

A STUDY ON THE CULTURAL DIFFERENCES BETWEEN PUBLIC AND PRIVATE HOSPITALS FROM BUCHAREST

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Abstract: *Turnover rates for hospital personnel (nurses, doctors and auxiliary staff) have been increasing in recent years, especially in the public sector, being the result of a couple of factors. I believe that one of the main causes is related to organizational culture aspects. This research analyses if dated facilities, unpleasant work environment and lack of personnel contribute to a low job satisfaction and involvement. The study also compares the results obtained from persons working in the public sectors with the results given by respondents from private clinics. An organization's culture could be strong or weak, being dependent to cohesiveness, value consensus and individual commitment to collective goals. Effective cultures help organizations anticipate and adapt to environment changes, thus proactive cultures should enhance and support profitability on the long-run. This research also investigates strength of the occupational culture by comparing the results obtained in the public sector with results from private sector. My study is developed on 63 professionals working in the medical system and it is based mainly on quantitative methods. The instrument of the research is the structured questionnaire. The main goal of the study is to highlight the significant cultural differences between the state-owned and public-owned hospitals and to assess if they have a greater influence to the institutions, as compared to common occupational values and norms. The implications of my research for the field of organizational behavior refers to the fact that I have identified the organizational elements that are common to both public and private hospitals, influenced by a strong occupational culture, and those that differ significantly, being the result of underfunding and poor management. As a conclusion, I consider that this is a great starting point for further research in the field and I plan to enlarge the investigation on a greater number of respondents and to come up with solutions for the identified issues.*

Keywords: organizational culture; high-performance cultures; medical system

JEL classification: M14; L32

1. Introduction

Culture can be broadly defined as “a set of basic tacit assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and to some degree, their overt behavior (Schein, 1996). Moreover, according to Hofstede (1991) there are three main factors that influence the behavior of a person in the workplace: national culture, occupational culture and organization culture.

National culture is mainly based on differences in values that are learned in early childhood from the family. These values have a significant impact on a person's beliefs and are very unlikely to change over time. Occupational culture is acquired

through schooling and training between childhood and adulthood. Moreover it consists of values and shared practices (learned perceptions about how things should be done in the context of an occupation). Lastly, occupational culture is based on the norms and shared practices which are learned in the workplace. The influence that occupational and organizational cultures exert on people's behavior varies significantly over organizations (Trice and Beyer, 1993). Some professional groups have the exclusive right to perform certain kinds of work, to control the training requirements for performing that work and to control how the work is performed. Because of these constraints and due to the fact that the behavior of these professionals is mainly influenced by their occupational culture, the organizational cultures associated with them are only slightly influenced by administrative practices. On the other hand, the behavior of professionals from occupations that are less regulated can be influenced to a greater extent by the organizational culture. National culture can also be a barrier to organizational culture implementation, such as when transferring technology across nations or creating culturally diverse work teams.

The need for experienced physicians in management is growing, taking into account the dynamic nature of the competitive environment. Experienced physicians cure patients, but also accumulate direct expertise regarding how things should be done within the organization. Hospitals should value their input, if they want to increase their profitability in such a competitive and complex type of organization (McAlearney et al, 2005). Researchers have also studied the increasing turnover rates for hospital personnel in recent years, which have been found the result of increasing pressure on medical staff from higher productivity expectations in a managed care environment (Gifford and Zammuto, 2002).

2. Literature analysis

Edgar Schein (1985) defines culture in terms of basic assumptions, shared beliefs or values. He considers that culture exists at three levels: basic assumptions, values, and artifacts and creations. Organizational culture consists of a set of social norms that define which behaviors are appropriate and which aren't within an organization. Nevertheless, organization culture is not necessary homogenous across all departments of the organization, as some norms might be embraced by all members of the organization, while different groups within the organization might develop their own sub-cultures. There were many studies and research that has been conducted about organizational culture recently. This interest was generated by the acknowledgement that an organization's culture could influence its short and long term performance.

