

## LEVEL 7 ASSESSMENT SPECIFICATION

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| Academic honesty / referencing: | <p>Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.</p>                                                                                                                                                                                                                                                                                              |                                                      |                                         |

**University of Wales Trinity Saint David**

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**Approaches to Research and Academic Communication**

**And**

**Oral Presentation Materials**

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## **Part I**

### **Transforming Chinese Healthcare Services Organizational Culture For Better Performance**

## **Part II**

### **Literature Review: Unpacking The Relationship Between CEO Leadership Behavior and Organizational Culture**

## Table of content

|                                                                                                                           |    |
|---------------------------------------------------------------------------------------------------------------------------|----|
| Abstract.....                                                                                                             | 5  |
| Key words.....                                                                                                            | 5  |
| Part I - Transforming Chinese Healthcare Services Organizational Culture For Better Performance .....                     | 6  |
| Introduction .....                                                                                                        | 6  |
| Literature review on the definition of organizational culture .....                                                       | 7  |
| Literature review on the relationship between organizational culture and performance .....                                | 10 |
| Literature review of organizational culture and performance for Chinese corporations.....                                 | 12 |
| Organizational culture and performance for the healthcare industry .....                                                  | 13 |
| Organizational culture and performance for the Chinese healthcare sector.....                                             | 15 |
| Suggestions for future research.....                                                                                      | 16 |
| Conclusion .....                                                                                                          | 17 |
| Part II – Literature Review: Unpacking the relationship between CEO leadership behaviour and organizational culture ..... | 18 |
| Introduction .....                                                                                                        | 18 |
| Comment on the abstract and introduction section .....                                                                    | 19 |
| Comment on literature review .....                                                                                        | 19 |
| Comment on methodologies .....                                                                                            | 21 |
| Study one methodology .....                                                                                               | 21 |
| <i>Consent letters</i> .....                                                                                              | 22 |
| <i>Voluntary participation, withdrawal, confidentiality of responses and data security</i> .....                          | 22 |
| <i>Trap of deception</i> .....                                                                                            | 22 |
| <i>Clear instructions to respondents and response rate</i> .....                                                          | 23 |
| <i>Quantitative analysis and reliability</i> .....                                                                        | 23 |
| Study two methodology .....                                                                                               | 23 |
| Findings from study one and study two .....                                                                               | 24 |
| Future research area .....                                                                                                | 25 |
| Conclusions and lessons learnt .....                                                                                      | 25 |
| References .....                                                                                                          | 27 |

## **Abstract**

A deliberate acknowledgement by organizations on (i) the presence and importance of organizational culture, and (ii) the on-going cultivation, management and implementation of changes to organizational culture have been shown by various scholars as possible paths leading to sustainable competitive advantage for organizations, as well as leading to better, more effective and more reliable organization performance.

While there are numerous western literatures analysing the linkage between organizational culture and performance, equivalent analysis for Chinese organizations in general are, comparatively, at an early development stage. In addition, an analysis on the linkage between organizational culture and performance for healthcare services organizations would show that there is still much more to be researched to examine whether well-established organizational culture and performance theories would apply in the healthcare service sector.

In part I of this assignment, the author conducted a literature review on the topics of organizational culture, the relationship between organizational culture and performance, organizational culture in the Chinese context and organizational culture and performance for healthcare services organizations. After conducting such review, the author provided suggestions for further research to focus on analysing whether and how organizational culture can be developed to transform Chinese healthcare services organizations for better performance. In part II of this assignment, the author selected an article for a detailed review, focusing on whether, how, and under what context CEOs' behaviour can influence an organization's culture.

The author is of the view that a deliberate focus on organizational culture would provide valuable guidance to managers in facing the challenges of our modern business environment. Further, by acknowledging how a strong culture can potentially help organizations to keep reinventing themselves, managers would become more agile in adapting their skills and strategies in building a sustainable competitive advantage for their organizations.

## **Key words**

Organizational culture and performance, China organizational culture, corporate culture, China corporate culture, healthcare organizational culture, Chinese healthcare, China healthcare organizational culture

## **Introduction**

As an executive that manages approximately 200 medical doctors, nurses and business managers operating in the healthcare service industry across Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong, one of the most pressing management issue that the author has to address daily is how could the author align, guide and lead everyone in the organization to pursue the same vision of “giving everyone access to trusted and affordable care”<sup>1</sup>. The conventional approach, which the author had adopted when he became the Director of Corporate Development and Strategy at UMP Healthcare Holdings Limited (“UMP Healthcare”) in 2015<sup>2</sup>, was to first explain to all our staff our organization’s strategies, analysing our own competitive strengths, explaining what we do, how we are differentiated from other organizations, and subsequently implementing KPIs for our staff to follow and execute. The author would then periodically discuss with the managers to conduct performance reviews, identify areas for personal and team improvement and, among other actions, modify, as necessary, our corporate strategies to cater for actual market conditions and capture new market opportunities.

Such conventional approach has not worked well. Despite numerous efforts in modifying and fine-tuning UMP Healthcare’s corporate strategies, UMP Healthcare continued to experience relatively high staff turnover and mediocre financial performance. In the author’s search for alternative perspectives, the author came across numerous scholars that have published various books and articles on the topic of organizational culture. These scholars have, over the past few decades, argued that for organizations to have sustainable and better performance, they must invest in looking after their organizations’ cultures, to consciously identify such cultures and to take action in shaping and protecting such cultures.

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<sup>1</sup> <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0325/ltn20190325846.pdf> - UMP Healthcare’s vision statement, pg 4

<sup>2</sup> UMP Healthcare Holdings Limited (“UMP Healthcare”) is a healthcare services company listed on the Hong Kong Stock Exchange, stock code 722:HK. The author serves as an Executive Director and is in charge of corporate development and strategy

These hypotheses of strong culture leading to better performance have had various successes in the real world, most notably with the high profile Chinese e-commerce leader Alibaba, where Havinga explained that new joiners at Alibaba are required to go through extensive culture team training programme based on communication, mission and vision, creating a common Alibaba culture and community system for all staff (Havinga, 2016, p. 18).

The first part of this assignment will conduct a literature review on (i) how the definition of organizational culture has evolved over the past few decades and (ii) how various scholars have researched the linkage between organizational culture and performance. The author shall then focus specifically on the healthcare services industry in China and provide a literature review on organizational culture for the healthcare service sector, with suggestions for areas for further research.

### **Literature review on the definition of organizational culture**

The word culture has, in the past, been predominantly examined and studied by anthropologists and sociologists. With the emergence of business administration studies, scholars began examining the concept of culture for organizations. As early as 1950s, scholars started to define organization cultures in the hope to identify common patterns and behaviours in organizations. Abu-Jarad (Abu-Jarad, 2010, p. 35) provided a useful chronological summary of different definitions of culture, as set out below:

