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Merging Cultures: Organizational Behavior, Leadership, and Differentiation in a Health System Merger

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by

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ABSTRACT

Merging Cultures: Organizational Behavior, Leadership, and Differentiation in a Health System Merger

by

Colin G. Chesley

Health system mergers and acquisitions (M&As) have increased exponentially in recent years as a result of the Affordable Care Act (Brown, Werling, Walker, Burgdorfer & Shields, 2012). M&As are consummated as a way to control for interdependencies within the market, control costs and leverage debt, and negotiate better rates among health insurers (Bolman & Deal, 2013; Cooper & Finkelstein, 2010; Mirc, 2013). Regardless of the impetus for a merger, the largest predictor of the success or failure of a M&A lies within the organizational culture (Brown, et al., 2012; Cooper & Finkelstein, 2010; Kastor, 2010; Ovseiko, Melham, Fowler & Buchan, 2015). The purpose of this research was to assess the organizational culture of two competing health organizations prior to a planned merger and understand whether there were significant differences in pre-merger culture compared to a post-merger preferred organizational culture using the Competing Values Framework (CVF). The population included all employees of both health systems with the survey respondent sample stratified by the following employee types: (Tier 1), entry-level employee; (Tier 2), supervisory level, and, (Tier 3), executive level. Statistical procedures included independent t tests, one-way and two-way analyses of variance.

Findings indicated a statistically significant difference existed between the current cultures of the health systems prior to the merger; however, both systems sets of employees preferred a post-

merger organizational culture that was not statistically different from each other. Further, there were significant differences in the cultural perceptions of Tier 1 employees and Tier 2 employees and no significant differences between Tier 3 employee perceptions of culture as compared to Tier 1 or Tier 2.

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semester. That opened the door for me to collect research data in a timely manner before the merger took off.

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CHAPTER 1

INTRODUCTION

With the passage of the Affordable Care Act (ACA) in 2010, many changes were instituted in the field of healthcare as it pertains to reimbursement, collaborations, and the provision of care. One of the major impacts of the ACA with implications for the operations of these health organizations is the proliferation of Mergers and Acquisitions (M&As) as a way to leverage costs across more business centers within a health system, control costs, leverage debt, and control interdependencies (Cooper & Finkelstein, 2010; Mirc, 2013). The major consideration for M&As is combining two separate organizational cultures into a fully aligned and integrated single organization post-merger (Cartwright & Cooper, 1992).

Mergers and Acquisitions (M&As)

M&As are one operational strategy that organizations employ as a way to control interdependencies among competitors, deal with issues of reframing the organization, and as a way to control costs and synergies (Bolman & Deal, 2013; Cooper & Finkelstein, 2010; Mirc, 2013). The prevalence of M&As in the organizational landscape is not new although a large spike in M&As was experienced in the 1980's and 1990's and again since 2010 (Mirc, 2013). M&As have been occurring since the mid-nineteenth century with Cornelius Vanderbilt and the takeover of the railroad industry. J.P. Morgan funded much of the expansion with other examples such as John D. Rockefeller's Standard Oil and Andrew Carnegie's acquisition of the steel industry in the U.S. Since these early efforts, M&As have grown in value a hundredfold since the 1980's (Bolman & Deal, 2013). Despite the increase in value and proportion of M&As, the majority tend to fail. Many organizations choose not to reframe through such disruptive means as

a M&A simply because of the stability that is provided from the continuation of business as usual (Bolman & Deal, 2013). However, business as usual may not always provide enough organizational stability post-merger because M&As result in instabilities such as stress, culture clash, and high turnover (Cooper & Finkelstein, 2010; Mirc, 2013).

Hospital M&As are means for healthcare organizations to manage and control interdependencies while aiming to control the internal and external environment from market pressures and governmental intervention. Like other M&As, hospital systems experienced a slight boom in the 1990's, followed by a drop in frequency prior to the passing of the Patient Protection and Affordable Care Act (ACA) in 2010, which resulted in a resurgence in M&As (Brown, Werling, Walker, Burgdorfer & Shields, 2012). "Healthcare reform will result in more consolidation and integration among hospitals, reversing a recent trend in which hospitals tended to stay away from such transactions" (Brown, et al., 2012, p. 114). Some scholars have used Resource Dependency Theory as the conceptual framework for understanding how M&As have been the result of healthcare organizations seeking to control their interdependencies to manage the external environment created by the ACA, and to align to deal with the changes in reimbursement that have resulted from it (Pfeffer and Salancik, 2003). Such changes in the external environment can greatly impact organizational cultures.

Organizational Culture

Culture is very much part of the organizational existence and cannot be separated; "culture does not hold the organization together so much as it *is* the organization" (Manning, 2013, p. 93). Culture was initially studied as part of the anthropological disciplines of science and was primarily focused on longitudinal, qualitative or ethnographic works that studied

geographic cultures and peoples rather than organizations (Nunning & Neumann, 2012). After a surge of interest in the 1980's, research exploded around the study of culture within organizations and the impact of the human experience on organizational outcomes (Cooper & Finkelstein, 2010). Organizational culture refers to the way things are done within an organization (Bolman & Deal, 2013) with a pattern of shared beliefs (Schein, 2010), a set of customs, values and practices and may be manifested in signs, symbols, traditions, language, or other artifacts that are unique to that organization (Ibidunni, 2015; Jacobs et al., 2013; Schein, 2010).

Role of Culture in M&As

Initial studies on M&As beginning in the 1920's focused primarily on organizational performance and post-operation performance. Ultimately, researchers found that M&As were not living up to their initial value proposition and papers focusing on the human impact on M&As increased substantially after 1980 increasing further after 2000 (Mirc, 2013). Since that time culture has been found to be the largest pre-determining factor of the success or failure of a M&A (Angwin & Vaara, 2005; Brown et al., 2012; Cooper & Finkelstein, 2010; Kastor, 2010; Ovseiko, Melham, Fowler & Buchan, 2015) and organizational culture has been directly linked to have an impact on organizational performance and other operational outcomes (Jacobs et al., 2013; Ovseiko & Buchan, 2012). Thus, the importance of organizational culture cannot be overstated and the impact of culture on organizational health is far reaching. Assessing the organizational culture of two healthcare systems prior to a M&A requires further understanding of the background of these two separate entities.

Background of Organizations Studied

The current study focuses on the merger of two competing health systems located in adjoining service areas in the southeastern region of the United States. These two competing health systems are characterized as not-for-profit, multi-hospital health systems. Both systems have tertiary level hospitals, ancillary services including outpatient clinics, oncology services, Emergency Department (ED) capabilities with level I trauma centers in both systems and a level II trauma center in one system, physician practices, and many other services. In August of 2014, Organization B initiated a possible acquisition by organizations and companies from around the nation and opened a bidding process. In response to the call for bids by the long-time competitor, the leadership of Organization A proposed a formal junction to Organization B for a complete merger of the two systems rather than further pursuing an acquisition from an out-of-area system.

Organization A is the result of a 1991 M&A that occurred when an affiliation of hospitals came together to share resources after the implementation of the Medicare Prospective Payment System (PPS). Following the M&A, growth was rapid for the hospital system, leading to the development of a physician group, flight program, purchase of six additional hospitals in 1998, and further resource and facility additions through 2010. Organization B, which serves the same geographic locations as Organization A, was founded in 1996 with the merger of two area hospitals followed by the acquisition of several additional area hospitals. In sum, Organization A and Organization B, if merged, would be a combined total of 22 original hospitals in a 29 county service area located in the Appalachian region of southeastern United States.

Statement of the Problem

Culture has a greater impact on the potential success or failure of a M&A than almost any other factor (Brown et al., 2012; Carwright & Cooper, 1993; Hoare & Cartwright, 1997; Kastor, 2010; Kirch et al., 2005; Ovseiko et al., 2015; Scott, Russel, Davies & Marshall, 2003; Stempniak, 2014; Weber, 1996). On average, 83% of M&As fail or fall short of initial performance projections (Bolman & Deal, 2013). The merger of one organization with another can produce many unintended consequences such as the inevitable culture clash (Schein, 2010; Schreyogg, 2005; Stahl & Sitkin, 2005), resulting in either a natural evolution of the new culture, the blending of the two cultures, or the more likely scenario that one culture will dominate and members of the opposing culture will be let go (Schein, 2010). Further problems can range from acculturation issues defined as the sharing of culture both ways after a M&A (Angwin & Vaara, 2005; Berry, 1980; Nahavandi & Malekzadeh, 1988) to drops in performance measures (Cartwright & Cooper, 1993; Ibidunni, 2015; Jacobs et al., 2013) to the emergence of subcultures and differentiation among the organization (Martin, 2002; Schein, 2010). Ultimately these cultural issues can lead to the very undoing of the merger itself (Hoare & Cartwright, 1997; Kirck et al., 2005), leaving the now separate organizations in worse financial condition than before the M&A, and the employees feeling a lack of trust and estrangement (Kirch et al., 2005; Ovseiko & Buchan, 2012). The outcomes related to post-M&A performance places a great amount of importance on the successful blending and managing of the cultural integration process that begins even before the M&A takes place (Buono, Bowditch, & Lewis, 1985; Ibidunni, 2015; Stempniak, 2014).