Organizational culture is "the set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about and reacts to its various environments" (Schein, 2004). According to this definition, there are three main characteristics of organizational culture. Firstly, organizational culture is passed on to new members of the organization through socialization. Secondly, the definition highlights that our behavior at work is influenced by organizational culture. Last but not least, organizational culture operates at different levels.

Organizational culture has three essential layers: artifacts, espoused values and basic assumptions. Each level varies in terms of visibility and resistance to change and each layer influences another layer (Dorothy and Leidner, 2008). The most

visible level is represented by artifacts. Artifacts are the physical manifestation of an organization's culture and include acronyms, myths, stories about the organization, observable rituals, decorations, office layout, awards or dress codes. This layer also consists of the visible behaviors exhibited by individuals or groups. One important characteristic of artifacts is that they are easier to change, as compared to the less visible levels of organizational culture.

The next layer of organizational culture is represented by espoused values. Values are concepts and beliefs that refer to desirable end states or behaviors, guide selection or evaluation of behavior and events and are ordered by their relative importance. Espoused values are the explicitly stated values and norms that are preferred by an organization. Nevertheless, there are cases in which aspirations do not have a direct result in employee behavior, as individuals are guided by enacted values. Therefore, enacted values represent the values and norms that actually influence and shape employee behavior. It is essential to reduce the gaps between espoused and enacted values, as this discrepancy can significantly influence employee behavior and organizational performance, in a negative manner (Schwartz, 1992).

The third level of organizational culture is represented by basic assumptions, which are unobservable and represent the core of organizational culture. These values become so important over time, that they will become assumptions that guide employee behavior. Organizations are likely to attain their goals when there is an inconsistency between espoused values and the behavior needed to accomplish the goals. Moreover, it is hard to promote and implement organizational change, if it is based on values that are not consistent with employees' own values (Reinter and Kinaki, 2009).

2.1. Manifestations of organizational culture

In addition to the physical artifacts of organizational culture, cultural assumptions are passed down to new employees through socialization, subculture clashes and top management behavior. For example, a new member of the organization will not come late again, if someone tells him a story about a former employee that was fired because of a similar behavior. Similarly, top management can enhance product quality through the implementation of administrative and reward systems, as well as through the behavior they model. According to Sathe (2000), there are four general manifestations of organizational culture: shared things (objects), shared sayings (talk), shared doings (behavior) and shared feelings (emotion). Cultural information can be collected within an organization by asking, observing, reading and feeling.

Organizational culture fulfills four functions. First, organizational culture gives its members an organizational identity. Secondly, organizational culture facilitates collective commitment. In other words, organization's culture should create an environment that stimulates its members to be committed to the organization's mission. Thirdly, it promotes social system stability, which means it improves the positive and reinforcing perception of the environment by the employees and it manages conflict and change in an effective manner. For example, emphasizing on performance-based awards and celebrating success is a good technique to lower employee turnover. Fourthly, organizational culture shapes employee behavior by helping members make sense of their surroundings. Therefore, this function of

organizational culture helps employees understand its mission and how it will attain its goals (Kotter, 1992).

2.2. Types of organizational culture

Researchers have conducted numerous studies regarding the relationship between types of culture and organizational performance, motivated by the possibility that certain cultures might be more effective than others. Nevertheless, researchers haven't reached a consensus regarding a universal typology of cultural styles.

Generally speaking rather than presenting a definitive conclusion about the existing types of organizational culture, most of the scientific literature talks about three types of organizational culture: constructive, passive-defensive and aggressive-defensive, each having its own set of normative beliefs. Normative beliefs reflect individual's thoughts and beliefs about how members of a specific group or organization should approach their work tasks and interact with others. In a constructive culture members are encouraged to interact with others and to work in projects that will satisfy their needs to grow and develop professionally. Therefore, this type of culture promotes normative beliefs that are associated with achievement, self-actualization and so on. Oppositely, passive-defensive cultures promote the belief that employees must interact with others in ways that do not threaten their job security. Therefore, this type of culture promotes normative beliefs associated with approval, conventional, dependant and avoidance. Last but not least, organizations with aggressive-defensive cultures encourage employees to have a competitive approach when it comes to protect their status and job security. These cultures promote normative beliefs associated with power, competitiveness, perfectionism or opposition.