| Author/s                   | Definition                                                                                                                                                                                                                                             |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kroeber & Kluckhohn (1952) | Transmitted patterns of values, ideas, and other symbolic systems that shape behavior of an organization                                                                                                                                               |
| Hofstede (1980)            | "The collective programming of the mind that distinguishes the members of one organization from another. This included shared beliefs, values and practices that distinguished one organization to another" (Hofstede, 1980).                          |
| Swartz & Jordon (1980)     | Patterns of beliefs and expectations shared by members that produce norms shaping behavior                                                                                                                                                             |
| Ouchi (1981)               | Set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees                                                                                                                           |
| Martin & Siehl (1983)      | Glue that holds together an organization through shared patterns of meaning. Three component systems: context or core values, forms (process of communication, e.g., jargon), strategies to reinforce content (e.g., rewards, training programs)       |
| Uttal (1983)               | Shared values (what is important) and beliefs (how things work) that interact with an organization's structures and control systems to produce behavioral norms (the way we do things around here)                                                     |
| Adler (1986)               | -Refers to something that shared by all or almost all members of some social groups<br>- something that the older members of the group try to pass on to the younger members and<br>- something that shapes behavior or structures of the organization |
| Denison (1990)             | Refers to the underlying values, beliefs and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles           |
| Trompenaars (1993)         | Is the way in which people solved problems. It is a shared system of meanings. It dictates what we pay attention to, how we act and what we value.                                                                                                     |
| Goffee (1996)              | Is an outcome of how people related to one another                                                                                                                                                                                                     |
| Schneider (1997)           | Shared patterns of behavior and the meaning of that behavior                                                                                                                                                                                           |
| Cameron & Quinn (1999)     | What is valued, the dominant leadership styles, the language success that make an organization unique                                                                                                                                                  |
| Sullivan (2001)            | Refers to the total lifestyle of a people, including all the values, ideas, knowledge, behaviors and material objects that they share                                                                                                                  |
| Wood (2001)                | The systems of shared beliefs and values that develops within an organization or within its sub-units and that guides the behavior of its members                                                                                                      |
| Wiesner (2002)             | A way of looking at organizations by its shared values and behavior                                                                                                                                                                                    |
| Thomas & Tung (2003)       | Refers to evolving set shared beliefs, values, attitudes and logical processes which provides cognitive maps for people within a given societal group to perceive, think, reason, act, react and interact                                              |
| Anthon (2004)              | Is the set of values, beliefs and understanding shared by an organization's employees and it ranks among an organization's most powerful component                                                                                                     |
| Taylor (2004)              | Refers to what is created from the messages that are received about how people are expected to behave in the organization                                                                                                                              |
| Wagner (2005)              | An informal, shared way of perceiving life and membership in the organization that binds members together and influences what they think about themselves and their work                                                                               |

*Table 1 Earlier Definitions of Organizational Culture (Abu-Jarad, 2010, p. 35)*

As organizations all come from different countries, industries and sizes, operating at different stages of their corporate life, one can see from the above table that each scholar will have different interpretation of what culture stands for. Certain scholars take the more objective view that cultures

are manifested more in explicit visual artifacts such as myths, symbols and ceremonies (Ouchi & Wilkins, 1985, p. 462), while most of the recent scholars adopt a more broad approach based on shared values, learnings and understandings of cultures within an organization. In Schein's *Organizational Culture and Leadership*, now in its 5<sup>th</sup> edition since its first publication in 1985 (Schein & Schein, 2017), Schein provided an overview of the many different groups of culture definitions based on different levels of "observability", with employees in an organization experiencing their own observance of an organization's culture. The different levels of observability range from observed behavioural regularities when people interact, the publically espoused principles and values that the people want to achieve, to the implicit values and standards people comply with, to shared habits of thinking (Schein & Schein, 2017, pp. 3-5).

With so many different approaches, an emerging pattern is that the definition of organizational culture must necessarily be broad enough to cater for different organizations, yet at the same time should be constructed in a communicable way that would allow managers to have a consensus of what organizational culture exactly is. Schein provided a dynamic definition of culture that is now widely quoted by other scholars as being "actionable", laying the foundations for future research on organizational culture and its linkage with corporate performance. The dynamic definition is reproduced below:

### **A Dynamic Definition of Culture**

The culture of a group can be defined as the accumulated shared learning of that group as it solves its problems of external adaptation and internal integration; which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, feel, and behave in relation to those problems.

This accumulated learning is a pattern or system of beliefs, values, and behavioral norms that come to be taken for granted as basic assumptions and eventually drop out of awareness.

*Table 2 Dynamic definition of culture (Schein & Schein, 2017, p. 6)*

Schein then further elaborated the structure of culture and has used the metaphor of the lily pond to describe the three level of cultures, being (i) artifacts, (ii) espoused beliefs and values and (iii) the basic underlying assumptions. Schein explained that in order for management to effect changes in organizations, in particular a change in culture, it is imperative that management does not

just paint the blossoms for change, management must also locate the “cultural DNA” of the organization and change certain elements before changes could be effectively implemented (Schein & Schein, 2017, pp. 26-27).

### **Literature review on the relationship between organizational culture and performance**

Various scholars went further to research on the relationships between organizational culture and performance. The intense research interests on demonstrating the linkage makes sense. After all, one of the key purposes of studying organizational culture is to assess whether a strong culture would lead to better performance, and whether being deliberate on managing organization culture would provide guidance to managers in implementing changes within their organizations.

What classify as unique and strong culture? Barney proposed that a firm that has a rare, imperfectly imitable and valuable culture can have a sustainable competitive advantage (Barney, 1986). Barney also explored whether a firm’s culture can be learned from other organizations. Barney argued that while a firm can learn and try to practice another firm’s culture, such type of learning may only lead to temporary superior performance rather than sustainable performance, as other competitors would similarly start coming to the market and learn such cultures, ultimately returning all firms that strive to learn similar cultures to deliver normal returns. Barney suggested that managers should identify and nurture their “rare” cultures, but ironically also commented that rare cultures are hard to describe and hard to change.

If genuine rare cultures are hard to describe and hard to change, should managers be concerned then? What can managers do to nurture such rare cultures to maintain sustainable performance? Although Barney gave various arguments on why he thinks cultures can lead to sustainable advantage, it was not until 1992 when Kotter and Heskett (Kotter & Heskett, 1992) conducted an extensive research on over 200 companies by examining their corporate cultures and analysing what effects such cultures had on these firms’ long term economic performance. The research concluded that firms that possess a culture that *embrace change* and readily adapts to changes are associated with stronger

financial performance. Kotter terms such types of cultures as “performance enhancing culture”, showing that firms that possess such performance enhancing culture had, on average, a 901% increase in share price as compared to firms without such culture and which only had 74% increase in share price for the same period (Kotter, 2011). Kotter therefore supports Barney’s proposition that a conscious management of organizational culture could lead to better financial performance.

If organizational culture can lead to more sustainable and better financial performance, can it also lead to more effective performance? How do you measure organizational culture of one firm versus another? In the frequently cited article *Toward a theory of organizational culture and effectiveness* (Denison & Mishra, 1995), Denison broadly grouped organizational cultures under the four traits of involvement, adaptability, consistency and sense of mission. Through a combination of qualitative and quantitative studies, Denison showed that management team that display a high level of involvement and adaptability would generally be more responsive, flexible and open to ideas, all of which contribute as good future predictors for growth. On the other hand, management team that display a high level of consistency and sense of mission possess qualities that are good future predictors for profitability. All four traits are good predictors of other effectiveness measures such as employee satisfaction, quality and overall performance.

With scholars having demonstrated linkage of organizational culture with sustainable, better and more effective performance, the research interest went further to examine the linkage between organizational culture and reliability of performance. Sorensen defined reliability as assessing a firm’s consistency in performing its organizational routines, and the extent to which such routines are adapted to the organization’s external market conditions (Sorensen, 2002). Sorensen examined how the strength of an organization’s culture would affect its willingness to learn, especially in reacting to internal and external changes, and under what kind of environments firms with stronger culture would perform better (Sorensen, 2002). Sorensen concluded that firms that possess strong culture can be at a relative disadvantage when faced with urgent needs to change. This is consistent with Barney’s and Schein’s observations that strong culture represents a unique cultural DNA of an

organization and thus cannot be changed easily. Sorensen also concluded that firms with a strong culture would have a better exploitation culture (i.e. exploiting their culture and their unique ways of operating, which had historically benefited such organization to achieve reliable performance), allowing such firms to benefit more in a stable environment, but such strong culture could also become a handicap when faced with urgent needs to change. In such urgent change scenarios, firms that have weaker culture have demonstrated a higher exploration culture, leading to such firms exploring and learning new ways to tackle the changing environment.