The proposed merger of Organization A and Organization B presents just such a condition for success or failure within the community that it serves. If the two organizations

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cannot fully integrate these two different cultures, the merger has a high likelihood of severe challenges or possible failure. With the projected increase in M&As in the new healthcare regulatory environment (Brown et al., 2012), understanding how to properly merge different cultures is relevant, important, and timely.

Properly assessing the cultures and measuring differences in existing culture prior to the merger may lead to a level of predictability about the future cultural fit (Cartwright & Cooper, 1996), and is predicated largely on the way in which leadership goes about integrating the two cultures (Bligh, 2006; Cartwright & Cooper, 1992; Stempniak, 2014; Thier, Kelley, Pardes, Knight, & Wietecha, 2014). Because of the prevalence of subcultures within organizations (Boland & Hoffman, 1983; Brunsson, 1995; Jermier, Slocum, Fry, & Gaines, 1991; Martin, 2002) there is an added measure of complexity in cultural integration. Different cultures exist among employees depending on the type of employment category. Employment categories within healthcare organizations have been defined by The Council on Linkages Between Academia and Public Health Practice as (Tier 1), entry-level employee; (Tier 2), supervisory level, and, (Tier 3), executive level. (Council on Linkages, 2014).

Using quantitative instrumentation to understand the existing cultures for both organizations as well as the subculture within each employment tier for the organizations can lead to integration strategies that will enable leadership to appropriately blend cultures that increase the success of the new organization (Cameron & Freeman, 1991; Ovseiko et al., 2015). One of the most commonly used instruments for quantitatively assessing organizational culture is the Competing Values Framework or CVF (Ancarani, Di Mauro, & Giammanco, 2009; Bligh, 2006; Cameron & Freeman, 1991; Gifford, Zammuto, & Goodman, 2002; Helfrich, et al., 2007; Meterko, Mohr, & Young, 2004; Ovseiko & Buchan, 2012; Ovseiko et al., 2015). The CVF was

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originally developed by Cameron (1978) and further refined by Quinn and Rohrbaugh (1981;1983). The present study uses the CVF in a healthcare M&A environment thereby contributing to existing scholarship related to the use of quantitative instrumentation for assessing organizational culture pre- and post-M&As. Thus, the cultural fit or "unfitness" of the merged organizations presents tremendous insight related to the potential success or failure of the merger or acquisition.

Purpose Statement

The objective of this survey study is to evaluate if there is a significant difference between the pre-merger cultural perceptions of employees working at two competing health systems in the southeastern Appalachian region of the United States as measured by the Competing Values Framework (CVF). The differentiation theory of culture will be tested to see if a significant difference exists between the three tiers of employees within each organization and to ascertain whether employees within both organizations report a preferred organizational culture for the potentially merged organization. As a result of these analyses, it will be possible to make an informed decision about the potential cultural fit if the two organizations merge and to position leadership practices in ways to best support cultural integration and operational success.

Research Questions

Understanding the relative cultural fit prior to the consummation of a merger or acquisition is critical to the overall success of the potential merger (Cartwright & Cooper, 1996), especially as

culture plays such a crucial role (Brown, et al., 2012; Ovseiko et al., 2015; Stempniak, 2014). As such, understanding the current culture of both organizations and how cultural manifestations differ or agree among different categories of employee types is important. The current study addressed several Research Questions to investigate the relationships between the two overarching organizational cultures, and the individualized cultures of each tier within each organization. The study also investigated the potential for cultural fit post-merger based upon the findings of current the culture.

1. Is there a significant difference in the mean scores of the overarching organizational culture subscales between Organization A and Organization B as measured by the CVF?

2. Is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales with regard to Organization A and Organization B as measured by the CVF?

3. Within Organization A, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

4. Within Organization B, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

5. Is there a significant difference in the mean scores of the preferred overarching organizational culture subscales post-merger between Organization A and Organization B as measured by the CVF?

Significance of Study

This study is significant in that prior research indicates the likelihood for success of a M&A is predicated primarily on the degree to which the two organizational cultures integrate (Cooper & Cartwright, 1996). Additionally, while the CVF has been verified for validity and reliability (Scott, et al., 2003), there is a lack of evidence that the CVF has been utilized to assess organizational culture prior to a merger or acquisition. Because M&As are continuing to increase (Brown et al., 2012; Hass-Wilson & Vita, 2011), understanding the pre-merger culture within organizations prior to the M&A can provide leaders with information that can be used to set strategic goals and guide operational activities.

Limitations and Delimitations

This study is delimited to two health systems in the southeastern Appalachian region of the United States that were discussing a merger during the research data collection period of Spring 2017. The identity and exact geographic location of the organizations was masked to protect the public interests of both organizations and the potential newly merged organization. Because organizational culture is anchored in context, the results are not necessarily generalizable to other organizations undergoing M&A.This study is further delimited to employees within each organization that were classified into one of the three tiers described by The Council on Linkages Between Academia and Public Health Practice.

Another delimitation is the operational definition of organizational culture. In the current study, culture was defined as the shared experiences, attitudes, norms, mores, customs, beliefs, and rituals that are experienced among employees within an organization (Martin, 1985; Schein,

2010). This study employed a quantitative methodology to assess organizational culture. As such, the quantitative instrument utilized was the Competing Values Framework (CVF). Other instruments or assessments of organizational culture could yield different results related to the compatibility and fit of the two organizations.

One limitation of the study is unequal sample sizes among the three tiers of employees. The number of employees in Tier 1 and Tier 2 is greater than the number of Tier 3 employees. Statistical methods allow for analyses across unequal samples. It was important to disaggregate the data using a stratified sample because the present study addresses a sampling gap in the CVF literature that primarily indicates senior leadership (Tier 3) has been overly represented in the literature using the CVF instrument (Helfrich, Yu-Fang, Mohr, Meterko, & Sales, 2007). The present study addresses this sampling gap by surveying all employees working within the organization, in addition to senior leaders.

Additionally, as with any research instrument, the CVF has limitations. Researchers have reported a lower Cronbach's alpha for the Hierarchical culture subscale (as low as 0.50). The lower levels of reliability has been attributed to a gap between perceptions and understanding of management by executive level employees as compared to those in entry level positions (Helfrich, et al., 2007). Scholars have noted, "it is not clear whether the same CVF model is viable when applied to non-managers, although they typically constitute the largest portion of an organization's members" (Helfrich et al., 2007, p. 2). Despite these limitations, the CVF instrument has been frequently used by researchers to better understand organizational culture and is generally accepted to accurately record employee perceptions of culture as well as serve as a predictive guide to the cultural fit of the organizations.

Overview of Study

This quantitative study is presented in five subsequent and related chapters. Chapter 1 includes the introduction to the study, relevance and purpose, purpose statement, research questions that guided the study, delimitations, and limitations. Chapter 2 provides a literature review of empirical research related to mergers and acquisitions (M&As), the study of organizational culture, and theories that surround organizational culture. Chapter 3 presents the methodology employed in the study utilizing the Competing Values Framework (CVF) as the conceptual framework. Chapter 4 is a description of the data collected in relation to the research questions. Chapter 5 contains a summary of the findings, conclusions, and recommendations for further research, policy and practice.

CHAPTER 2

REVIEW OF LITERATURE

Mergers and Acquisitions

Prevalence, Purpose, and Partners in Healthcare M&As

Mergers and Acquisitions (M&As) have greatly increased in prevalence since the passing of the Patient Protection and Affordable Care Act (ACA) in 2010. The frequency of organizational M&As has outpaced those from the 1990's, and M&As are a trend that are expected to continue well into the future (Brown et al., 2012). Daly (2014) claimed that hospital M&As increased 10 percent in the first quarter of 2014 compared with the same time frame the previous year. Brown et al. (2012) found that mergers are more common today compared to outright purchases or cash transactions. Yet, the renewed frequency of M&As does not mean there are not risks involved; indeed more fiscally conservative organizations avoid them (Ahmed & Elshandidy, 2016). Due to the uncertainty associated with forecasting M&A outcomes (Levi, Li, & Zhang, 2014), the passage of the ACA has been cited as a catalyst for increased M&A activities with many organizations seeking government incentives through bundled payments, increased negotiating power with insurers, and the ability to enter Accountable Care Organizations (ACO)s (Hass-Wilson & Vita, 2011).

