

Organisational culture as a significant factor of competitive advantage in primary health care units

TOMASZ SIKORA^{1, A, B, D, E}, KRZYSZTOF KANECKI^{2, D, E, F}, AGNIESZKA SIKORA^{1, A, D, E, F},

ORCID ID: 0000-0003-1174-7209

ORCID ID: 0000-0001-8931-8565

ORCID ID: 0000-0002-7819-9561

ANETA NITSCH-OSUCH^{2, D, E}, MAGDALENA BOGDAN^{2, B, D, E}

ORCID ID: 0000-0002-2622-7348

ORCID ID: 0000-0002-8856-9773

¹ Medical Centre Corten Medic, Warsaw, Poland² Department of Social Medicine and Public Health, Medical University of Warsaw, Warsaw, Poland

A – Study Design, B – Data Collection, C – Statistical Analysis, D – Data Interpretation, E – Manuscript Preparation, F – Literature Search, G – Funds Collection

Summary The competitiveness of contemporary organisations is the foundation of their growth and market operation. Organisational culture, integrating the activities of an organisation with the environment in its own manner, determines the way it adapts to the conditions, and considerably impacts the competitive standing of a business. This is particularly important but, at the same time, increasingly difficult for entities operating on the health care market where goods of the highest order, namely saving life and improving health, are provided. The purpose of this article is to present a theoretical and practical discussion of the essence of the impact of organisational culture on building the competitive advantage of health care providers. The article features both a theoretical discussion based on a literature review and a practical discussion analysing the impact of organisational culture on the competitiveness of the health care provider Corten Medic. Both dimensions of the discussion reveal that organisational culture plays an essential role in building the competitive edge of a company and achieving success. In literature on the subject regarding enterprises operating in the health care sector, little attention is given to the links between organisational culture and the competitiveness of health care providers, although, as demonstrated by the results of this article, they may be highly significant, both for management as well as for patients. The article presents an attempt to define the essence and impact of organisational culture on establishing a competitive advantage.

Key words: health care, organizational culture, health care organization, competitive advantage.

Sikora T, Kanecki K, Sikora A, Nitsch-Osuch A, Bogdan M. Organisational culture as a significant factor of competitive advantage in primary health care units. *Fam Med Prim Care Rev* 2022; 24(1): 83–87, doi: <https://doi.org/10.5114/fmpcr.2022.113020>.

Background

The competitiveness of contemporary organisations is the foundation of their growth and market operation [1]. This premise applies to health care providers operating on the health care market as well. To effectively manage competitiveness, it is important to pay attention to the factors shaping competitive advantage and their impact on the competitive standing of a health care business on the market.

In the economy, competitiveness is inseparably linked with organisations. In economic terms, an organisation is considered to be an entity working towards reaching its goals via the coordination of the activities of its components [2, 3]. Such understanding of organisations may be operationalised by creating a model covering its elements and the interconnections between them. One example is the four-element model coined by Lecuit. According to Lecuit, an organisation is composed of four elements, namely: goals, structure, technologies and actors [4].

However, the Lecuit Model omits soft aspects, while numerous research has shown that the success of an organisation highly depends on these aspects. The most common soft aspects mentioned in literature are management styles, personnel competence and organisational culture, which serves as the starting point for the discussion presented in this article [2]. This is why F. Peters and R. Waterman proposed an extension of the classic organisational model. Their concept assumes that an organisation consists of strategy, styles, systems, competence, employees, structure and organisational culture [2].

One of the reasons for the major significance of soft aspects

in building the success of an organisation may be the growing importance of intangible resources in the process of shaping the competitiveness of an organisation in the long term. Intangible resources may be utilised in many places of the organisation at the same time, which is not the case with tangible resources. In addition, contrary to equipment, intangible assets are not depleted in the course of use, and they are actually improved over time, owing to the process of accumulation of knowledge and experience [5]. However, the development of manifestations of intangible resources that would be highly effective takes time and requires consistency of operation. The individual elements of an organisation, such as company departments or individual members of staff, as well as rules and strategic plans, must also be aligned with the organisation's goals, and they all must strive at accomplishing these goals. The coordination of the different elements of an organisation is precisely the main function of organisational culture, and it demonstrates its essential meaning in the process of attaining a competitive advantage.