### **Literature review of organizational culture and performance for Chinese corporations**

While there have been significant literatures on the relationship between organizational culture and performance, there has been comparatively less of such literatures for Chinese corporations, and how and whether the global analysis of such relationship would apply to Chinese corporates. The applicability of western philosophies and management principles to Chinese corporates was critically commented on by Xiao-ping Chen, who noted that Chinese corporates are, at times, placing mindless premiums on western management practices without further analysis and independent thinking of the applicability of these practices (Chen, 2008).

Given Chinese corporates' increasing aspirations to go global, most notably with companies such as Huawei and Alibaba, and in the context of the recent China-US trade wars, it is necessary to critically review and examine organizational culture of Chinese corporates and determine whether the lessons learnt, thus far, on organizational culture and performance could also be applied to Chinese corporations. Such an exercise could (i) encourage managers to consider bringing about appropriate changes to Chinese organizational culture with the aim of achieving more sustainable, profitable, effective and reliable performances, and (ii) encourage deeper understanding of Chinese corporations' organizational cultures by western scholars and corporates, which would be beneficial to facilitate better dialogues between western and Chinese corporations for their respective business development in each other's home markets.

A few scholars from China have taken on the above to examine different aspects of Chinese organizational culture and performance. Li examined the effect of culture on the performance of joint ventures operating in China (Li, et al., 2001), whereas Tsui did a comprehensive analysis (Tsui, et al., 2006) of whether organizational culture would differ based on three different form of corporate ownerships, being state-owned enterprises, private domestic enterprises and foreign-invested firms. Among other reported findings, Tsui reported that firms that have a strong culture of internal integration (i.e. focused on employee development and harmony) and external adaptation (i.e. focused on adapting to market changes and on customers' demand) were also found to have a higher level of perceived performance by the employees. Xiaoming also made some initial grounds on analysing organizational culture literatures for Chinese corporates, but concluded that there has been relatively less concrete follow up literatures to demonstrate the relationship between organisational culture and performance (Xiaoming & Junchen, 2012). There have also been some research done that tried to demonstrate whether specific culture (i.e. innovation, integrity) may lead to increase in Chinese firms' financial performance. Although results have been inconclusive for specific traits, there is shown a strong relationship between corporate culture and firm value as a whole (Zhao, et al., 2018). More recently, in line with China's Belt and Road Initiatives, there are calls for managers to comprehensively manage an organization's culture as part of its overall business strategy (Liu & Yao, 2019), including suggestions such as developing a rapidly reflecting organization culture and strengthening cultural assessment of employees in order to guide employee thinking.

### **Organizational culture and performance for the healthcare industry**

As stated in the assignment background, as an executive managing a healthcare service organization, it is important to appreciate that in addition to achieving financial performance, there are also other non-financial performance indicators involved. In practice, there will also be occasional conflicting instructions and cultures between the management office and the front line medical staff. For example, while management office would emphasise on efficient use of pharmaceutical and

maintaining a hygienic and safe environment, such instructions may not necessarily be in line with the firm's financial performance measurement. The interpretation of such instructions could be self-conflicting, as it is never wrong for front line medical staff to be "more" hygiene (e.g. by spending additional time to disinfect the facilities and hence making facilities unavailable for use during such interruption) and to deliver better care to patients, but these actions could potentially lead to additional costs which would impact on financial performance. How do you find the balance between effectiveness of care and quality of care? How should firms take into account the measurement of culture with non-financial performance indicators such as patients' safety and satisfaction, as well as staff satisfaction? Could a deliberate focus on developing, transforming and management organizational culture also lead to sustainable, effective and reliable performance for healthcare organizations?

Such topics have been examined by various scholars and practitioners globally. Davies and others (Davies, et al., 2000) concluded that a focus on organizational culture could potentially lead to better healthcare outcomes. Davies stated that it would be a mistake not to borrow literatures and know-hows from other industries that have much to offer for healthcare organizations seeking transformations. Davies also highlighted that while recognising cultural changes in healthcare organizations could lead to better quality of care, managers should also be wary that there may not be a predictable way to manage or bring about such change. Further researches then went on to start providing guidance on how to measure culture for healthcare organizations (Scott, et al., 2003), where Scott did a comprehensive review of the organizational culture measurement instruments available such as Competing Values Framework, Quality Improvement Implementation Survey, Hospital Culture Questionnaire and Mackenzie's Culture Questionnaire (Scott, et al., 2003, pp. 930-934).

Scott concluded that while healthcare practitioners may continue to debate on whether a focus on changing organizational culture would in fact lead to better quality of care, such debates should not impede on the need to assess the culture climate of healthcare organizations, which would likely shed further insights to support the need to implement organizational cultural changes for better

quality of care. Other researches have similarly published articles to support the importance of measuring organizational culture and climate in healthcare (Gershon, et al., 2004), as well as the need to define and assess organizational culture for healthcare organizations (Bellot, 2011). Finally, there is also calling for focus on changing organizational culture to improve healthcare performance, where researchers and practitioners also recognise the need to look across disciplines into business administrations to explore whether management strategies could be implemented to effect changes for the healthcare sector (Parmelli, et al., 2011).

### **Organizational culture and performance for the Chinese healthcare sector**

Combining all of the above, the author wishes to focus on assessing the relationship between organizational culture and performance for healthcare companies operating in China. The author believes such a topic would be of interests to scholars, business executives and potentially government officials. China, like many other countries, are facing increasing cost burden for its healthcare services for a range of reasons, most notably an ageing population and also prevalence of non-communicable chronic diseases such as diabetes and hypertension. In addition, it has been Chinese government's agenda to provide universal healthcare coverage for all, meaning that everyone's basic healthcare needs and expenses are covered by the Chinese government. These initiatives have led to a significant rise in healthcare costs that outpaces the China's GDP growth. From 2008 to 2017, China's GDP compound annual growth rate was 11.2%, whereas healthcare expenditure for the same period grew at compound annual growth rate of 15.4%<sup>3</sup>. The Chinese government is now focusing on making the healthcare system more efficient in an effort to manage costs, with initiatives such as removing the mark-up on pharmaceutical sales by government hospitals and making significant investment in primary healthcare (Wenhui & Wen, 2015), encouraging the development of private healthcare services to meet people's increase demand for healthcare services<sup>4</sup>

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<sup>3</sup> <http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm>, section 22-19

<sup>4</sup> [http://english.www.gov.cn/policies/latest\\_releases/2017/05/23/content\\_281475664943304.htm](http://english.www.gov.cn/policies/latest_releases/2017/05/23/content_281475664943304.htm)

and encouraging the development of private health insurance to expand the financing available for healthcare services (Choi, et al., 2018).

### **Suggestions for future research**

Although there has been various Chinese government policies focused on cost containment as well as encouraging private investment participation in the healthcare system in China, the author believes that for the Chinese healthcare system to be sustainable and to achieve high quality and safe healthcare services, the Chinese government could consider referencing approaches of other countries (Parmelli, et al., 2011) in examining whether a deliberate focus on *transforming* organizational culture could lead to more effective and reliable performance. Such research gap was also identified in 2011 by Zhou and others in an article called *Organizational Culture and Its Relationship with Hospital Performance in Public Hospitals in China* (Zhou, et al., 2011). Zhou and the research team conducted comprehensive surveys and received responses from more than 3,400 hospital employees and more than 8,000 patients across 87 hospitals located in different locations in China. The team used a combination of the Denison model (Denison & Mishra, 1995) and Quinn & Rohrbaugh's competing value framework (Quinn & Rohrbaugh, 1983) to develop a tool to assess organizational culture in these hospitals, analysing (i) the relationships between employee type and perceptions of culture and (ii) relationships between perceptions of culture and hospital performance. Zhou found that hospital employees generally felt that hospital managers were strong in internal regulations and weak on staff empowerment, with consequences that public hospitals may not be best prepared to embrace changes in their working environment and in adopting new initiatives.