As a catalyst for increased M&A activities, health reform is predicted to have three key effects on consolidations and M&As: (1) decreasing revenues for hospital systems with pay for performance and slowing growth of the reimbursement rates, (2) increasing administrative costs with more overhead required to sustain quality improvement initiatives and meeting other

compliance requirements such as the implementation of electronic health records (EHR), and (3) directly rewarding integration by promoting clinical integration through ACOs (Brown et al., 2012). In the healthcare industry, many M&As also involve university partners in addition to hospital partners.

In the current study, the merger deliberations involved a public research university in the negotiation process with a promised seat on the governing board of the newly created organization (Keeling, 2015). Several academic medical centers or academic health centers exist nationally and internationally and have been heavily involved in M&A activities. For example, Mangan (2007) chronicled the proposed purchase of a 560 bed acute care hospital by the University of Miami. The purpose of the purchase was a combination of objectives, focusing primarily as a way to attract top faculty, generate revenue through increased research, and enhance the visibility and prestige of the institution with the addition of the medical center. The merger took place prior to health reform in the United States and was characterized as a time when many university medical centers were divesting from hospital ownership. The fiscal risk posed by M&As within academic health centers was clearly communicated by the bond rating drop from A to A- from Standard & Poor's on the health system (Mangan, 2007).

Resource Dependency Theory (RDT) is a theoretical framework that can be applied to the fervor with which organizations are going through the process of M&As. RDT was originally conceptualized by Pfeffer and Salancik (2003). RDT focuses specifically on the resource dependencies that organizations have with one another and predicts M&As will occur as a result of organizations attempting to control their dependencies (Hillman, Withers & Collins, 2009). A common theoretical design that accompanies RDT is transaction costs economics (Yin & Shanley, 2008). Mergers happen for varied reasons and scholars indicate that mergers, in

general, take place to achieve financial synergies that reduce risks related to environmental and economic factors through diversification or access to better financial terms such as access to capital or more favorable bond ratings (Nahavandi & Malekzadeh, 1988).

M&A Resistance, Benefits and Drawbacks

Each of the two merging organizations in the present research study was located in a different state; thus, the entities applied for the issuance of a Certificate of Public Advantage (COPA) from both the state of Tennessee and the Commonwealth of Virginia. Both states would be served by the newly formed health system. The COPA effort was undertaken as a means to preemptively fight accusations of anti-trust violations from the Federal Trade Commission (FTC). COPA legislation was largely untested in Tennessee and previously non-existent in Virginia. Organizations dependent on governmental systems, such as healthcare providers, tend to seek more political action than other organizations and often create their own legislative environment (Hillman, et al., 2009). Thus, the legislative environment for the M&A necessitated changes to law in both states. Though the FTC only opposes an estimated one percent of planned health system M&As (COPA Listening Session 6), it was possible for the FTC to oppose a M&A of this size and potential magnitude. In general, the FTC levies opposition to M&As only when there is an occurrence of or perceived threat to competition (Daly, 2014). In June 2016, the FTC commissioned an independent study of the merger in the present study and recommended against the merger due to unclear goals and need for more detailed information related to the specific benefits of the proposed merger (COPA Listening Session 6). The legal complexities and resistance to some M&As in the healthcare industry is indicative of perceived drawbacks of M&As while the benefits of integration and cost-savings is cited as benefits.

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One of the reasons cited for the resistance of the proposed M&A is threat to competition. Threats to competition are usually aggregated in terms of cost to consumers. Daly (2014) investigated whether the high prevalence of M&As led to higher prices to patients and stated a lack of empirical research to support the assertion that M&As increased costs. Mergers are also intended to achieve a higher level of clinical integration, but there is "little evidence that consolidation achieves these goals" (Daly, 2014, pp. 11-12). However, the benefits of M&As in certain conditions are that M&As have been positively correlated with operational synergies and increased debt issuance options (Agliardi, Amel-Zadeh, & Koussis, 2016). The majority of health system M&As in recent years have been among for-profit organizations (33.8%) rather than non-profit organizations (18.8 %) (McCue, Thompson, & Kim, 2015). The organizations in the present study are non-profit entities; studies of other entities have been used to argue the benefits of M&As.

Scholars have asserted that some industries such as the airline industry share the complexity and regulatory oversight similar to the healthcare industry; in the airline industry, M&A activities decreased quality as measured by key industry metrics (Steven, Yazdi, & Dresner, 2016). These quality drops post-M&A have also been documented within the healthcare industry with evidence of meager clinical improvements and positive correlations with inpatient mortality (Hayford, 2012; Romano & Balan, 2011). In addition to potential quality concerns related to M&As, recent studies have found that M&As can lead to significant cost increases for care (Haas-Wilson & Garmon, 2011; Tenn, 2011). These are a few of the possible barriers to effective M&As. Effective M&As can be determined by the organizational culture that exists within the entities prior to merging.

Organizational Culture and Effective M&As

Culture plays a primary role in the success of M&As and is one of the largest predictors of success or failure (Angwin, & Vaara, 2005; Brown, et al., 2012; Carwright & Cooper, 1993; Hoare & Cartwright, 1997; Kastor, 2010; Kirch et al., 2005; Ovseiko et al., 2015; Scott, et al., 2003; Stempniak, 2014; Weber, 1996). Cartwright and Cooper (1993) noted several examples where culture played a vital part in the success or failure of a merger and acquisition. Though some examples are dated, the conditions and cultural norms may have been similar, as is shown in the Connecticut General and the General Insurance Company of North America merger in 1982. In this instance, the cultures did not properly integrate, but rather collided, which resulted in poor financial performance and a decreased operating income of 18% (Cartwright & Cooper, 1993). Another example is the 1986 takeover of Wedgwood China by Waterford Crystal, which saw shares fall over three years by 60% and shareholders calling for a separation of the companies. Differences in accounting practices and management styles between the two organizations were cited as the primary causes of financial set-backs, along with worker problems and ultimately cultural incompatibility (Cartwright & Cooper).

Organizations typically join a M&A because of financial incentives (Cartwright & Cooper, 1993), even though going through the M&A process incurs large fiduciary responsibilities on both the acquiring and acquired or target organizations requiring extensive information valuation (Sautter, 2016). M&A also provides IT security risks that further challenge the solvency of the M&A (Patterson, 2016). Despite the financial and security risks, common failures and setbacks to M&As are the result of incompatible cultures (Cartwright & Cooper, 1993). M&As are viewed as desirable and effective options at the outset, but this is often disguised by one-time savings such as the disposal of assets, one-time synergies between the two

organizations such as consolidated positions, holiday pay or other pension funds, or even one-time tax maneuvers. Cultural incompatibility is widely attested as the cause of many of the failed mergers (Cartwright & Cooper, 1993).

Stempniak (2014) asserted that culture should be the primary consideration for a merging partner, even over financial considerations. Organizations must make sure "that two C-Suites, two boards, two clinical staffs and two support staffs all align on everything from mission and vision to workplace relationships and routines" (p. 16). Serious consideration should be given to the separate systems approaches to patient care, administrative approaches to culture, clinical components, and board terms. It was recommended that hospital systems conduct an up-front cultural assessment and do the same for the proposed partner. The organizations should consider what they are willing to give up, what the culture of the new board will be, and how decisions will be made post-merger (Stempniak, 2014).

Because of the propensity of mergers and acquisitions, many mergers have dematerialized in the wake of growing issues (Hoare & Cartwright, 1997). What was once considered to be something that would increase profitability and shared resources, M&As are now considered to bring high levels of employee uncertainty that leads to distrust of the organization, resistance to the impending changes that occur, dips in employee morale with behavior that is characterized by dysfunction, and high turnover of employees (Stempniak, 2014).

Conditions that led to failed mergers or that created barriers to the merger process are varied. Kastor (2010) studied the failed merger of Mount Sinai and New York University Hospitals that originally formed in 1998 and dissolved 10 years later in 2008. The conditions that initially led to the merger were a dramatic change in the way Medicare reimbursed the hospitals

and differences between the two systems in the containment of costs, specifically administrative costs through shared savings to integrate similar clinical programs and to provide a much larger financial base while negotiating with insurance companies. Ultimately the merger between Mount Sinai and New York University Hospitals failed because of an impasse related to differences in the way the entities desired to integrate the academic components into the new system (Kastor, 2010).