Significance of organisational culture in attaining a competitive advantage

In management studies, the dominating perception of organisational culture is that in which its value is determined based on the degree in which it impacts the effectiveness of an organisation. The praxeological concept coined by Zieleniewski can be used to assess effectiveness. According to the scholar, the universal measure aimed at assessing the functioning of



an organisation is efficiency consisting in effectiveness, advantageousness and economy [2]. Organisations process external resources into internal factors. They have to be efficient in this approach to attain the effect of sub-system synergy.

Therefore, organisational culture plays an integrating role, bringing all the components of an organisation together to form one whole. This is possible when organisational culture is freed from the common standards and values shaping the behaviour of most of the team. Organisational culture covers that which connects and is shared and ignores the individual and differentiating aspects of a company. In Zbiegień-Maciąg's discussion, the integrative function is a model for cooperation and community [6]. Factors integrating employees within an organisation are the shared patterns of thinking, shared beliefs, shared values, shared experience, learning and a sense of community in the process of being together.

Wojtowicz also names the perceptive function of organisational culture, consisting in determining a given manner of perceiving the environment of the organisation via its members [7]. Owing to an understanding of the meaning of reality in which an organisation operates, its identity is preserved, and its goals are set. The perceptive function refers to the perception of an organisation's environment and assigning meaning to social and organisational life. It allows the members of an organisation to learn how to perceive their organisation and its immediate environment.

The role of organisational culture in ensuring the success of an organisation and striving at attaining a competitive advantage was described in detail in the 1982 book by Peters and Waterman entitled *In Search of Excellence* [8]. The authors conducted a study among 62 of the best-performing companies in the United States. Based on the research results they obtained, the authors argued that organisational culture is one of the most essential factors determining the success of an organisation, and furthermore, it constitutes the central foundation of operation on which all decisions are based on. Collins found in his study that companies having a strong, well-adapted organisational cultures are six times more effective than their competitors [9]. Companies with a strong organisational culture generate twice as high a return on investment and mark much higher sales growth, as well as a higher return on assets. Poor organisational culture may hinder the adoption of strategic initiatives, reduce the engagement of personnel and weaken the loyalty of clients.

Anderson et al. claim that the reason for the efficiency of organisational culture lies elsewhere. They found that it is not the organisational culture itself that impacts the results of a company but the degree in which employees align with it [10].

Organisational culture, integrating the activities of an organisation with the environment in its own manner, determines the way the organisation adapts to the conditions and considerably impacts the competitive standing of a business. As such, it is a tool helping businesses adapt to the changing market environment. In specific contexts, certain types of organisational cultures will be effective, while others will not. The same types of culture may be both effective and ineffective, depending on the context.

Significance of organisational culture for health care organisations

A review of organisational culture allows for the conclusion that it may serve as an incentive for the employees of an organisation and trigger their potential. Owing to this, they will become more or less cooperative, creative and open-minded or more cautious. The patterns followed by organisational culture may encourage people to be innovative, take risks and adhere to ethical standards or, on the contrary, discourage them from such behaviours. These issues are of particular importance in the health care sector.

The key role of competing with the right organisation of benefits was confirmed by the management of hospitals, the winners of the 100 Top Hospitals Ceo Insights ranking. Two out of four key factors contributing to the success of an organisation are leadership and organisational culture. Leadership must be adjusted to the adopted strategy. Under certain conditions, experienced management staff will be capable of developing multi-task operating plans. Such managers improve their skills and hone their management style for years, and they are most often top experts in their field. They know one another perfectly well and know how to work out a consensus in the decision-making process. In other cases, especially in the period of legislative or economic changes, young people who can easily adapt to a fast-paced environment will perform best. Young employees will be efficient in implementing innovations, such as an online appointment registration system for patients. The management structure of an organisation should be quite flat, which is conducive to balanced requirements as regards the results and requires paying particular attention to the recruitment process, as well as to supporting personnel and helping them grow. Irrespective of the concept of building management personnel at work in a given organisation, it is crucial for the leaders to align with the goals of the institution and be capable of concentrating the efforts of the organisation on communication, which will be helpful in achieving those goals. This is a manifestation of organisational culture where everyone, from the top managers to non-medical personnel, share the same desire of success [11–14].

Impact of organisational culture on the competitiveness of a company based on the example of the health care provider Corten Medic (CM)

In reference to the above theoretical discussion based on a study of literature concerning the subject, an original assessment of the impact of organisational culture on the competitiveness of a company was developed based on the example of the health care provider Corten Medic. The assessment covers not only a discussion of factors shaping the organisational culture of CM but also of the four aspects of organisational culture and their manifestations at CM.