Assessing an organization's culture is not an easy task, as the actual values and norms in an organization do not necessarily correspond with the officially espoused ones. Several methods have been developed to conceptualize and assess organizational culture. In a study, Hofstede et al. (1990) assessed the values and perceptions of daily practices of employees from 10 different organizations from Denmark and Netherlands and revealed six main dimensions of cross-organizational variability: process versus orientation, employee versus job orientation, parochial versus professional identity, open versus closed systems, loose versus tight control and normative versus pragmatic mentality.

Process vs. result orientation reflects whether the organization is more concerned with the procedures that must be carried out or with the goals of the organization. Process-orientation is typical to bureaucratic organizations, while results orientation is characteristic to risk-taking organizations that value innovation and tolerate mistakes. The employee vs. job orientation reflects if the organization is concerned with the well-being of its employees or it focuses on getting the job done. In employee-oriented cultures decisions are taken by groups, while in job-oriented cultures decision-making is individual and implements from top to bottom. The parochial vs. professional dimensions reflects the weight that is given to the occupational cultures of the organization's members. On one hand, in parochial organizations employees identify with the organization, whereas in professional cultures employee identify with their profession. When hiring new employees parochial organizations take into account the social background, whereas professional cultures hire on the basis of job competences. An open vs. closed system refers to the communication climate within an organization. In open system

cultures information flows through the organization, whereas this doesn't happen in closed cultures. In tightly controlled cultures, there is a strict control over individuals, while loose-control organizations are permissive with individual's behavior. Lastly, pragmatic cultures are market-driven and open to innovation and fast solutions, whereas normative cultures focus on institutional rules.

3. Research methodology

The main objective of my scientific endeavor concerns the analysis of the cultural differences between the public and the privately owned hospitals in Romania. This research is based on non-probabilistic sampling, more specifically on rational theoretical guided sampling. I have selected medical personnel from public and private hospitals located in Bucharest and used primary data collection, such as questionnaire and face-to-face interviewing, for this empirical study. The studied population is represented by medical personnel from public and private hospitals located in Bucharest. As far as the application of the questionnaire is concerned, I used a mixed strategy. On one hand, I sent questionnaires by email to 90 persons working in the medical field, of which only 32 have been returned, 31 being valid. On the other hand, I went to the Romanian College of Physicians headquarter and managed to fill 32 questionnaires. All the questionnaires were checked for validity, before numbering and loading them in a SPSS 17, data processing software. The graphs and the frequency were generating using this software. Taking into account the objectives of the research and the nature of the variables, the main analysis used were frequencies, Chi Square Test and the Correlation Coefficient.

4. The results of the research

After analyzing the answers given by the participating medical personnel, there were noticed significant organizational culture differences between the persons working in the public hospitals and the ones working in private clinics. At the most visible level of culture, represented by artifacts, there are significant differences between the two groups. When testing the links between the ownership of the institutions and the perception of the medical staff about the facilities, the equipment and the layout of the work environment, it was observed a relationship of high intensity (Correlation coefficient=0.815, Sig.=0.012) and statistically valid (Chi-Square statistics revealed that none of the expected frequencies are less than 5, so these results are statistically valid). Moreover, 63% of the persons working in public hospitals responded that they are dissatisfied with facilities offered, whereas 68% of the persons working in private hospitals consider they have access to proper equipment. On the other hand, there is a small correlation between the number of years spent in the organization and the perception regarding the quality and efficiency of the technical equipment (Correlation coefficient=0.248, Sig.=0.05). Similarly, the position in the organization has no influence on their perception regarding the visible artifacts (Correlation coefficient=0.03, Sig.=0.982), which gives more weight to the relationship between the institution type (public or private) and the perception regarding the offered facilities.

When testing if the work climate is pleasant or not, there were differences in perception between the two groups. Therefore, the relationship between the work climate and the type of the organization is strong (Correlation coefficient=0.79, Sig=0.00) and show that 91% medical staff working for private hospitals are satisfied

with the work environment, as compared to only 10% of the persons from public hospitals.