The conditions for merger described by Kirch et al. (2005) in the Penn State and Geisinger failure are similar. Clinical reimbursement rates or the amount of money earned by the system for certain procedures changed along with market competition and heightened regulatory pressures and fluctuations. The organizational response to these pressures was to take on an expansionist mentality, believing that shrinking reimbursements and bottom lines could be mitigated by having more dollars in a larger system which could subsidize academic research efforts (Kirch et al.). In addition to these organizational examples, other systems have failed to merge or consolidate because internal and external stakeholders believed that the hospital was a community asset and could not be managed by outside hands (Brown et al., 2012).

Ovseiko and Buchan (2015) studied the merger of two hospital systems in the United Kingdom (UK) and found that the pre-merger organizations were concerned about losing the current culture; especially the ease of communication and the familial atmosphere. Detailing the feelings of the employees in the merger, the authors make the observation that "the merger was viewed as a necessity, but also one with some promise. The majority of respondents detailed a movement from rejection, to resistance, to a gradual willingness to enter into a merger" (Ovseiko & Buchan, 2015, p. 11). An important point with implications for the current study is that these were two very different cultures and the entities were competitors. "History shapes the

perceptions of organizational culture and successful post-merger integration. The history of separateness and lack of collaboration between the [two merging systems] has created memories and stereotypes that negatively affect the staff's attitudes towards integration and collaboration" (Ovseiko & Buchan, 2015, p. 11).

Elements of Successful M&As

There is less empirical research related to effective mergers within the M&A literature. Interestingly, the same elements that are cited as barriers to effective mergers also appear as elements of a successful M&A. For example, research was conducted over a three year period in the UK on a myriad of organizations ranging in size and cultural composition that assessed pre- and post- M&A culture. The findings show that the pre-M&A culture of the organizations play a significant role on the outcomes on the success or failure of the partnership (Cartwright & Cooper, 1993). Again culture is a predetermining factor in the success of the merger and the pre-M&A culture has a significant influence in the later integration.

In addition to the significant role of organizational culture, leadership pre- and post-M&A is a key factor. Bringing complex organizations together is challenging and leadership is an essential component of successful integration (Thier et al., 2014). Leaders are intricately involved in aligning the cultures post-M&A and preparing the organizations prior to the merger (Bligh, 2006; Cartwright & Cooper, 1992; Stempniak, 2014; Thier et al., 2014).

The Nature of Culture within Organizations

Culture can be portrayed as "the way we do things around here" (Bolman & Deal, 2013, p. 263). Essentially culture is an accumulation of experiences among those who participate in the culture and is both renewed and recreated by those who are new to the culture and who eventually teach it to others. In Scott, et al., (2003), organizational culture is defined as:

> the pattern of shared basic assumptions – invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems (Schein, 1985, pg. 9).

Martin (1985) further classified culture as a social unit or organization that shares its attitudes, belief systems, routines or characteristics. Organizational culture is comprised of private, public, nonprofit, and governmental organizations while subcultures can be thought of in terms of occupational groups within organizations such as doctors, nurses, surgical teams and the like (Schein, 2010). Studies show that organizational culture has a significant impact on the performance of an organization (Ibidunni, 2015). Behavior among employees is shaped by the overarching organizational culture (Alvesson, 2011), including unethical behaviors (Campbell & Goritz, 2014). These findings exemplify the power that culture has within an organization.

The terms *climate* and *culture* are often used interchangeably in scholarly or managerial writing (Patterson et al., 2005), and are terms that are often synonymously used in literature to describe the employee experience with an organization (Ancarani, et al., 2009). In general,

however, when speaking of perceptions of the work environment and behaviors of the organization, the term organizational culture is most appropriate (Patterson et al., 2005). Organizational climate is generally behaviorally related to individuals; it conveys ideas about things that happen to employees in the organization (Patterson et al.). Climate typically deals with the employee's perceptions of the constructs of the organization including policies and procedures, rules and methods. Thus, climate is part of the culture. Culture is behaviorally oriented and includes the soft components of the organization that directly influence organizational behavior such as values and beliefs (Ancarani, et al., 2009).

Cultural differences can lead to major problems in a post-M&A environment and can range from integration or acculturation issues to performance issues (Angwin & Vaara, 2005). The term culture encompasses an organization's beliefs, values, norms, practices or routines, mission and vision (2005). Organizational culture impacts the way business is conducted and includes whether ethical practices are followed by employees (Pucetaite, Novelskaite, & Markunaite, 2015). "Culture generates strong pressures on people to go along, to think and act in ways consistent with the way employees dress and the amount of time allowed to elapse before meetings begin, to the speed with which people are promoted" (Ibidunni, 2015, p. 67).

The Study of Culture within Organizations

The study of culture has its beginnings in the sociological and anthropological sciences (Martin, 2002) and the psychological field of study as early as the 1920's (Cameron, 1985; Cameron & Freeman, 1991). Studies of culture was initially considered as purely qualitative research (Martin). In the 1980's there was a realization that cultural elements existed at the organizational level and that these cultural elements could be studied, characterized, and used to

predict the performance and outcomes of an organization (Frost, Moore, Louis, Lundberg, & Martin, 1985). Generally, the study of organizational culture can take two separate approaches: the study of culture from the corporate culture approach, or the study of culture from the anthropological framework (Manning, 2013). The corporate culture approach inherently assumes that culture can be managed and assigns the primary role of culture development to leaders within the organization. The anthropological framework, on the other hand, suggests that all members play a role in shaping the culture (Manning).

If culture is something that an organization has; that is, if it is something tangible and includes the shared beliefs, attitudes, mores, and norms of behavior (Angwin & Vaara, 2005), then it is something that can be created, managed, and measured (Davies, et al., 2000). The National Health Service (NHS) in the UK enacted a series of policy changes in the late 1990's and early 2000's to institute cultural change within the agency. Specifically, the NHS sought to institute culture change in relation to quality initiatives and verified that culture was the underlying catalyst to such change (Davies, et al., 2000).

Several methodologies can be employed in the study of organizational culture that include both quantitative and qualitative methods; many lines of inquiry into organizational culture originated in the field of anthropology (Martin, 2002). Researchers of organizational culture may take one of two approaches when viewing the culture; the perspective of etic (outsider) and emic (insider) cultural research, another concept deeply rooted in anthropological ideas (Martin). Etic cultural research entails both quantitative and qualitative methods wherein the researcher, as an outside observer, defines the categories in which the culture is going to be placed. This paradigm requires the researcher to justify why these categories and descriptions were utilized and must be upheld with an appeal to reliability and validity (Martin). Most

organizational culture studies have followed the emic line of inquiry that has been strongly advocated by many sociocultural anthropologists; that is, the researcher must gain as much of an insider's view point as is humanly possible (Malinowski, 1961). The emic method is particularly useful when the researcher is studying things that are foreign to them (Martin).

Complete separation of etic and emic concepts is almost impossible and it is suggested that the task of the researcher is to find a balance (Martin, 2002). Some scholars assert that the cultures studied in organizations are in actuality microcosms of cultures we already live in and associate with (Schein, 2010), or are at least familiar with through associations with others, thus having both an etic and emic viewpoint. Exposure to culture could be through interactions with others, media or other sources. Because of this exposure, "halfie research" is what follows; meaning that the researcher is not entirely able to abdicate themselves from what they are studying and the researcher usually comes from the very culture that they are studying in some way (Martin, 2002, pp. 39 – 40). Being completely and totally unaffected by what is being studied while immersing oneself in an organizational culture is nearly impossible. This is especially true for ethnographers who spend many months to years fully immersed within the culture studied (Martin).

The question of cultural uniqueness arises when attempting to make cultural generalizations. Many organizations pride themselves on their unique culture as a means for organizational success. It is common for a culture or organization to make a claim of uniqueness, especially when the nation is identified more with individualist values (Martin, 2002) and when the members of that organization take pride in the culture of the organization. It is worth noting that scholars advocate that the surrounding nation impacts organizational culture (Aguilera & Jackson, 2003). Others discredit the notion of national cultural impact, stating that a strong

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organizational culture supersedes the national culture where it is located (Gerhart, 2009; Pedersen & Dobbin, 2006). However, claims of uniqueness do not allow for generalizations and predictions as part of quantitative research (Martin, 2002), while organizations that are in transition, strategic or structural, often have relatively flat profiles with no particular characteristic style, let alone cultural uniqueness (Cooke & Rousseau, 1988).