Corten Medic is one of the largest medical providers in the Mazovia region in Poland, offering medical services in primary and outpatient care, diagnostic, rehabilitation and dentistry. Constant company growth forces the impact of organisational culture on the competitiveness of the company to be defined and analysed. The identification of factors shaping the organisational culture of Corten Medic are presented below.

Identification of factors shaping the organisational culture of CM

Factors shaping organisational culture include the environment of an organisation (cultural milieu, systems of values, situation of the health care market), the characteristics of an organisation (ownership structure, industry, products manufactured, technology used), as well as the features of the members of the organisation (values, attitudes, age, gender, education, work experience, life experience, the emotional bonds between them) [15].

An assessment of the characteristics of the organisational culture of CM demonstrates that it operates, to a great extent, within the framework of a staff and line structure. The decision-making process at the level of the entire company is rarely delegated to the lower level of management, and the latter is most often entrusted with the executive part of management. The

implementation of executive tasks is facilitated by clearly specified procedures and guidelines for staff.

Owing to the poor recognition of moral and customary standards, it would be hard for the national culture and religious culture to be reflected within the shape of the organisational culture of CM. However, the impact of the ethos of physicians on the behaviour of patients and associates is visible (a high degree of respect), and so are the attempts of the office staff to exert a meaningful influence on the goals of the organisation.

The market situation was observed to have a particularly strong impact on the organisational culture of CM. Fierce competition, industry concentration, the necessity of cooperating not only with suppliers but also with the entity paying for the services, rapid technological transformations – all this clearly affects the goals and values of organisations, the types of relations and the perception of the nature of what is human. By taking advantage of the market situation, CM is striving to generate quantitative growth and implement new technologies, which improves the company's results.

However, the greatest influence on the organisational culture of CM is exerted by the specific nature of the health care industry and the extensive technological changes. The reasons behind the more and more clear distinction into professionals skilled in different fields (physicians v other medical staff, office staff, medical registrars) are technology and spatial dispersion related to the specifics of the industry, where integration is considerably hindered. Both CM and other health care providers are facing the challenge of identifying the best ways of integrating their staff and ensuring the right conditions for the exchange of experience of the personnel employed in different branches of the medical centre.

Characteristics of the different aspects of the organisational culture of CM

In the discussion presented in this article, a judgment-free assessment criterion was applied, which permitted an analysis of the different aspects of the organisational culture of Corten Medic, and the criterion should not be perceived only within the “good–bad” spectrum of values. Each end of the spectrum depicts a different method of adaptation to the existing conditions, with all its advantages and disadvantages. The four aspects of the assessment of the organisational culture of CM are as follows.

Strong v weak culture

In principle, the CM organisational culture is strong, but this is primarily owing to the formal and partly centralised management. Such nature of organisational culture is effective in the achievement of goals based on the quantitative growth of the company. One drawback of this approach may be the difficulties in experimenting in terms of, e.g., innovations.

CM is in the process of a rapid quantitative growth, which disrupts the strength of its culture. The solutions that built its strength in the past may become obstacles in the existing market conditions (operation of many branches, expansion of the management structure, a higher number of specialisations). Stability is deeply rooted in the ties between people and the founding myth of CM, and this stability is now facing obstacles given the emergence of separate autonomous communities within the individual branches of the medical centre. At the same time, CM still maintains a high degree of motivation and self-discipline among its staff.

In fact, CM has a strong organisational culture, which is slowly losing its strength, and it is now faced with a dilemma whether to extend the formalisation of its structures and procedures onto new branches or support grass-root initiatives and allow the different branches to experiment.

Both strategies will shape the competitive advantage of CM in different ways. Maintaining a strong culture will enable the organisation to trigger a growth in the number of patients via discipline and expansion of the offering of services, which will translate into a higher value of contracts awarded by the National Health Fund. If the CM organisational culture is weakened, it could trigger an improvement of the quality of services and the satisfaction of patients, at the cost of the number of services, which would be conducive to CM having to resort to specialising in a number of niche areas (primarily dentistry).