Zhou had made a good start in examining the relationship between organizational culture and performance in the healthcare sector in China. However, there remains significant areas for future research on *how* healthcare organizations will make use of such findings to explore implementing strategies to *transform* culture in *both public and private* healthcare organizations in China. Such organizational culture transformation could potentially lead to stronger financial and other non-financial performance for healthcare service providers in China, ultimately serving the greater good

by addressing the growing healthcare demand of the Chinese population in a sustainable and effective manner.

## **Conclusion**

Vast research efforts have demonstrated that a deliberate focus by managers to critically review their respective organizations' cultures, and consciously managing and transforming such cultures to adapt to fast changing business environments could lead to sustainable competitive advantage, stronger, more reliable and effective organizational performance. This construct generally applies across countries and cultures, even for sectors (i.e. healthcare) that may not purely focus on financial performance. China remains relatively under-researched on how Chinese healthcare organizations' culture should be examined and assessed for better performance. Future research can supplement the efforts already made by also examining organizational culture of private healthcare service providers in China, and also examine whether specific culture traits or leadership behaviour could help to transform such healthcare organizations' culture to achieve better performances and healthcare outcome for all.

## Part II – Literature Review: Unpacking the relationship between CEO leadership behaviour and organizational culture

### Introduction

In part I, the author has conducted a review to examine the relationship between organizational culture and performance. There are strong support that organizations with strong culture are more likely to lead to better performance. This logically takes us to the next level of analysis; what types of behaviour would lead to “better” culture? What can organisations do to deliberately manage and effect changes to its culture?

To effect changes in organizations, the usual and most effective place to start would be to examine the behaviours of senior executives, most notably the CEOs of organisations. CEOs are entrusted by the board of directors to have the highest authority within the organization, and the board in turn is chosen by the organisation’s shareholders. CEOs bear the ultimate responsibility to deliver on the board’s objectives and deliver returns for the shareholders, and a CEO’s character and behaviour generally has significant impact and influence on the organisation’s overall operations and business development, and hence on such organization’s performance (Mackey, 2008).

In part II, the author has selected the article *Unpacking the relationship between CEO leadership behaviour and organizational culture* (Tsui, et al., 2006) for a detailed literature review. This article was chosen primarily due to its focus on examining organizational culture in China, which is in line with the theme in part I of this assignment. The research article was also supported by grants from the Hong Kong Research Grants Council<sup>5</sup>, adding further credibility to the research conducted as researches must fulfil certain criteria before grants can be obtained<sup>6</sup>. The author shall review and comment on each section of the article and provide analysis accordingly.

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<sup>5</sup> [https://www.ugc.edu.hk/eng/rgc/about/term\\_rgc.html](https://www.ugc.edu.hk/eng/rgc/about/term_rgc.html)

<sup>6</sup> Please see an extract from the Research Grant Council (“RGC”) website, copied here “The Research Grant Council follows the international practice and has adopted a peer review mechanism to assess research proposals. In selecting proposals for funding, academic quality is the prime consideration of the RGC.” Please refer to this website for further details [https://www.ugc.edu.hk/eng/rgc/funding\\_opport/selection\\_process.html](https://www.ugc.edu.hk/eng/rgc/funding_opport/selection_process.html)

## **Comment on the abstract and introduction section**

Tsui<sup>7</sup> opened their research by acknowledging that the topic of organization culture has captured many researchers' interests, summarising that much research has been focused on the functionalist approach (to be further elaborated below), with evidence demonstrating the relationship between organizational culture and firm performance.

Supporting such functionalist approach, Tsui explained that other scholars have also conducted researches demonstrating that organization's leadership is believed to play a critical role in building and shaping organizational culture. However, there are scholars who take a different perspective, especially those who take the anthropological view that CEOs do not create culture. CEOs are in fact part of an organization's culture, as culture is observed through the social interaction of all the stakeholders in an organization and not just through observation of the CEO's behaviour.

Due to such opposing views, Tsui decided to explore and provide deeper insights on when and why a CEO's leadership behaviour may *not* be reflective of, or represent, an organization's culture. Tsui commented there is already significant literature demonstrating relationship between culture and performance, and have therefore chosen to focus on the outliers to explain under what possible conditions a CEO's leadership behaviour is decoupled from an organization's core culture attributes. The author finds such an approach to be of great value, as it is often through the examining of the outliers that would offer alternatives perspectives, and in such process, challenge the conventional understandings of culture and performance.

## **Comment on literature review**

Tsui sets out to provide three core themes for the literature review; assessing organizational culture based on the functionalist perspective, the attribution perspective and the contingency perspective.

The *functionalists* argue that CEOs and leaders are the cultural leaders of organizations. Leaders, through their actions and vision building, play a critical role in building culture. CEOs must

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<sup>7</sup> For simplicity, Tsui, as used for the rest of part II of this assignment, shall include all of the co-authors for the article. Please refer to the References section for the full list of authors

accurately appreciate an organization's culture and mold such culture to accommodate to the changing needs of the markets. Successful CEOs must keep abreast of the organization's culture development and implement incremental changes in its business development and strategies to keep such culture in line with evolving markets. Functionalists therefore think that good leadership behaviour would lead to the building and maintenance of strong organizational culture.

The *attributionists* argue that leaders are more akin to figureheads than having the ability to shape cultures. Attributionists argue that staff and employees romanticizes symbolic leaders and *attribute* specific success as corresponding to specific behaviour of leaders, rather than taking the functionalists' views that leaders' behaviour and characters *caused* the organization's success. Both the functionalists and attributionists therefore agree that there is a positive relationship between leadership behaviour and organization culture, although they arrive at such conclusion from different starts.

The *contingencists* argue that leaders' effects on organisational culture and outcome are situations specific. In general, during crisis situation, leaders' action would be the focus of all employees, and such actions and behaviours stand good chance to then become associated by employees as being an enactment and demonstration of the organisation's culture. Such crisis situations also allow leaders to influence actions and the reinforcement of culture within the organisation. By contrast, when the environment is stable and, among other factors, the organisation becomes sizeable, the contingencists argue that there is relatively little leaders can do to influence culture. Tsui found scholars that had gone as far as indicating that leaders' actions made no difference in organizational performance in many situations. Tsui then based their research on the contingency perspective to examine what factors "may account for the lack of covariance between leadership and culture".

The author finds this literature review to be well written. Tsui offers the functionalist perspective to start with, which is broadly in line with a majority of literatures and consensus views that leaders have major contributions in organisations culture and performance. Tsui then offer the

attributionists' perspective that challenges such consensus view, and concluded on the contingencists' views for their empirical research. The whole literature review is well researched and made references to more than 20 different articles and papers.

### **Comment on methodologies**

Tsui first set out to explain why China presents a good market for conducting the research. Tsui explained that China presents an opportunity to examine and assess difference in perception of leadership behaviour for state-owned enterprises, foreign-owned enterprises and private domestic enterprises. In particular, for private domestic enterprises, many are still in the first generation of leaders and founders, who would have greater discretion as compared to more established companies in shaping organizational culture. Tsui then set out a definition for assessing leadership behaviour in the Chinese context based on five traits, being (i) risk taking, (ii) relationship building, (iii) caring for employees (benevolence), (iv) operations monitoring and (v) vision articulating. Tsui elaborated further that firms which exhibit a high perception of these traits by managers and employees would be regarded as possessing a strong culture, and vice versa.

Tsui then set out various hypotheses that the two studies aim to test and verify. The first study aims at testing the 4 hypotheses directly using survey instruments with two different samples. The second study involved interviewing employees in companies where the employees' descriptions of their CEO's behaviour are shown not to have a strong linkage to the organisation's culture. The author shall examine such methodology and the ethical issues involved (Tsui, et al., 2006, pp. 117-118).