Theoretical Perspectives of Organizational Culture

Three theoretical perspectives exist within the field of organizational culture: integration, differentiation, or fragmentation; the dilemma for researchers is which of these three they will subscribe to and use to drive the conceptualizations when conducting research (Martin, 2002). Debates about the three perspectives can at times be contentious as academicians typically feel strongly about one perspective over another (Martin).

The integration perspective states that the culture observed is mutually consistent, though not necessarily unanimous throughout. Integration theory states that culture is based on consensus among participants within the culture and that individuals see it primarily the same way (Martin, 2002). Essentially what creates this monolithic view of the culture is some kind of cultural "glue", whether that be the shared values or sense of purpose or the shared habits of the culture (Martin). This cultural view is commonly found in studies relating to strongly held centralized cultures that rely on the classical hierarchal organization, such as the military (Altman & Baruch, 1998). Scholars such as Schein (1985) have advocated the consensus theory of integration within cultures. Integration argues that though a melting pot exists within cultures, groups form to retain and preserve differences (Martin). Though conflicts and disagreements may exist within the culture, and the idea that total unification is absurd, these conflicts are seen as undesirable by the total culture. The more diverse the culture, the more important that

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unification is to maintain the sense of organization, stressing the need to act together in accordance with the norms, mores, values, and beliefs, which is after all the definition of an organization and its culture (Martin).

The differentiation theoretical perspective directly opposes the integration perspective. This theory posits that consensus and consistency within a culture is impossible; cultural manifestations have inconsistencies and differing perspectives exist among those involved in the culture (Martin, 2002). Within this paradigm the idea of subcultures is discussed and Schein (2010) determined that subcultures exist within organizations with differing professions such as doctors, nurses, and similarly exclusive professionals. The sense of unity that is inherent in a culture or within an organization is little more than a façade; the idea of a melting pot is a means of silencing those who possess different values and ideas and melds them into a hollow caste (Martin). Several researchers have subscribed to the differentiation theoretical perspective and have found that inconsistencies exist within organizations with several groups of subcultures that challenge the public face of the organization (Boland & Hoffman, 1983; Brunsson, 1995; Jermier, et al., 1991).

Fragmentation incorporates both the integration and differentiation theoretical perspectives into one perspective. Fragmentation states that cultural manifestations are neither absolutely consistent nor unified, nor are they clearly inconsistent (Martin, 2002). Culture is more ambiguous and members of that culture will understand and see behaviors, norms, attitudes, and mores at different times and in different ways. Clarity in cultural manifestations is unlikely and ambiguity is the hallmark of life and culture (Martin). Alvesson (1993) argued that formal knowledge within an organization is a myth; ambiguity is pervasive and does not allow for absolute clarity within the culture. While studying machinists, Young (1991) determined that

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the organizational culture comprised elements of both unity and conformity along with splinters of subcultures; organizational culture is defined by both unity and division, and is capable of multiple interpretations. Thus the fragmentation theory view is that organizational culture is ambiguous and that manifestations are not consistent.

Differentiation within Organizations

Subcultures within a primary organizational culture exist despite the role or influence of the organization. The idea that a single, monolithic culture exists within an organization is uncreditable and there exists a need to locate subcultures within the organization to compare and contrast them to each other and to the organization at large (Jermier et al., 1991). Researching the different subcultures within an organization unmasks the public face of the organization and provides a more thorough look at the real myths, values, stories, rituals, rites, or ceremonies that comprise a culture. The official culture serving as the public face of the organization is primarily a mix of the public statements of mission, vision, and values, which are established in large part by the organization's top management and may not be a true representation of subcultures that can and do exist. An organizational subculture, "refers to shared understandings about the organization's mission and standards of conduct, as well as the corresponding organized practices that emerge in a group of employees" (Jermier et al., 1991, p. 172).

> If culture is the enacted environment members share, any organization can be
> characterized not only by a dominant culture linked to its predominant internal
> environment but by subcultures as well. Subcultures reflect enactments of the myriad
> distinct work and social environments within an organization. They are a natural
> byproduct of the tendency of organizations toward differentiation by level and function
> (Cooke & Rousseau, 1988, p. 249).

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Further, "…organization members might have divergent views regarding acceptable behavior – especially across levels. Despite the popularity of the 'corporate culture' concept, not all organizations have strong cultures" (Cooke & Rousseau, 1988, p. 269). The differentiation theory occurs in cultural studies of healthcare environments with several differing units operating within the system. For instance, Rostila, Suominen, Asikainen, and Green (2011) found significant differences in cultural practices among differing units at healthcare organizations in Finland.

Differentiation is the theoretical perspective adopted for the present study. Studies addressing and stressing the differentiation theory have increased over the years to reveal that inconsistencies exist between organizational cultures (Martens, 2014; Schreyogg, 2005). As a result, questions have arisen about consistency; that is, scholars have explored the degree of homogeneity between the two merging cultures necessary for success (Schreyogg). Differentiation studies usually view inconsistencies in organizational cultural as inherent to culture and even desirable where the unavoidable subcultures that form and exist are a focus of attention and can add richness and vital information to a study (Martin, 2002). Inherent in the differentiation theoretical perspective is that managers and professionals cannot always assume that those working under their direction adopt the same viewpoints for reasons other than survival, with many employees purposefully maintaining previously held cultural norms as a form of protest and doing so with a sense of pride (Bligh, 2006). Conflicts of interest are congenital in nature to multi-layered, complex organizations and it cannot be assumed that informal leadership and informal cultural manifestations do not happen as the integration theory supposes. This is especially true in the pre- and post-M&A environment (Angwin & Vaara, 2005).

Apart from the public representations of an organizational culture, it is likely that an organization does not truly have a single, monolithic culture. Organizational subcultures can emerge as individual employees challenge the overarching organizational culture, as back histories of employees and events shape interpretations of the culture, as positional characteristics emerge such as departmentalization or promotion, or as the organizational culture is generally modified to meet the needs of lower level employees (Jermier et al., 1991). As such, these subcultures can be measured and compared to the perceptions of culture that exist within the higher levels of management - those who are generally responsible for the public perceptions of the organizational culture.

An understanding of subcultures in addition to the overarching culture is integral to understanding the whole picture. Not doing so is akin to trying to understand a nation's culture without exploring different socio-economic statuses, geographic locations, or understanding differences between religious sects characteristic to that nation (Martin, 2002). This perspective can be used to compare and differentiate subcultures within the organization by examining nursing culture compared to Environmental Services culture, or it may be used to compare management and executive culture to lower-level employee cultural perceptions. The differentiation theoretical perspective attempts to represent both managerial and critical viewpoints from employees in a balanced approach (Martin).

Cultural Impacts of Mergers and Acquisitions (M&As)

Cultural Effects and Organizational Impacts

It is documented that a merger and acquisition will have a drastic impact on the lived experiences of individuals and on the organization as a whole and that mergers and acquisitions have been found to have more of an impact on the social life and structure of individuals than other major life events such as buying a house or foreclosing, or even the death of a close friend (Cartwright & Cooper, 1992). This impact can send shockwaves into the organization and into the individuals involved, drastically altering organizational culture and resulting in merger syndrome (Cartwright & Cooper, 1996; Marks & Mirvis, 1998). Merger syndrome exists when individuals go through a culture shock, reduced job performance, resistance to change, job insecurity, and general feelings of anger and fear (Hoare & Cartwright, 1997; Stahl & Sitkin, 2005). On an organizational level, executives go into a crisis management mode while communication decreases, and at an organizational level, hostility can ensue (Stahl & Sitkin).

Many researchers have noted that a true merger of equals, where there is not a dominance from one organization over another, are extremely rare, and that the term *merger* is used simply to assuage any appearance of dominance or dominion from one organization over the other (Cartwright & Cooper, 1996; Stahl & Sitkin, 2005). Typically, when an organization is not listed on the stock exchange, the merger negotiations tend to be discreet, less public, or secretive. Employees are not fully notified of the full impact of the M&A until the deal has been formalized (Cartwright & Cooper). The acquisition of one company over another sends a public message that the acquiring organization is successful and has a future vision while the

organization that is being acquired views the acquisition as a failure or reason to be ashamed (Cartwright & Cooper).

M&As are rarely consummated among equals; one party is typically the acquirer and the other the acquired (Cartwright & Cooper, 1996; Stahl & Sitkin, 2005). A complete merger of organizations in the truest sense is rarely enacted; rather, the term is used as a way to save public face (Cartwright & Cooper) with the acquired organization and its members typically being overlooked by the acquirer. This results in an embittered conflict over the distribution of power and general contentious feelings will ensue (Cartwright & Cooper, 1992). In a study conducted by Buono, et al. (1985) on the merger of two US savings banks, cultural attitudes and perceptions of employees were measured before and 12 months after the M&A. Post-M&A data suggested that acquired employees were much less satisfied and committed to the new organization than the acquiring employees, whose primary culture had ultimately been retained. Interestingly, prior to the M&A of the banks, the acquired employees expressed more favorable perceptions related to the merger than the acquiring employees.

