make bold, outward-facing declarations of mission performance goals and expectations for the organization; this means clear translations of mission into specific, measurable performance goals that are aspirational and inspirational.
2. Have communications coming directly from the board to the organization, including routine summaries of the work of the board as it related to progress toward mission, strategy, and organizational development goals.
3. Make clear, tangible commitments to investments that will be made to support the work of the people who carry out the mission.
4. Establish, through management, how the board will evaluate progress on goal expectations.

Culture Drives Performance

Skeptics of culture as a driver of performance will say, "Healthcare organizations are composed of highly trained and experienced professionals; they know what high performance is and how to make it happen." While such an assertion may hold some weight, what often passes with little understanding or appreciation by boards is that individuals hold intrinsic and integral beliefs regarding how they must perform to satisfy a personalized, internal compass that guides their behaviors. But, oftentimes, that internal compass

doesn't relate to, or integrate with, a drive to also ensure that the environment in which they work performs at high levels.

In fact, such is the case when professionals who rate themselves as high performers tolerate working in organizations that fall short of their personal standards of performance. The psychology of such situations will facilitate a disconnection and discordance of the individual's perceived responsibility for the state and status of the performance of the "place" they work from that of their performance within that place; "I am good at what I do. The place I work at just can't seem to get it right." This dynamic translates to professional sports as well. NFL teams are populated with elite athletes. Players move around the league based upon trades and free agency. All teams play the same game coached by seasoned professionals. At the end of the 2017 season, 12 of 32 teams had never won a Super Bowl. Bad luck year after year or culture? Players on teams that don't win, will not, necessarily, see themselves as subpar athletes because the team they play for isn't a winner.

Nurturing a Culture of High Performance from the Boardroom

How can board members fully understand and harness the potential that comes from a culture of high performance? First, let's return to our definition of culture: *"Culture is the foundation of intrinsic beliefs that bind and inspire the behaviors of people in communities to pursue unity and purpose."*[3]

Declarations of performance goal expectations by boards is necessary, but not sufficient. The foundational question is: What kind of culture is required to enhance the likelihood of success through the alignment of organizational goals with those of the people who are the organization? Board members and senior leadership must work well together here. The foundation of a culture of high performance fits into a seven-pillar framework:

1.   Everyone must understand and accept the mission of the organization. They must trust that those who govern are believers as well and will hold fidelity to the mission with their decisions and related behaviors.
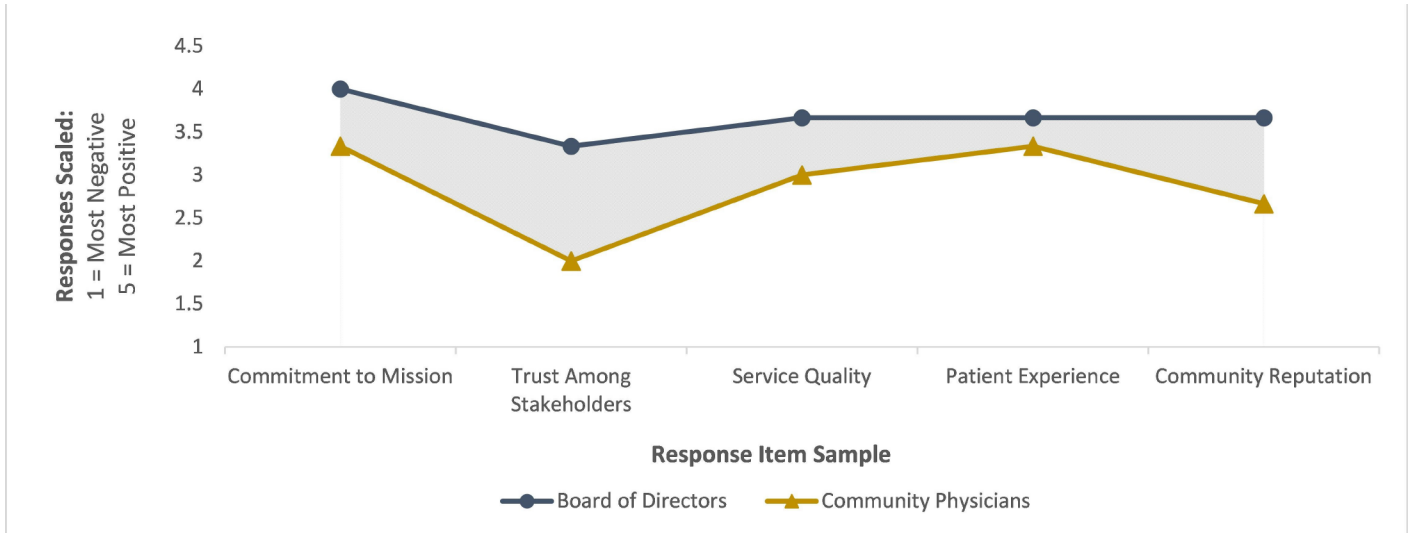
2.   Performance goals must be worthy in the context of the whole. Stated goals need to be seen as being worthy of their commitment of purpose and professional efforts. Goals tipped too far to the financial or operating efficiencies, for example, may create suspicions of intent.
3.   Investments required must be seen as likely to deliver fair and equitable distribution of rewards; here the term "investments," at the level of the individual, is defined broadly, including investments of emotional energy (i.e., the expectation that I, as an individual, am willing to invest my emotional energy in pursuit of the goals created by those who operate at a distance from my touch points within the organization).
4.   Goals declared are consistent with a sound foundation of organizational ethics and morals. Board members must be worthy of trust.
5.   Goals stated are the "right ones." Highly skilled professionals will hold opinions on whether the organization "has it right" (with "right" defined in terms of the goal, the path to the goal, and the value of the returns available measured against the risks of pursuit).
6.   Commitment and participation will not jeopardize the individual team members' abilities to fulfill personal and professional goals and objectives.
7.   Professionals must believe they are free to exercise sufficient personal judgement in how they execute on any plan.

Alignment of culture is critical to achieve high performance in pressured markets.[4] How can boards know if the people of the organization are aligned with the performance goals of the organization? That's the easy part; they will tell you if asked. It is our experience that everyone is more than willing to answer honest, well-crafted questions pertaining to the goal orientations of the governing board and senior leadership. Insufficient alignment is evidence that performance goal attainment is at risk. (See **Exhibit 1** for an example of results from a survey that show misalignment among board members and community physicians in an organization.)

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[3] Keystone Culture Group, Culture Pro Series (see www.keystoneculturegroup.com).

[4] See Daniel K. Zismer and Ben Utecht, March 2018.

Exhibit 1: Board Member Alignment with Community Physicians

Responses Scaled:
1 = Most Negative
5 = Most Positive

Response Item Sample

(x-axis: Commitment to Mission, Trust Among Stakeholders, Service Quality, Patient Experience, Community Reputation)

Legend: ●— Board of Directors ▲— Community Physicians

Note: This represents a sample of results from a comprehensive organizational alignment survey undertaken by Gregory Carlson, Ph.D., and Richard M. Shewchuk, Ph.D. Dr. Carlson is a Senior Advisor for Castling Partners, LLC.

Board members should be mindful that at the core of all healthcare organizations is a collection of teams composed of highly trained professionals that have an intrinsic need to succeed at the highest levels. To align these intrinsic goals with those of an organization requires a decided, designed, directed, and deployed approach to a culture of high performance. A culture of high performance is the responsibility of a governing board working hand in hand with management. The good news is professionals want to be associated with a winning team, as long as they believe in the path and goals of the organization. It is human nature.

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.

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