### **Study one methodology**

Instead of paraphrasing the sample and procedure adopted by Tsui, the author reproduces the description of how the samples were chosen and the procedures involved as per below:

### *3.1. Samples*

The first sample comprised 542 MBA students studying in two different universities in Beijing. Each student worked for a different company, holding a professional or managerial job. The second sample comprised 1045 middle and top level managers in 152 firms from various cities in China, an average of seven middle managers in each company. We obtained this sample through a nation-wide Executive MBA program based in Shanghai. Using middle management employees to describe CEO behavior is appropriate since they would have more opportunities to observe CEO actions than would lower level employees. Table 1 shows the demographic profile of the two samples, which were very similar to each other and represented a relatively wide range of firm ownership types.

### *3.2. Procedure*

The course instructor requested the participants in sample 1 to complete a survey, describing their CEOs' behavioral attributes and corporate culture. In sample 2, we asked the EMBA students (most of them were high-level executives or CEOs of their firms) to distribute surveys to ten middle managers in their companies in addition to completing a survey themselves. The respondents from these companies returned the surveys directly to the instructor, in a stamped, self-addressed envelope. Participation was voluntary and confidential. Because the survey was conducted in the context of teaching, the response rate from the student participants was better than 95% in both samples. The response rate for the middle managers in sample 2 was 68.7%.

*Table 3 - Study one samples and procedures (Tsui, et al., 2006, p. 118)*

#### *Consent letters*

Tsui was silent on whether consent letters were sent out. Tsui simply explained that the sample was obtained through a national EMBA programme based in Shanghai. Tsui worked with the instructors on the MBA and EMBA programmes to distribute the surveys out to the 542 MBA students and to the 1,045 middle and top level managers.

#### *Voluntary participation, withdrawal, confidentiality of responses and data security*

Tsui explained that participation in completing the survey was voluntary and confidential. The survey results were distributed by the course instructors, and responses were directly sent back to the instructors in stamped and self-addressed envelopes.

Tsui did not specifically comment on whether the respondents can withdraw from the survey at any time. Tsui also did not comment on how they handled the security of the data received. It would be recommended that future articles by Tsui should specifically address these two issues, or in their absence, explicitly address why Tsui felt such issues have been addressed.

#### *Trap of deception*

Tsui did not specifically comment on how they had avoided guiding the answer of the respondents to what the Tsui wanted them to answer. However, given the size of the samples collected and the fact that Tsui did not have a direct interaction with the respondents, the author believes that

there are no explicit evidence to suggest that Tsui had deceived the respondents into answering the questions in one particular way or another.

#### *Clear instructions to respondents and response rate*

Tsui did not specifically comment on how instructions were communicated with the respondents. Looking at the samples received, Tsui received a high response rate of more than 95% for the MBA students and the top level executives (the top level executives are the EMBA students), and 68.7% response rate from the middle managers (the middle managers are managers who are working in the firms where the EMBA students hold executive positions).

Tsui attributed such high response rate to the fact that the surveys were sent out in the context of MBA and EMBA teaching. The author is of the view that such audience would likely appreciate the context in which these surveys are conducted and hence are more willing to respond. Given the relative sophistication of the target respondents, the author is of the view that it is understandable for Tsui to decide not to conduct debriefing sessions for the respondents on why and how the surveys were to be completed.

#### *Quantitative analysis and reliability*

Tsui did a multitude of tests on the survey results, including but not limited to performing exploratory factor analysis, confirmatory factor analysis, calculated intra-class correlations, RWG and inter-rated agreements, conducted F tests and multivariate discriminant analyses. The Cronbach alpha values for the studies conducted all exceeded 0.7. It is out of the scope of this review to specifically comment on the validity and appropriateness of all the quantitative tests performed on the survey data. The author, based on his review, has not identified any major areas of improvement for the quantitative analysis completed.

### **Study two methodology**

In study one, Tsui grouped all of the surveyed companies into four categories of (i) strong leader and strong culture, (ii) weak leader and weak culture, (iii) strong leader and weak culture and (iv) weak leader and strong culture. These companies were then further group into state-owned enterprises, foreign enterprises and privately owned enterprises. After such classification, Tsui

selected 6 companies in total to conduct further qualitative interviews. These six companies were outliers from the four categories stated above. Tsui explained that it is beneficial to conduct in-depth interviews with the managers of these six companies in order to examine such unusual patterns and seek potential new insights.

Tsui designed a structured interview (i) focusing on culture as the interviewees perceived to be and (ii) asking interviewees to describe their CEOs behaviour using mostly open-ended questions. Interviewees were also asked to describe recent changes (if any) to the organization culture. Tsui was silent on whether ethics were observed for the interview (i.e. following the ethics elements we examined for study one above). The author is of the view that there were no indications in the article to suggest that Tsui would not be following similar ethics guidance as they did in study one.

Tsui stated further that they enrolled two postdoctoral fellows and one doctoral student to assist in the coding of the verbatim transcriptions for all the interviews conducted. Detailed descriptions of the coding process and review process were explained in the article. Inter-rater agreement percentage figures were also disclosed in the article. Tsui also collected other secondary evidence such as company brochures and newsletters as supporting documents for their overall assessment of organizational culture.

### **Findings from study one and study two**

Study one concluded that both the *functionalists* and *attributionists* perspectives can be used to explain the relationship and covariance between CEO leadership behaviour and organization culture as perceived by the employees. Study one also reviewed findings that in situations where leaders' *discretion* to manage the organisation is restricted or constrained (i.e. especially in the context of state-owned enterprises), CEO leadership behaviour and culture could become decoupled. This makes intuitive sense. If CEOs are restricted in the directions they can implement, their employees would likely perceive the CEOs as executors only and hence are less likely to be perceived as culture shaper for the organization.

Study two concluded that organizational culture could also be shaped by an organization's institutional management system (i.e. a clear reporting and authority hierarchy) and processes, meaning that some elements of the organizational culture (i.e. especially for companies that have a large employee base) are set out in rules and might not be dependent on or changeable by the CEO's leadership behaviour.

### **Future research area**

Before Tsui elaborated further on areas for future research, Tsui did a comprehensive summary again on the relationship between CEO leader behaviour and culture. Tsui summarised and redefined organizational culture as "shared social knowledge about the prevalent rules, norms, or values that shape the preferences or actions of participants". This definition is in line with Schein's definition as outline in part I above (Schein & Schein, 2017, p. 6). Tsui then observed that while a leader does have strong influence on the managing and shaping of organizational culture, leaders must also "pay attention to building a culture sustaining infrastructure" (i.e. focusing on internal processes and systems to ensure the institution can continue to run efficiently should be *as important as* focusing on business development) in order to develop an organization to become a strong culture firm.

Tsui provided directions on future research. Tsui commented that future research should start tracking the development and changes of organizational culture so that further insights can be obtained on how leaders bring about (or how they did not bring about) changes. Bearing in mind that Tsui published this paper in 2006, to Tsui's credits, subsequently researches have indeed went on to track such culture development process. Examples can be seen in Schein's book (Schein & Schein, 2017, pp. 31, 45, 61), which provided various case studies tracking such culture development.

### **Conclusions and lessons learnt**

Tsui provided a thought provoking analysis on the relationship between CEO leadership behaviour and organizational culture. Tsui wanted to challenge the consensus views that CEO's behaviour is strongly linked to organizational culture by first introducing the readers to the consensus

functionalist views, but immediately listing out the exceptions through the results observed from the two studies conducted.

Tsui also conducted extensive quantitative and qualitative research methodologies to support the hypotheses, with detailed numerical analysis to provide support. Overall, the author is of the view that the article was well written. For every positive and affirmative observation that Tsui commented on, Tsui regularly also provided an alternative perspective to warn readers that what appears on first observation should require further detailed analysis. Through analysing the outliers in the data sets and conducting detailed interviews \with such outliers, Tsui managed to provide insights that *both* strong and weak leaders can respectively lead to weak and strong cultures as perceived by the employees. The author praises Tsui for such outlier analysis approach, as such analysis shows how a critical review of exceptions to well established leadership and culture theories can offer new perspectives and also provide guidance for future research directions.