There can be an initial reciprocal relationship of trust that occurs in an M&A situation, beginning with the acquired organizations trust level with the acquiring firm, which is first affected by the previous interactions and relationship between the acquiring organization and its target. This relationship hinges on things such as the takeover friendliness of the acquiring organization, the power equality that exists between the two, the current performance of the acquired organizations (poor performing organizations typically see an M&A as a final blow to self-conceptualization and identity), how similar the cultures are, and if there has been a positive interaction history (Stahl & Sitkin, 2005). If trustfulness is lacking in the merger, research suggests that lack of trust will ultimately have an economic impact on the merged organization

(Ahern, Daminelli, & Fracassi, 2015). The level of trust that exists can be affected by the management styles of leaders post-M&A.

Cultural Integration and Management Post M&A

"Organizational fit is considered to relate to the degree to which partnering organizations are compatible, in terms of their administrative systems and procedures, managerial style, decision-making approach and preferred control and communication patterns" (Cartwright & Cooper, 1996, p. 57). Further, organizational fit can be described as the ease with which two organizations meld together post-M&A, and can be assessed through several different means. However, the two most prominent components of organizational fit and integration that have the greatest bearing are differences in management styles and in organizational systems (Datta, 1991). Management styles have been identified as a key component of organizational fit and success post M&A, with the compatibility of the styles between the two organizations being critical to success. In an M&A, organizations attempt to choose managers and styles that fit their own cultural beliefs and systems (Cronqvist, Makhija, & Yonker, 2012).

Since integration of operations makes the coexistence of two different [management] styles virtually infeasible, it inevitably raises the issue of whose style will dominate (generally it is the style of the acquiring firm that prevails). Ensuing conflicts, in turn, tend to reduce the probability that the two management groups will effectively work together towards achieving the goals of the acquisition (Datta, 1991, p. 284).

As part of this research, Datta (1991) speculated that in cases where there was high post-acquisition integration, there would be a negative relationship between management style differences and effective cultural integration. High post-acquisition integration means that the

two merged organizations by necessity must effectively integrate at a high level as it pertains to mission, vision, and values, policies and procedures, performance outcomes and the like, which is also referred to as a high level of relatedness (Nahavandi & Malekzadeh, 1988). Where a high level of relatedness or integration is required, differences in management styles result in ineffective cultural integration (Datta), thus threatening the overall success of the merger (Angwin, & Vaara, 2005; Brown, et al., 2012; Carwright & Cooper, 1993; Hoare & Cartwright, 1997; Kastor, 2010; Kirch et al., 2005; Ovseiko et al., 2015; Scott, et al., 2003; Stempniak, 2014; Weber, 1996).

In the case of the eventual failed merger between Penn State's medical school and Academic Medical Center, Milton S. Hershey Medical Center, and Geisinger Health System, the de-merged health system undertook a cultural survey to measure attitudes and beliefs of faculty and staff after the merger failed. The AMC contracted with a third party to administer the survey and it was found that trust was an issue since the de-merger, with many people sharing resentment over the process and conflict that ensued (Kirch et al., 2005). Another apparent reason for the failure was the inattention to the very different cultures of each organization. Both organizations had mission, vision and values (MVV) statements prior to the merger. "Ironically, despite the clearly experienced cultural differences, the values statements of the two organizations prior to the merger were virtually indistinguishable." (Kirch et al., 2005, p. 985). Furthermore, the culture survey revealed that many staff felt that organizational activities were at odds with the adopted MVV statements (Kirch et al.).

Bringing complex organizations together is challenging and leadership is an essential component of that happening successfully (Thier et al., 2014). Bridging the cultures between legacy organizations is a challenge and the cultures of two legacy organizations typically do not

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align (Thier et al., 2014). Solutions to these challenges in cultural divide include acknowledging the institutional ego that exists at both organizations, as can be illustrated in the merger between Massachusetts General Hospital and Brigham and Woman's Hospital. Both were recognized as world class organizations and both gave each other due credit for their accomplishments which led to a healthy level of respect during the merger process (Thier et al).

Management style cannot be overemphasized in the success of bridging culture gaps in a merger. For example, in the merger between Beth Israel Medical Center and New England Deaconess Medical Center, differences in management style and culture led to contention that was only able to be solved by leadership turnover that eventually led to greater congruence in the culture (Thier et al., 2014).

In Datta's study (1991), over 703 acquisitions were surveyed, with a response rate of 27 percent from senior executives in the acquiring firms. To measure differences in management styles, an instrument comprised of 17 items assessed differences in risk-taking potential, collective decision-making, and the emphasis that is placed on formality. There was a significant negative relationship between post-M&A performance and management styles in organizations where there was a clear lack of organizational fit and cultural integration. This was also true in post-M&A performance in organizations where there was a required high level of integration or relatedness (Datta,). High levels of integration or relatedness are required where there are more complex business practices, protocols, or procedures, as is the case with a major hospital system.

> The findings of this study suggest that compatibility of management styles is important to superior performance in acquisitions characterized by both high and low levels of post-acquisition integration of operations. The findings therefore support the observations in

case studies which indicate that acquisitions of firms with a different management style can result in conflicts, difficulties in achieving operational synergies, market share shrinkages and poor performance…These problems are further aggravated by differences in managerial styles and ongoing tensions concerning which style will dominate (Datta, 1991, p. 291).

It should be noted that there are significantly higher turnover rates for executives of acquired companies compared with executives of non-acquired organizations over the same time period. The turnover grew substantially between year one and five of the acquisition, increasing from 25 percent turnover in year one to 59 percent in year five compared with only two percent in year one to 33 percent in year five of non-acquired organizations (Walsh, 1988). Clearly, cultural fit and integration in high relatedness fields is predicated on the alignment of management styles, with one style usually becoming dominant, and high levels of turnover in the executive ranks resulting from the merger (Datta, 1991; Nahavandi & Malekzadeh, 1988; Walsh, 1988).

Weber (1996) conducted a study that was fueled by a number of hypotheses that claimed that the greater the cultural differences between two combining top management teams in the manufacturing and service industries, the lower the effectiveness of the integration and the financial outcomes. Of specific concern for top managers is the removal of autonomy that was once enjoyed and that this removal leads to human resource and financial issues. The results of the study revealed that the removal of autonomy resulted in cultural differences negatively impacting management's morale. Thus, commitment to the merger declined among mangers, though the differences in culture were not found to negatively affect the financial performance measures in the manufacturing organizations that were studied (Weber).

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In the service industry, which includes healthcare, human resource issues followed the removal of autonomy post-M&A, and included turnover of top executives and managers. However, the removal of autonomy actually improved financial performance in these organizations despite the human resource issues that ensued (Weber, 1996). Differing managerial styles can lead to challenges for the M&A, which means that the need for cultural leadership post-M&A is critical.

Cultural Leadership Post M&A

Cultural leadership and the effects of leadership on post-M&A activity and success are well documented (Bligh, 2006). The leaders' real effect on organizational culture is fairly minimal, despite the often romanticized view of top-down leadership that independently creates and maintains a core set of cultural values. Culture may not differ greatly, but policies, procedures, processes and protocols can and will differ greatly across organizational lines, and this is especially true in healthcare organizations. These differences must be reconciled. If they are not, it will lead to issues of integration, acculturation, and other M&A setbacks (Bligh). Dealing with these process differences is accomplished largely by leaders remembering the organizational history and communicating about the changes that have taken place (Bligh).

With a M&A, there comes inevitable emotional collateral that is experienced through the changes in co-workers, physical locations, leadership, policies and procedures, and other impending organizational changes (Bligh, 2006; Cartwright & Cooper, 1996). Appropriate cultural leadership responses to these challenges include providing appropriate outlets to express the sense of loss, and possibly channeling those emotions toward the greater good of the organization (Bligh, 2006). An opportunity that exists for cultural leaders through the M&A

process is to create a realistic set of expectations of the difficulties inherent in the M&A and not simply overstating the positivity of the situation and process for the sake of the company. However, maintaining momentum in the M&A process and communicating positivity is a key function of cultural leaders (Bligh). "Cultural leaders should be able to articulate the ideology for change in a way that encourages employees to see how the change will benefit *both* the organization and the employees themselves" (Bligh, 2006, p. 408).