Introvert v extravert culture

Organisations with an introvert culture are inner focused and concentrate primarily on their internal resources. A characteristic feature of this type of culture is the strong attachment of personnel to their workplace and their teams. Such organisations rarely hire new employees via external search and recruitment and rely primarily on internal recruitment. This approach is conducive to the emergence of strong and highly efficient teams. Reluctance towards maintaining relationships with the world outside the company, including the market environment, may limit an organisation's operations.

CM's organisational culture is definitely extrovert in nature, above all owing to its openness to the external environment. This is also manifested in the considerable growth of the number of branches and employees, as well as in the attitude towards the outside world, its expansion, competition and social involvement. Hiring numerous new members of staff imposes on CM increased flexibility in its approach to management of human resources. However, it also hinders the process of integration of its staff. Employees operating within the framework of an extrovert organisational culture are more self-confident and certain of their professional competencies, and they are also more likely to welcome change, which is confirmed by the economic practice adopted by CM. Moreover, it is worth stressing the fact that the employees of CM demonstrate a high degree of responsibility for the organisation, which is rare in extrovert cultures.

The extrovert character of an organisation is often conducive to the weakening of its organisational culture. This permits the establishment of own identities via the expanding structure and the individual branches' gaining more and more autonomy. CM is faced with an opportunity of developing its unique services grounded on the innovative nature of the newly established branches and the know-how contributed by new employees, at the same time maintaining a high level of responsibility for their implementation stemming from the still strong organisational culture. As a result, the organisation gains a competitive edge over large entities providing mass services of average quality.

Elite v egalitarian culture

The organisational culture of CM is definitely egalitarian. This is so despite the implementation of a hierarchical management structure and the large number of physicians who enjoy prestige in society, given their educational background and social standing. The egalitarian nature of the culture is the effect of a management practice permitting employees to negotiate with their direct superiors. The flattening of the management structure in the operation of CM translates into strong self-control and self-discipline of the staff. At the same time, the frequent daily encounters of employees holding different positions employed at different management levels and the participation of everyone in company events allows for a reduction in social distance. Although the relationships between the members of staff are still only moderately close, there is a high degree of mutual respect within the organisation.

The egalitarian nature of the organisational culture of CM supports the development of the autonomous worlds of the

individual branches specialising in a given area. Due to the resolute approach of the managers, the situation may lead to a growth in the individualisation of the organisation's approach to patients in the future. Should this take place, it would bring a competitive advantage over enormous organisations, not only in terms of the quality of services but also their scope and patient experience. However, if managers adhere to the imposed procedures, CM can expect to have a close-knit and disciplined staff competent of providing many different services.

Innovative v conservative culture

The organisational culture of CM is quite conservative. Although the company is looking forward rather than strongly grounded in the past, as is the case with innovative companies, it is still heavily dependent on the tradition of a family business. CM is making attempts at ensuring compliance with formalised rules and principles, it has a strong organisational culture and a limited scope of delegating authority, its structure is quite formalised and its operations subject to standardisation, while adherence to rules and procedures is still relatively schematic. The employees themselves, with a view to protecting the safety of the company and their own safety, want to be given instructions on how to operate, which allows them to reduce the degree of uncertainty and to avoid taking risks. At the same time, the employees are strongly motivated to grow and take initiative, which is a characteristic of innovative cultures.

| Table 1. Types of organisational culture in Corten Medic | |
|--|-----|
| Organisational culture in Corten Medic | +/- |
| Strong culture | + |
| Weak culture | - |
| Introvert culture | - |
| Extravert culture | + |
| Elite culture | - |
| Egalitarian culture | + |
| Innovative culture | + |
| Conservative culture | - |

The application of transparent rules and the standardisation of procedures increase the number of services provided and the number of patients, bringing CM a competitive advantage in negotiating contracts with the National Health Fund. At the same time, the attitude of employees towards professional development permits the organisation to maintain a high level of quality of services and introduce new types of services.

The table 1 summarising the research results and presenting the types of organisational culture in Corten Medic is presented below.

Summary

As shown by the results of the analyses, organisational culture, integrating the activities of an organisation with the environment in its own manner, determines the way it adapts to the conditions and considerably impacts the competitive standing of a business. Moreover, the results of studies conducted in the health care sector demonstrate that the key success factors in the case of health care providers are leadership and organisational culture.

The article features both a theoretical discussion based on a literature review and a practical discussion demonstrating the impact of organisational culture on the competitiveness of the health care provider Corten Medic. Both dimensions of the discussion reveal that organisational culture plays an essential role in building the competitive edge of a company and in achieving success.