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# Transforming Chinese Healthcare Services Organizations for Better Performance

SBPD7001 Approaches to Research and  
Academic Communication Assessment

By Mr. Lee Kar Chung Felix

Student number: 1812882

August 31, 2019

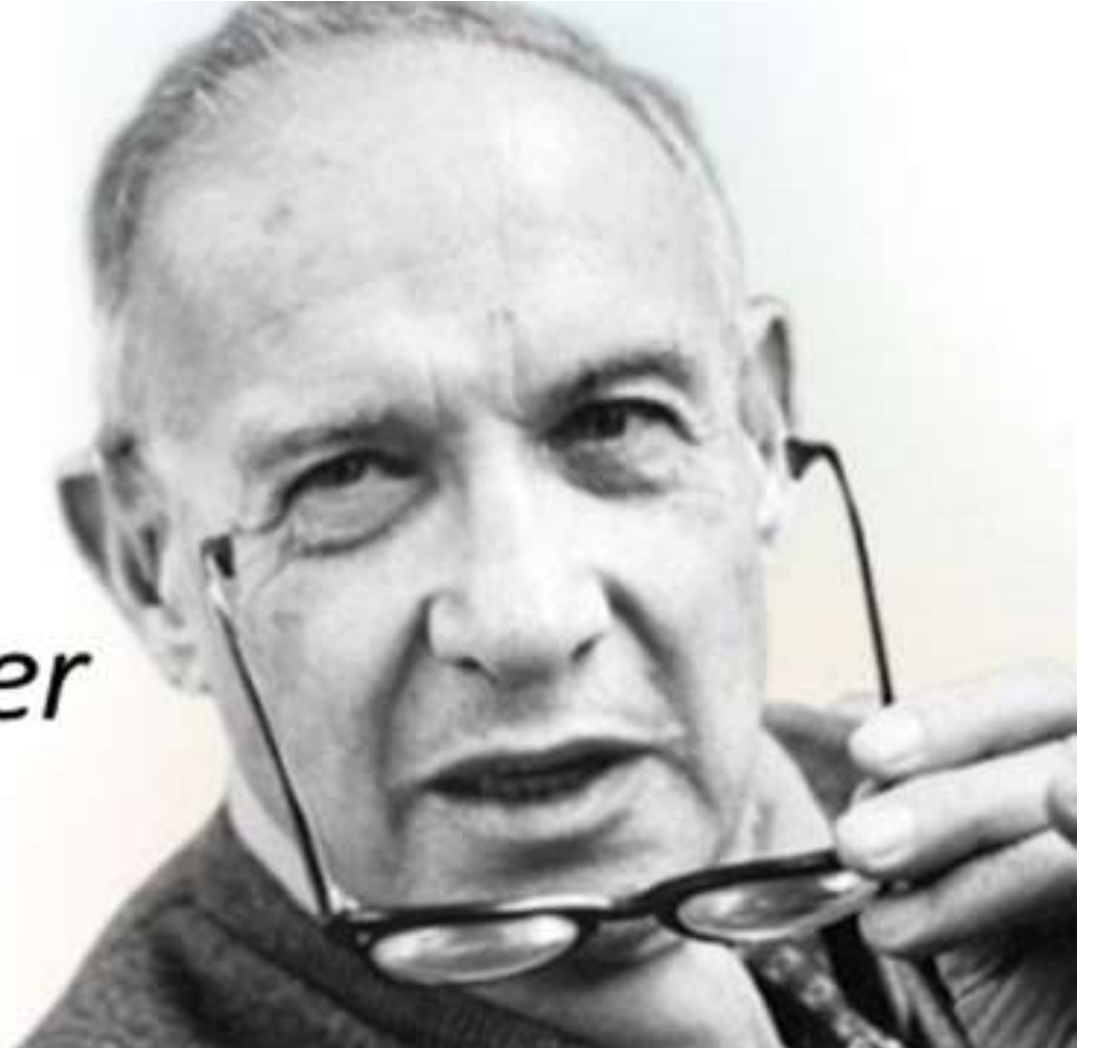
Email: [felix.lee@ump.com.hk](mailto:felix.lee@ump.com.hk)

# What did you have for breakfast?

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“Culture eats  
strategy for  
breakfast.”

– *Dr. Peter F. Drucker*



# Why focus on organisational culture?

A NEW YORK TIMES & WALL STREET JOURNAL BESTSELLER

## WORK RULES!

"Transform your team and your workplace – what you can do, starting tomorrow"  
*Fortune*

"Striking management tips"  
*The Economist*

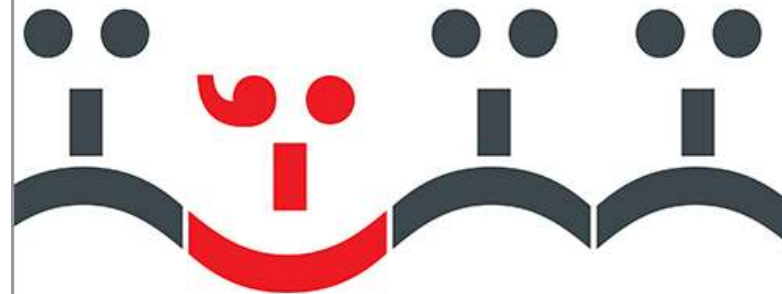
"A true masterpiece"  
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INSIGHTS  
FROM INSIDE  
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THAT WILL TRANSFORM  
HOW YOU LIVE  
AND LEAD

**LASZLO BOCK**

## Harvard Business Review

HBR.ORG  
JANUARY-FEBRUARY 2014  
23 Consumer Behavior  
What Marketers Don't Get About Online Reviews  
Itamar Simonson and Emanuel Rosen  
78 Competition  
The Big Lie of Strategic Planning  
Roger L. Martin  
103 Risk Management  
The New Rules of Globalization  
Ian Bremmer



## A GREAT PLACE TO WORK

What IDEO, BlackRock, and Netflix know about building high-performance cultures  
PAGE 53

天下文化 遠見

馬雲唯一授權 · 國際商業領袖馬雲親筆作品！

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阿里巴巴的商業邏輯和未來布局

馬雲內部講話3.0



# Service firms with a strong culture have better performance?

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**Goldman  
Sachs**

McKinsey  
& Company



# Assignment and presentation framework

## 1. How to define organisational culture?

How to identify?

Not easily identified or changed?

Changeable / malleable?

How to pass on culture / difficult to communicate?

## 2. Relationship between organisational culture and performance

Sustainable competitive advantage?

Better performance?

More reliable performance?

More effective management?

## 3. Organisational culture research for healthcare services in China

Culture and performance in China

How to define performance for healthcare services?

Focus on culture measurement tools

Research gaps

## 4. Literature review: CEO's behaviour and culture

Leadership behavior and culture

Findings

Research methodology

Future areas for research

# How to define organisational culture?

## Section 1

# How to define organisational culture?

---

- Need to have a workable definition that takes into account the ontological assumptions behind culture leading to better performance
- If culture can lead to better performance, then one must first define and identify the organisation culture
- Once an organisation's culture is identified and defined, the culture can then be observed, reviewed and measured
- Such organisations can then reflect on its own culture to decide how to nurture its culture / use / change its culture to drive better performance

# Leading Scholar – Schein – How to identify?

1. How to define organisational culture?

How to identify?

Not easily identified or changed?

Changeable / malleable?

How to pass on culture / difficult to communicate?

Observed behavioural regularities  
when people interact

Formal philosophy

Embedded skills

Climate / physical layout

Formal rituals and celebrations

Identity and images of self

Espoused value

Rules of the game

Shared meanings

Habits of thinking, mental  
models, or linguistic paradigms

Group norms / implicit standards  
and values

Root metaphors or integrating  
symbols

# Culture interpretation example - what do cows mean in different countries?

1. How to define organisational culture?

How to identify?

Not easily identified or changed?