A primary challenge for cultural leaders is to communicate vision and ideology in a way that makes employees feel that there is a shared ideology that will benefit the employees and the patients (Bligh, 2006), manipulating the organizational culture if possible to align with their organizational vision (Popa, 2012). It is common for employees to feel fear, pain, frustration, and general negativity when there is a void in communication from the organization about the reasons for organizational change (Bligh, 2006; Cartwright & Cooper, 1996; Stahl & Sitkin, 2005). Effective cultural leadership is able to take this ideology and use it as a scaffolding for decision making that involves other employees (Bligh).

During major organizational change such as M&As, it is through the ordinary, everyday, mundane interactions and conversations from leadership that the largest assumptions about organizational values are made by the employees (Bligh, 2006). The leader must be careful not to inadvertently communicate that the priority is on financial gain over quality, patient care, and other values. This mundane activity ranges from the placement of names on a memo to the location chosen for the next meeting where even the least thoughtful action can spiral out of control in the highly sensitive M&A environment. Cultural leaders also must role model how to treat patients, new employees, the physical plant, and how to abide by newly formed policies and procedures (Bligh).

As a final opportunity, cultural leaders may involve team members in decision making to foster integration, teamwork, and buy-in, and maintain a constant, open, and candid dialogue about cultural differences and how to overcome them (Bligh, 2006). Communication during the process of a M&A is critical. Lack of communication can and will lead to increased stress for employees, uncertainty about the future, and eventual turnover as uncertainty prevails. This ultimately leads to decreases in morale, job satisfaction, and eventually leads to rumors and false stories (Denisi & Shin, 2005). An overarching theme in Bligh's (2006) research is that many of the employees associated with direct patient care viewed their leaders through the lens of patient care; meaning that decisions that were made, conversations that were had, and examples that were portrayed all affected the employee's perceptions of the leaders' emphasis on patient care. Often patient care was cited as the Achilles heel for many of the leaders' decisions and actions. A lack of attention to patient care and other critical elements that affect the organizational culture can have an impact on the effectiveness of the merged organization.

Cultural Impacts on Organizational Effectiveness

Culture has the ability to affect major organizational priorities in a number of ways. In a study conducted by Meterko, Mohr, and Young (2004), 125 Veterans Health Administration (VHA) hospitals were studied to identify the impact of culture on patient satisfaction – a key quality outcome metric for healthcare organizations. Each hospital's culture was assessed using the Zammuto and Krakower (1991) culture questionnaire, a form of the Competing Values Framework, which assigns an organization's culture into one of four dimensions using a 100 point rating system. The questions ask about the culture of the organization and allows participants to assign the 100 points to the most appropriate areas (Meterko, et al., 2004). The four cultural types assigned were: (1) teamwork, which emphasized cooperation among

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departments and employees, (2) entrepreneurial, which emphasized calculated risk taking, (3)

bureaucratic, which emphasized formal policies and procedures and chain of command, and (4)

rational, which emphasized task completion (Meterko, et al., 2004).

The study found that patient satisfaction was positively affected by a teamwork culture

while a significant negative affect was documented on patient satisfaction in the bureaucratic

culture (Meterko, et al., 2004). Of the 125 hospitals that participated, most were characterized as

bureaucratic at 44.1%, followed by rational at 23.7%, teamwork at 18.6%, and entrepreneurial at

13.2%. Only 15 hospitals had a dominant culture which is defined as having 50 or more points

assigned to one culture dimension (Meterko, et al., 2004). The concept of having a majority of

points assigned to one cultural dimension is referred to as culture congruence (Cameron &

Freeman, 1991). Ninety-seven of the hospitals reported scores for the bureaucratic culture above

40 points, thus showing a level of cultural congruence (Meterko, et al., 2004). Though patient

satisfaction is only one key element of an organizations outcomes, this research illustrates how

an overarching culture can affect organizational effectiveness. If employees perceive that the

overarching culture is misaligned with their beliefs and values in such things as patient

satisfaction or patient care, subcultures and culture clashes may result.

Elements of Subcultures in Cultural Integration and Culture Clashes

As previously noted, organizations typically cannot rely on the overarching, publicly

idealized corporate culture as an indicator for the true organizational culture that exists within all

levels of the organization, especially for organizations with complex hierarchal structures,

extensive reporting lines, diverse professions, and multiple employees (Cooke & Rousseau,

1988; Jermier et al., 1991; Martin, 2002; Schein, 2010; Schreyogg, 2005). Subcultures can and

do exist, and differentiation has an impact on organizational and cultural fit post-M&A. Although these differences will exist within the overarching corporate culture, managers and leaders have a few different options for achieving consistency among the culture and a good cultural fit. Team building is integral during the process of a merger. According to Bligh (2006), effectively managing team building and integration, including the vital first impressions, can avoid subcultures that persist through the M&A that continue to operate while using invalid protocols and processes that were used prior to the merger. In Bligh's (2006) study, these subcultures existed because of a perceived lack of interest on the part of the merging organization for them to stay employed or to work on a team. Noting several negative first impressions by the employees about the level of inclusion and teamwork in the post-merger environment, the author makes the observation that:

> It is not surprising that these nurses clung to their pre-consolidation site identities and cultural values in order to maintain a sense of pride and worth. They report continuing to do procedures how they did them before, and taking pride in being able to sustain a subculture of their previous site in their new environment (Bligh, 2006, p. 414).

Management is concerned with managing post-merger integration, which is synonymous with creating consistency among the organizational cultures (Schreyogg, 2005). Two alternatives for approaching consistency in the corporate culture exist; the pluralist corporate culture or the universal corporate culture (Schreyogg, 2005). The pluralist culture accepts and even promotes a set of pre-existing subcultures that are not expected to change much as a result of the M&A. The resulting cultures are expected to be coexistent with strong subcultures and a weak overall culture, which leads to strong differentiation. These subcultures within the merged organization may or may not fit together. The subcultures may clash, exist side by side neutrally, or they may

complement one another (Schreyogg, 2005). Some advantages exist within highly differentiated

cultures such as flexibility and creativity, which calls views of groupthink into question and

promotes innovation, all of which makes M&A easier for the acquired organization and which

shows a level of tolerance from the acquiring organization (Schreyogg, 2005).

In direct contrast to the pluralist corporate culture is the universal corporate culture,

which promotes the integration theoretical perspective. The focus of universal corporate culture

is complete homogeneity among the organization and can be called ethnocentric (Schreyogg,

2005). The most frequently used tool in M&As for organizations that desire a universal corporate

culture is to seek for a complete absorption of the acquired organization (Schreyogg, 2005).

Another option is to completely merge the two cultures for a new cultural experience in the new

organization. Though elimination of differentiation is ultimately impossible, this cultural

perspective stresses conformity rather than diversity in culture. Some experts advocate culture

clash or an organizational crisis as a way to bring about a universal corporate culture, citing that

"the urgency and commitment to effectuate change may be facilitated by an actual crisis, but

change can occur without a crisis; it is just more difficult to develop the emotional commitment

and sense of urgency to support change" (Galli, 2016, p. 10).

In a M&A that requires a high level of relatedness between the two organizations,

achieving a universal corporate culture is typically met with resistance (Schreyogg, 2005). If the

two organizations were competitors (as is the case with the current study), a universal corporate

culture is recommended as a way to "exploit economies of scale in production, marketing, and…

to cumulate market share" (Schreyogg, 2005, p. 116).

Several studies have been conducted related to performance issues that arise within an organization post-merger where cultural integration issues occurred. Stahl and Voigt (2005) identify eight studies that found cultural distance as having a negative effect on the M&A performance. These studies used accounting-based measures post-M&A to determine if performance decreased. The negative relationship between culture distance and performance were measured by profitability, performance indexes, or sales. Further, elements of a successful merger went beyond accounting measures such as profitability and stock market based measures and included cultural integration measures, such as the degree of conflict or the impact on the culture as a whole. In this definition, the perspective of the employee was taken into account whereas stock-market or accounting measures were not (Stahl & Voigt, 2005).

In the weeks and months following a merger, it is common for the different levels of employees to experience cultural clashes. Different manifestations of cultural clashes occur on the personal level, the organizational level, and at the overarching cultural level. On a cultural level, dysfunction can ensue as a group bias or an us-versus-them mentality occurs between the acquired and acquiring organizations, where ultimately hostility and distrust emerge (Stahl & Sitkin, 2005). Culture is a potent force among an organization and essentially impacts all aspects of daily life within that organization. Because of the potency and power that culture holds, it is not easily modified, as can be seen when two autonomous cultures are forced together as the result of an M&A (Weber, 1996). Cultural differences that occur post-M&A have the potential to produce misunderstandings, conflicts and emotional reactions (Weber, 1996).