Highly significant seems to be the practical analysis of the health care provider Corten Medic. This allows for a more efficient translation and a better understanding of the theory via the presentation of the practical aspects of the organisational culture at play and its direct impact on the competitive standing of the business. The article features a discussion of the factors shaping organisational culture and the four aspects of organisational culture.

The results of the practical analysis, conducted in Corten Medic, show that the greatest influence on the organisational culture of CM is exerted by the specific nature of the health care industry and the extensive technological changes. CM is faced with an opportunity to develop its unique services, based on the innovative nature of the newly established branches and the know-how contributed by new employees. As a result, the organisation gains a competitive edge over large entities providing mass services of average quality.

Summing up, it may be found that the discussion is an attempt at defining the essence and impact of organisational culture on establishing a competitive advantage. In literature on the subject regarding enterprises operating in the health care sector, little attention is paid to the links between organisational culture and the competitiveness of health care providers, although as demonstrated by the results of this article, they may be highly significant, both for management as well as for patients.

Source of funding: This work was funded from the authors' own resources.

Conflicts of interest: The authors declare no conflicts of interest.

References

1. Krzemińska E. Zarządzanie konkurencyjnością w podmiotach ochrony zdrowia. *ZN WSH Zarządzanie* 2020; 4: 95–107 (in Polish).
2. Krzakiewicz K, Cyfert S. *Podstawy zarządzania organizacjami*. Poznań: Uniwersytet Ekonomiczny w Poznaniu; 2015 (in Polish).
3. Hamel G, Prahalad CK. *Przewaga konkurencyjna jutra*. Warszawa: Business Press; 1999 (in Polish).
4. Lecuit C, et al. *DeMISTifying MIS: Guidelines for Management Information Systems in Social Funds*. Washington: World Bank Group; 1999.
5. Oblój K. *Strategia organizacji. W poszukiwaniu trwałej przewagi konkurencyjnej*. Warszawa: PWE; 2007 (in Polish).
6. Zbiegień-Maciąg L. *Kultura w organizacji. Identyfikacja kultur znanych firm*. Warszawa: Wydawnictwo Naukowe PWN; 2013 (in Polish).
7. Wojtowicz A. Kultura organizacyjna a proces zarządzania strategicznego. *Zeszyt Nauk Małopolskiej Wyższej Szkoły Ekonomicznej w Tarnowie* 2004; 6: 137–151 (in Polish).
8. Peters TJ, Waterman RH Jr. *W poszukiwaniu doskonałości w biznesie*. Seria Złota Kolekcja. Klasyka Zarządzania. Warszawa: MT Biznes; 2011 (in Polish).
9. Collins J. *Go to Great. Why some companies make the leap and others don't*. New York: Harper Business; 2001.
10. Anderson JM, Lee JB, Mark S, et al. *Leading with Culture Driving Organizational Performance through the Alignment of People, Strategy and Culture*. New York: Spencer Stuart; 2016.

11. 100 Top Hospitals Ceo Insights: keys to success and FUTURE challenges. Thomson Reuters 2011. Available from URL: <https://www.reuters.com/article/us-top-100-hospitals-methodology-idUSTRE72R21020110328>.
12. Nadolna D. *Badanie wpływu kultury organizacyjnej na zarządzanie różnorodnością zasobów ludzkich w przedsiębiorstwach* [doctoral thesis]. Poznań: Politechnika Poznańska – Wydział Inżynierii Zarządzania; 2018 (in Polish).
13. Detert RJ. A Framework for Linking Culture and Improvement Initiatives in Organizations. *Acad Manage Rev* 2000; 25(4), doi: 10.2307/259210.
14. Hickman CR, Silva MA. *Creating Excellence. Managing Corporate Culture, Strategy, and Change in the New Age. A Plume Book*. New York: Routledge; 1984.
15. Schein E. *Organizational culture and leadership*. San Francisco: Jossey-Bass; 2010.

Tables: 2

Figures: 0

References: 15

Received: 10.11.2021

Reviewed: 18.11.2021

Accepted: 03.01.2022

Address for correspondence:

Magdalena Bogdan, PhD

Zakład Medycyny Społecznej i Zdrowia Publicznego

Warszawski Uniwersytet Medyczny

ul. Oczki 3

02-007 Warszawa

Polska

Tel.: +48 694 274 567

E-mail: mbogdan@wum.edu.pl