Changeable / malleable?

How to pass on culture / difficult to communicate?



## AN AMERICAN CORPORATION

*You have two cows.  
You sell one, and force the other to produce the milk of four cows.  
Later, you hire a consultant to analyse why the cow has died.*

Nowstatik / 11



## A SWISS CORPORATION

*You have 5,000 cows.  
None of them belong to you.  
You charge the owners for storing them.*

Nowstatik / 11



## A CHINESE CORPORATION

*You have two cows.  
You have 300 people milking them.  
You claim that you have full employment and high bovine productivity.  
You arrest the newsman who reported the real situation.*

Nowstatik / 11



## A FRENCH CORPORATION

*You have two cows.  
You go on strike, organize a riot, and block the roads, because you want three cows.*

Nowstatik / 11



## AN AUSTRALIAN CORPORATION

*You have two cows.  
Business seems pretty good.  
You close the office and go for a few beers to celebrate.*

Nowstatik / 11



## AN ITALIAN CORPORATION

*You have two cows,  
but you do not know where they are.  
You decide to have lunch.*

Nowstatik / 11



## AN INDIAN CORPORATION

*You have two cows.  
You worship them.*

Nowstatik / 11



## A BRITISH CORPORATION

*You have two cows.  
Both are mad.*

Nowstatik / 11

# Other organizational culture definitions

**Table 1: Earlier Definitions of Organizational Culture**

| Author/s                   | Definition                                                                                                                                                                                                                                             |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kroeber & Kluckhohn (1952) | Transmitted patterns of values, ideas, and other symbolic systems that shape behavior of an organization                                                                                                                                               |
| Hofstede (1980)            | “The collective programming of the mind that distinguishes the members of one organization from another. This included shared beliefs, values and practices that distinguished one organization to another” (Hofstede, 1980).                          |
| Swartz & Jordon (1980)     | Patterns of beliefs and expectations shared by members that produce norms shaping behavior                                                                                                                                                             |
| Ouchi (1981)               | Set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees                                                                                                                           |
| Martin & Siehl (1983)      | Glue that holds together an organization through shared patterns of meaning. Three component systems: context or core values, forms (process of communication, e.g., jargon), strategies to reinforce content (e.g., rewards, training programs)       |
| Uttal (1983)               | Shared values (what is important) and beliefs (how things work) that interact with an organization's structures and control systems to produce behavioral norms (the way we do things around here)                                                     |
| Adler (1986)               | -Refers to something that shared by all or almost all members of some social groups<br>- something that the older members of the group try to pass on to the younger members and<br>- something that shapes behavior or structures of the organization |
| Denison (1990)             | Refers to the underlying values, beliefs and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles           |
| Trompenaars (1993)         | Is the way in which people solved problems. It is a shared system of meanings. It dictates what we pay attention to, how we act and what we value.                                                                                                     |

# Other organizational culture definitions (cont.)

**Table 1: Earlier Definitions of Organizational Culture**

| Author/s               | Definition                                                                                                                                                                                                |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goffee (1996)          | Is an outcome of how people related to one another                                                                                                                                                        |
| Schneider (1997)       | Shared patterns of behavior and the meaning of that behavior                                                                                                                                              |
| Cameron & Quinn (1999) | What is valued, the dominant leadership styles, the language success that make an organization unique                                                                                                     |
| Sullivan (2001)        | Refers to the total lifestyle of a people, including all the values, ideas, knowledge, behaviors and material objects that they share                                                                     |
| Wood (2001)            | The systems of shared beliefs and values that develops within an organization or within its sub-units and that guides the behavior of its members                                                         |
| Wiesner (2002)         | A way of looking at organizations by its shared values and behavior                                                                                                                                       |
| Thomas & Tung (2003)   | Refers to evolving set shared beliefs, values, attitudes and logical processes which provides cognitive maps for people within a given societal group to perceive, think, reason, act, react and interact |
| Anthon (2004)          | Is the set of values, beliefs and understanding shared by an organization's employees and it ranks among an organization's most powerful component                                                        |
| Taylor (2004)          | Refers to what is created from the messages that are received about how people are expected to behave in the organization                                                                                 |
| Wagner (2005)          | An informal, shared way of perceiving life and membership in the organization that binds members together and influences what they think about themselves and their work                                  |

# My working definition

## The Lily Pond – Schein's definition of organisational culture

1. How to define organisational culture?

How to identify?

Not easily identified or changed?

Changeable / malleable?

How to pass on culture / difficult to communicate?



“The culture of a group can be defined as the accumulated shared learning of that group as it solves its problems of external adaptation and internal integration; which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, feel, and behave in relation to those problems.

This accumulated learning is a pattern or system of beliefs, values, and behavioural norms that comes to be taken for granted as basic assumptions and eventually drop out of awareness.”

Schein, E.H., 2017. *Organizational culture and leadership* (5<sup>th</sup> edition), pg 6. John Wiley & Sons

# Relationship between organisational culture and performance

## Section 2

# JC Barney - Culture as sustainable competitive advantage?

2. Relationship between organisational culture and performance

Sustainable competitive advantage?

Better performance?

More reliable performance?

More effective management?

“A firm's culture can be a source of sustainable competitive advantage if that culture is valuable, rare, and imperfectly imitable...Firms with valuable, rare, and imperfectly imitable cultures should nurture these cultures.

Firms without valuable, rare, or imperfectly imitable cultures cannot expect their cultures to be the source of sustained competitive advantages. Nor can such firms expect that efforts to change their cultures, though they may successfully incorporate new valuable attributes, will generate sustained superior performance.”

Ref: Barney, J.B., 1986. Organizational culture: can it be a source of sustained competitive advantage?. *Academy of management review*, 11(3), pp.656-665.

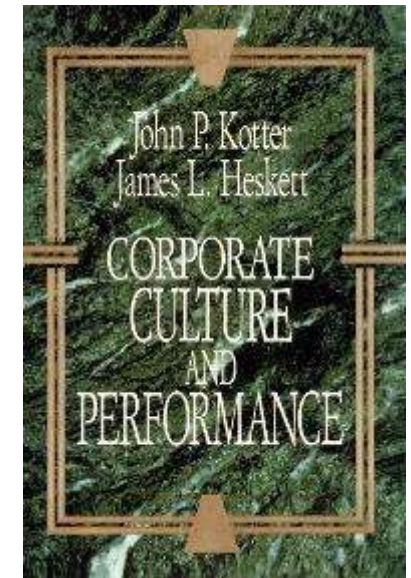


Professor Jay Barney  
Editor-in-Chief, the  
**Academy of Management  
Review**

# Kotter and Heskett - Culture leads to better performance?

“In 1992, HBS Professor James Heskett and I completed an extensive research project [surveying 207 major US companies and argue] that strong corporate cultures that facilitate adaptation to a changing world are associated with strong financial results. We found that those cultures highly value employees, customers, and owners and that those cultures encourage leadership from everyone in the firm. So if customer needs change, a firm’s culture almost forces people to change their practices to meet the new needs.

These results are staggering. To consider that the difference between a nine-hundred percent and a seventy-five percent appreciation in equity value is somewhat attributable to the strength of a company’s corporate culture highlights the significance of this often-overlooked issue.” – John Kotter, 2011



Ref: Kotter, J.P. and Heskett, J.L., 1992. *Corporate Culture and Performance*.

|                    | Average Increase for Twelve Firms with Performance-Enhancing Cultures | Average Increase for Twenty Firms without Performance-Enhancing Cultures |
|--------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
| Revenue Growth     | 682%                                                                  | 166%                                                                     |
| Employment Growth  | 282%                                                                  | 36%                                                                      |
| Stock Price Growth | 901%                                                                  | 74%                                                                      |
| Net Income Growth  | 756%                                                                  | 1%                                                                       |

# JB Sorensen - Culture leads to more reliable performance?

2. Relationship between organisational culture and performance

Sustainable competitive advantage?