The analysis of the data also revealed that there is a weak but not statistically valid correlation between the government and private funded hospitals, in terms of how clear the mission is for its members (Correlation coefficient=0.23, Sig=0.84). This result can be interpreted through the occupational culture perspective, as the core values and the mission of the medical personnel are acquired through schooling and through norms that are learned in the workplace. Nevertheless, there is a relationship of medium intensity (Correlation coefficient=0.49, Sig=0.00) and statistically valid (Chi-Square statistics revealed that none of the expected frequencies are less than 5) between the organization's type of funding and the perception of how well the institution fulfills its mission. Thus, 91.8% of the persons working in private hospitals consider their organization fulfills its mission efficiently, as compared to 44.7% of the medical staff from public hospitals.

Has been found a medium intensity relationship (Correlation coefficient=0.44, Sig.=0.00) between the two groups and the diplomatic leadership style. Thus, 92.8% of the persons working in private hospitals consider that all the operational aspects are tackled in a diplomatic manner, as compared to 51.4% from the public hospitals. Similarly the control test question revealed a relationship of medium intensity (Correlation coefficient=0.477, Sig.=0.00) between the type of the organization and an autocratic style of leadership (60,7% of the persons working in private hospitals and 28.8% of those who work in public clinics reject the assertion regarding the autocratic style of management).

According to the data analysis, there are weak relationships between perception of the persons working in public and private hospitals and the variables "my opinions are valued" (Correlation coefficient=0.209, Sig.=0.10), "communication with the organization's members" (Correlation coefficient=0.204, Sig.=0.208) and "access to information" (Correlation coefficient=0.09, Sig.=0.48). Both types of organizations allow the access to relevant information, communicate in an efficient manner and value the opinions of its members. One possible explanation to these results is the nature of the medical activity and the high professional expertise held by the members, which overcome the cultural differences between the organizations.

Have been identified a weak relationship between the two groups and the perception about how the organization acknowledges and rewards the success of its members (Correlation coefficient=0.241, Sig.=0.057). In addition, there isn't any relationship (Correlation coefficient=0.024, Sig.=0.851) between the perception of the groups regarding the celebrations and the events organized by the institutions, as almost all persons participate and have a good opinion about them.

The data analysis revealed a medium intensity relationship (Correlation coefficient=0.323, Sig.=0.01, Chi-Square statistics revealed that none of the expected frequencies are less than 5), that is statistically valid, between the two groups when it comes to their opinions regarding the manner in which hiring is made. Therefore, 82.1% of the persons working in private clinics consider the hiring is made according to the meritocracy principles, as opposed to only 48.5% from the public hospitals. There is a weak relationship between the perception regarding the job security and the affiliation to one of the groups (Correlation coefficient=0.104, Sig.=0.419, Chi-Square statistics revealed that none of the expected frequencies are

less than 5), 69% of the respondents from the private sector consider their jobs are secure, as compared to 82.8% of the persons from the public sector. Has been found a low intensity relationship between the funding type of the organizations and “the training programs” (Correlation coefficient=0.201, Sig.=0.115, Chi-Square statistics revealed that none of the expected frequencies are less than 5), “relationship with superiors” (Correlation coefficient=0.36, Sig.=0.781, Chi-Square statistics revealed that none of the expected frequencies are less than 5) and “professional evolution since being part of the organization” (Correlation coefficient=0.296, Sig.=0.0185, Chi-Square statistics revealed that none of the expected frequencies are less than 5). The respondents are satisfied with the training programs (60.7% in private sector, 45.7% in public sector), consider they have evolved professionally (96.5% in private sector, 82.8% in public sector) and have a good relationship with their superiors (85.7% in private sector, 77.1% in public sector). Moreover, there is a relationship of medium intensity between the affiliation of the respondents and their perception about the level of remuneration, compared to their responsibilities and the work done (Correlation coefficient=0.401, Sig.=0.01, Chi-Square statistics revealed that none of the expected frequencies are less than 5). Therefore, 75% of the members from private sector are satisfied with the level of their remuneration, whereas only 45.7% from the public sector make the same claim. On the other hand, both groups have similar opinions regarding the relative importance of financial reward compared to professional satisfaction (Correlation coefficient=0.201, Sig.=0.115, Chi-Square statistics revealed that none of the expected frequencies are less than 5).

4.1 Organizational culture in public and private hospitals

The respondents were asked to choose the myths they have encountered within the organization, from a list of ten options (*bad boss myth, historical efficiency myth, superior remuneration for extra-hours myth, nepotism myth, management decentralization myth, new technology myth, model employee myth, western models myth, opportunistic employee myth and reduced chances of promotion myth*). As it can be seen in Table 1, the employees from private sector mainly chose: the myth of the reduced chances of promotion, the myth of new technologies, historical efficiency and the nepotism myths. The members from public clinics chose: reduced chances of promotion, bad superior, historical efficiency and the perfect employee myth.

Table 1: Myths encountered within the organizations

| Sector | M1 | M2 | M3 | M4 | M5 | M6 | M7 | M8 | M9 | M10 |
|-------------|----|----|----|----|-----|----|----|----|----|-----|
| Private (%) | 22 | 31 | 11 | 25 | 8.5 | 34 | 14 | 25 | 20 | 34 |
| Public (%) | 32 | 32 | 21 | 14 | 14 | 25 | 28 | 21 | 25 | 46 |

Source: made by author

The respondents were also asked to select at least five values they believe in form a list of 15 possible options, (*work-V1, correctness-V2, autonomy-V3, pleasant work environment-V4, customer satisfaction-V5, perseverance-V6, continuous development-V7, innovation-V8, punctuality-V9, quality-V10, team work-V11, coordination-V12, loyalty-V13, respect-V14, and integrity-V15*). Figure 1 shows in percents, how many persons from each group chose the values mentioned above.

Therefore, the values chosen by most people working in private sector were: correctness, quality, pleasant work environment and continuous development. The respondents from public sector preponderantly selected the following values: correctness, respect, integrity, team work and quality.