Better performance?

More reliable performance?

More effective management?

- Strength of corporate culture affects the variability of firm performance
- In stable environments, firms perceived to have strong corporate culture benefit from superior and more reliable performance
- Strong culture firms have a high level of commitment to the established way of understanding the world, while weak culture firms exhibit heterogeneity in participants' beliefs about the relationship between the organisation and the environment



Ref: Sørensen, J.B., 2002. *The strength of corporate culture and the reliability of firm performance*. Administrative science quarterly, 47(1), pp.70-91.

# Denison – culture leads to more effective performance?

- Conducted (i) both in-depth interviews with 5 selected companies and (ii) broader exploratory test by sending surveys to top executives in 764 organisations
- Involvement, consistency, adaptability and sense of mission / long-term vision are all cultural traits that are positively related to effectiveness (i.e. profitability, quality, employee satisfaction)
  - Involvement and adaptability – predictor for growth
  - Consistency and mission – predictors of profitability

Ref: Denison, D.R. and Mishra, A.K., 1995. Toward a theory of organizational culture and effectiveness. *Organization science*, 6(2), pp.204-223.

# Organisational culture and performance for healthcare services in China

## Section 3

# Organisational Culture and performance in China

- Relatively less academic research on organisational culture and performance in China
- Mindless premium place on practices of western origin can be seen in several trends in Chinese management (Chen XP, 2008), one of which is organization culture
- Some initial grounds made on analysing organisational culture literatures for Chinese corporates (Xiaoming C, 2012), but relatively less concrete follow up literature to demonstrate relationship between organisational culture and performance
- Research tried to demonstrate whether specific culture (i.e. innovation, integrity) may lead to increase in Chinese firms' financial performance, but results are inconclusive; however, there is strong relationship between corporate culture and firm value as a whole (Zhao et al, 2018)

Chen, X.P., 2008. Independent thinking: A path to outstanding scholarship. *Management and Organization Review*, 4(3), pp.337-348.

Xiaoming, C. and Junchen, H., 2012. A literature review on organization culture and corporate performance. *International Journal of Business Administration*, 3(2), pp.28-37.

Zhao, H., Teng, H. and Wu, Q., 2018. The effect of corporate culture on firm performance: Evidence from China. *China Journal of Accounting Research*, 11(1), pp.1-19.

# Organisational culture for healthcare services in China

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- Already little literature on culture for better performance for Chinese corporates; have not been successful in identifying culture and performance for healthcare services organisations in China
- Need to first define what measures success for healthcare services organisations, especially drawing the difference between for-profit and non-profit organisations
  - Patient satisfaction?
  - Patient safety?
  - Quality of care?
  - Staff satisfaction?
  - Number of visits?
  - Traditional financial metrics?

# Literatures on healthcare organisational culture

## Organisational culture and quality of healthcare (Davies et al, 2000)

- Acknowledges culture also exist for healthcare organisations
- Nature of culture has bearings on clinical performance and quality
- Need to identify cultural attributes that are facilitative to performance
- Changing culture to bring performance improvement

## Review of the available instruments to quantitatively measure organizational culture in Health Care (Scott, 2003)

## Changing organisational culture to improve healthcare performance (Parmelli, 2011)

Parmelli, E., Flodgren, G., Beyer, F., Baillie, N., Schaafsma, M.E. and Eccles, M.P., 2011. The effectiveness of strategies to change organisational culture to improve healthcare performance: a systematic review. *Implementation Science*, 6(1), p.33.

Davies, H.T., Nutley, S.M. and Mannion, R., 2000. Organisational culture and quality of health care. *BMJ Quality & Safety*, 9(2), pp.111-119.

Scott, T., Mannion, R., Davies, H. and Marshall, M., 2003. The quantitative measurement of organizational culture in health care: a review of the available instruments. *Health services research*, 38(3), pp.923-945.

# Research Gap

1<sup>st</sup> Level Gap - Country

China

2<sup>nd</sup> Level Gap -  
Epistemological and  
ontological assumptions

Organisational  
culture

Relationship between  
organisational culture  
and performance

*Specific* culture traits  
for better  
performance?

3<sup>rd</sup> Level Gap -  
Application to specific  
industries

Healthcare services

For profit and non-profit  
healthcare services

Keywords: Organizational culture and performance, China organizational culture, corporate culture, China corporate culture, healthcare organizational culture, Chinese healthcare, China healthcare organizational culture

# Literature review – Unpacking the relationship between COE leadership behaviour and organizational culture

## Section 4

# CEO leadership behaviour and organisational culture

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Tsui, A.S., Zhang, Z.X., Wang, H., Xin, K.R. and Wu, J.B., 2006. *Unpacking the relationship between CEO leadership behavior and organizational culture. The Leadership Quarterly*, 17(2), pp.113-137

## Why choose this article?

- CEOs have great influence on an organisation's culture maintenance / sustainability / development
- Demonstrating relationship between culture and performance is not sufficient; key is to also identify ways / tools / proposals for changing culture for better performance
- CEOs take ultimate responsibility to stakeholders for performance
- China focused
- Research supported by (i) a grant from the Hong Kong Research Grants Council and (ii) China Business and Management Area of Excellence grant from the Hong Kong University of Science and Technology

# Background and Hypotheses

## Background

- I. China focused
- II. Instead of trying to demonstrate relationship between CEO leadership behavior and culture (functionalist, attribution, contingency), the authors did the opposite and hypothesised conditions under which leadership behavior and culture are decoupled
- III. Aim: to explore when and why a CEO's leadership behaviour may be unrelated to or decoupled from perceptions of an organization's prevalent culture values

## Hypotheses

- I. H1 – There will be more organizations with coupling than decoupling in employee descriptions of CEO leadership behaviour and organizational culture values
- II. H2 – there will be more instances of weak leader and weak culture covariance than instances of strong leader and strong culture covariance
- III. H3a – Decoupling of CEO leadership behaviour and organizational culture will occur more frequently in state-owned firms, next in foreign-invested firms, and least in private domestic firms
- IV. H3b – Decoupling of leadership and culture will occur more frequently in organizations with strong inertial forces such as large and old firms, and firms with scarce resources

# Methodology for survey and interviews

## Methodology

Conducted surveys with:

- I. 542 MBA students studying in 2 universities in Beijing and
- II. 1045 middle and top managers in 152 firms across China obtained from a nation wider executive MBA program based in Shanghai
- III. Analysed covariance between leadership behaviour and culture

Survey asked questions on:

- I. their perception of their leaders' behaviour based on risk taking, relationship building, employee caring or benevolence, vision articulating, operations monitoring and
- II. their perception of culture based on harmony and employee orientation, customer focus, innovativeness, systematic management control and social responsibility

Selected in-depth interviews with outliers (6 companies in total) where leadership and culture ratings were decoupled:

- I. Interviewed three to four managers and fix to six employees in each company
- II. Used mostly open ended questions, respondents were asked to describe any changes in their organizational culture in recent years

# Ethics and response rates

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## Ethics

- Participation was voluntary and confidential
- Respondents returned the surveys directly to the course instructors in stamped, self-addressed envelope
- For in-depth interviews, companies were selected based on company IDs and were blind to the company names

## Response rate

542 MBA students – more than 95% responded

1045 managers – 68.7%

## Cronbach alpha values

Higher than 0.7

# Conclusion and areas for future research

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## Conclusion

- Although there is strong evidence for correlation between leadership behaviour and culture, cannot take for granted that leaders play omnipotent role in organizational culture
- Strong / weak leaders and strong / weak cultures cannot be taken for granted regarding performance for organisations and planning for the future

## Future research

- Important to track the development and change of culture
- future research would benefit from attention on the process by which leaders shape culture rather than leadership traits only

## Limitations

- Need to analyse more factors for the decoupling of leadership and culture
- In-depth interviews conducted with 6 companies only; need larger size