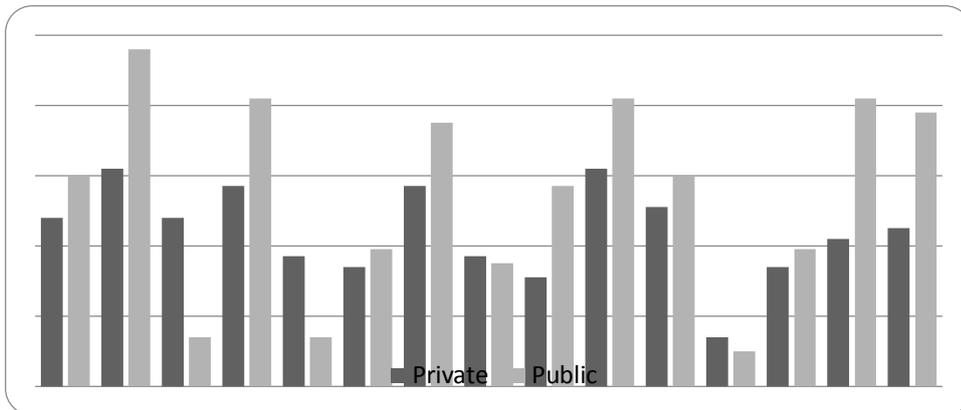


Figure 1: Values in which the respondents believe
Source: made by author

Taking into account the values and the myths found in these institutions, I can say there are important differences in terms of culture between public and private hospitals, even if the occupational culture has the most significant impact on medical staff. On one hand, in public hospitals the centralized decision making, the perception regarding the leadership style (autocratic), the myths selected (bad superior, historical efficiency) and the values chosen by the medical staff suggest the existence of a passive-defensive culture. Employees value job security and they interact with colleagues in ways that don't threaten their job security. Moreover, the public organizations are more concerned with the procedures and the internal rules rather than focusing on the end result. This approach is typical to bureaucratic organizations, as compared to private hospitals that encourage innovation, which can be seen in the values chosen by their medical staff (continuous development, innovation and quality). Public hospitals are job-oriented, as decision making is individual and implemented from the top of the institution to the bottom. In contrast, private hospitals are concerned with the well-being of their employees, as they are involved in the decision making and satisfy their needs to develop professionally, aspects with sustain the existence of a constructive culture in these institutions. Both organizations focus on the professional dimension, as hiring is made taking into account the qualification of individuals, rather than if they would socially fit within the organization. Given the field of activity, the employees identify mainly with their profession, rather than with the organization, as the values and shared practices acquired through schooling have a powerful impact on medical staff. Public hospitals tend to be closed systems as the communication is not efficient throughout the organizations, while private hospitals score better in this respect. Last but not least, both types of hospitals are tightly-controlled cultures, as they put an emphasis on punctuality, rigor and no mistakes are accepted.

5. Conclusions

Turnover rates for hospital personnel (nurses, doctors and auxiliary staff) have been increasing in recent years, especially in the public sector, being the result of several factors. Dated facilities, unpleasant work environment and lack of personnel contribute to low job satisfaction, motivation and involvement. The research also reveals the existence of a strong occupational culture that is explained through the values and shared practices acquired through schooling and training. Nevertheless, there are still significant differences between the state-owned and private-owned hospitals.

A significant extent of the medical personnel working in the public sector are dissatisfied with the equipment and facilities offered by the institution. In addition, the study revealed differences in terms of the management styles used, as managers in public hospitals tend to tackle things autocratically, whereas managers in private clinics are more diplomatic and value more the opinions of the organization's members. Nevertheless, due to the dynamic environment of hospitals, the need for experienced medical professionals in management is growing. Physicians are the ones who cure patients, but they also influence the speed and extent to which changes are made in the organization. Therefore, hospitals should use their expertise and perspectives, in order to be survive in such a competitive and complex type of organization. Only 45% of the personnel from public hospitals consider that their remuneration reflects the amount of the work done, as compared to 75% in the private organizations. These results should also be seen through the following perspective: all respondents have similar opinions regarding the importance of job satisfaction compared to financial remuneration. Therefore, even though the financial aspect is not defining for their activity, the level of the remuneration is so low that it influences negatively the job satisfaction and the work climate. Better remuneration would improve the effectiveness levels, as the impossibility of fulfilling the basic needs of the employees (the so-called hygiene factors) has a significant negative impact on performance. Moreover, implementing performance-based awards and celebrating success are techniques that will reduce employee turnover in public hospitals and stimulate the personnel to acquire new competencies and learn continuously.

Taking into account the strength and the major differences in terms of occupational culture compared to other fields of activity, medical personnel from both public and private sector share common values and myths. Therefore, both groups value team work, as every member of the organization must contribute when a task is given. Medical institutions should focus on quality services, customer satisfaction, as in hospitals patients need to be given the prime priority, and innovation, as advancements and innovations in medical technology make a difference.

As compared to the private sector, in the public hospitals there is a perception that hiring doesn't follow the meritocracy principles. The management should focus on hiring and developing the best people in order to improve the quality of the services and the organizational performance. Training is necessary not only to keep up with the latest technological breakthroughs, but also to reinforce the importance of a respectful treatment for the patient, as disrespectful manners are inherently poor service. In public hospitals can be identified elements of a passive-defensive culture, as in these institutions employee complain about the centralized and top-down

decision making, as well as reduced promotion opportunities. Medical personnel's opinions should be more valued, not only to increase their motivation, but also to get quality information from people that work directly with patients. On the other hand, private hospitals have a constructive culture, as employees value team work and the management is more decentralized, leaving the employees enough freedom to take decisions when necessary, without having to ask their superiors.

The limitations of this research refer to the number of respondents and their location, as the primary data were collected from medical personnel working in several hospitals located in Bucharest. I intend to extend my future researches to investigating medical personnel from other hospitals, as well regions of Romania. In addition, this study doesn't establish ways in which the cultural differences between organizations from public and private sector can be minimized. Taking into account these limitations, I will focus my future work towards eliminating these aspects.

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