If the acquiring organization finds that trust is lacking from the target or acquired organization, this negative relationship informs the acquiring organization's integration of decisions and strategies. This could lead to the restriction of autonomy, speeding or slowing the

process of integration without counseling together, being culturally intolerant of differentiation in the culture of the acquired organization, lack of job security for the acquired organization, and poor communication (Stahl & Sitkin, 2005). This can lead to a cyclical problem of trust between the two organizations, which can lead to integration and cultural fit issues, which then can lead to threats to the success of the M&A. The organizations must work through acculturation issues and decide to what level cultural values and mores will be shared between the two organizations.

Acculturation

In a system merger like that of Organization A and Organization B in the present study, the acquiring company (likely Organization A) must decide on an implementation strategy that determines how each system or unit is going to be integrated and combined, and the degree to which the employees will come in contact with each other and interface (Nahavandi & Malekzadeh, 1988). In mergers where there is a high level of relatedness; that is, where there is a high likelihood that the acquiring organization and the acquired organization will do the same kind of business, the acquirer is more likely to impose its own culture on the acquired organization and the expectation is that there will be high interaction between the employees (Nahavandi & Malekzadeh).

In the merger of these two systems however, the merger proposal suggests an equal merger with the dissolution of the two former organizations and complete integration to form a new company. It should be noted, however, that Organization B was the first organization to seek an acquiring partner organization and had gone through a several month bidding process before settling on a system merger with Organization A. This can arguably make Organization A the acquiring organization when considering matters of acculturation. Acculturation is defined as

"changes induced in (two cultural) systems as a result of the diffusion of cultural elements in both directions" (Berry, 1980, p. 215). A key provision of this definition is that there is a diffusion of cultural elements in both directions, meaning that both organizations in a merger will experience cultural change as elements of the two cultures are shared and diffused back and forth. Anthropologists describe similar cultural melds as what happens in organizational M&As when societies come together for various reasons and experience the conflict and eventual adaptation; this has also been termed as acculturation (Cartwright & Cooper, 1993). However, it is common that members of one of the cultures attempt to dominate the members of the other culture (Nahavandi & Malekzadeh, 1988). Acculturation in an organizational setting can be bypassed by employees leaving the organization or when the organization terminates the employees of the acquired organization (Nahavandi & Malekzadeh, 1988).

Four modes of acculturation exist and each is distinguished by the motives of the acquiring organization and the acquired organization: integration, assimilation, separation, and deculturation (Berry, 1983). Integration occurs when the members of the acquired organization want to preserve their own culture and remain independent yet are willing to be assimilated structurally and operationally though little to no cultural integration occurs (Nahavandi & Malekzadeh, 1988). Integration is also characterized as a collaborative interaction and adaptation between the two cultures and the better of the two existing cultures is used in the new organizational culture (Cartwright & Cooper, 1993). Assimilation is in stark contrast to integration, and occurs when one group willingly adopts the attributes and culture of the other group. The acquired organization forgoes any cultural identity for complete assimilation into the acquiring organization and members of the acquired organization willingly set aside their current culture in favor of the acquirers' established culture (Cartwright & Cooper, 1993). This typically

happens if the acquired organization has been unsuccessful and the employees of the
organization see their culture as being weak or ineffective (Nahavandi & Malekzadeh, 1998).
Separation occurs when the acquired organization refuses cultural integration on any level,
whether it is structural or not, and is the result of resistance by the acquired organization to the
culture of the acquirer (Cartwright & Cooper). If separation is the acculturation method that
evolves, it is usually accompanied by minimal cultural exchange and is usually the result of a
low level of relatedness M&A (Nahavandi & Malekzadeh, 1998). Lastly, deculturation occurs
when the acquired organization loses all cultural contact and connection with their own
organizational culture, as well as the acquiring organization, and is essentially outcast
(Nahavandi & Malekzadeh, 1988). This may also happen when the employees of the acquired
organization are dissatisfied with the current organizational culture, but are not convinced of the
new culture, rejecting both iterations of the organizational culture which results in a loss of
culture altogether (Cartwright & Cooper, 1993). An important consideration in how employees
will respond to these changes is based on what tier or level each employee resides in.

<center>**Employee Sublevels or Tiers**</center>

Three Sublevels or Tiers of Employees

Although an organization has a public face for its overarching culture, it is highly likely
that beneath this exterior there are several subcultures operating at various levels (Angwin &
Vaara, 2005; Cooke & Rousseau, 1998; Jermier et al., 1991; Martin, 2002, Schreyogg, 2005;
Stahl, 2005). These subcultures can be the result of highly specialized professionals that work
within a specific unit (Schein, 2010), or they may be the result of simple departmentalization

<center>55</center>

within the organization that creates upper and lower levels of employees (Jermier et al.). These differing perspectives can be measured and compared within the organization to test for differentiation within the organizational culture (Angwin & Vaara; Cameron, 1985; Jermier et al.; Ovseiko & Buchan, 2012; Ovseiko & Buchan, 2015).

The Council on Linkages Between Academia and Public Health Practice (Council on Linkages, 2014) has identified three categorical levels of employees within healthcare organizations. Tier 1, front line or entry level staff, includes employees that are responsible for carrying out the day-to-day care tasks within the healthcare organization and do not hold management positions (Hellriegel, 2004; Council on Linkages, 2014). Examples of this tier include the positions of Certified Nurse Assistant (CNA), Licensed Practical Nurse (LPN), Registered Nurse (non-supervisory), admissions, billing, medical records, Environmental Services, Dietary, and others. This tier can be characterized by employees with less organizational responsibility and remuneration (Cowherd & Levine, 1992; Robbins, Odendaal, & Roodt, 2003), who are typically not motivated by financial or monetary rewards although non-monetary rewards have a significant impact on lower-level employee motivation such as flexible work hours, (Xinyuan, Ghiselli, Law, & Ma, 2016) merit pay for performance, and performance recognition (Harunavamwe & Kanengoni, 2013). Further, granting autonomy and giving a greater purpose to tasks enriches the job experience of Tier 1 employees (Xinyuan, Ghiselli, Law, & Ma, 2016). Because of the challenges associated with motivating Tier 1 employees, researchers have suggested redesigning the flow of hospitality jobs, which are closely related to healthcare, in an attempt to enrich the position and improve attitudes (Lin, Wong & Ho, 2013a). Tier 1 employees have also been found to have less trust for the organization to handle issues of ethics involving a whistleblower (Gao, Greenberg, & Wong, 2015). Turnover is traditionally

high among Tier 1 employees, although career tracks and the potential for internal promotion have been shown to reduce turnover percentages (Overman, 2011).

Tier 2, management or supervisor level, includes employees whose responsibilities include managing or supervising staff, programs, departments or units, and can be described as mid-level managers. These employees may also be involved in the development of policy within the organization (Council on Linkages, 2014). Examples of this tier include the positions of manager, supervisor, charge nurse, case manager, Health Information Manager (HIM), Environmental Services Director, and others. Tier 2 employees often undergo heightened or increased perceptions of work related stress (Wasylkiw, Axar, & Cook, 2015). This stress can be attributed to managing employees and programs and is related to diminishing positions in other industries (Fanto, 2015). Because of the many opportunities for interaction, mid-level managers have been described as a group that has a special ability to impact the organizations goal attainment and directly impact employee well-being, mood, and culture (Nielsen & Gonzalez, 2010; Sy, Cote, & Saavedrea, 2005), even detrimentally impacting employees if there is an attitude of self-interest that leans toward unethical behavior (Kish-Gephart, Harrison, & Trevino, 2010), and can also have an impact on lower-level employee involvement in corporate social responsibility (Godkin, 2015). Further, Tier 2 employees serve as role models of behavior, leadership, and cultural adherence for Tier 1 employees within the organization (Hartog & Belschak, 2012). The ability to have cultural influence on other employees increases with the Tier 2 employees.

Tier 3, senior management or executive level, includes professionals in the organization that have key decision-making responsibilities. This level includes professionals who lead the organization or facility and oversee others who directly manage units, programs, or operations

within the organization. This level is typically associated with those employees who set the vision for the organization, control aspects of quality, and attempt to create and establish the organizational culture (Council on Linkages, 2014). Examples of this tier include the positions of Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Experience Officer (CXO), Chief Nursing Officer (CNO), Vice President (VP) and the associates, Legal Counsel, and others. Because of the many responsibilities placed on these executive level employees, studies have shown that they experience higher rates of anxiety about job security and experience a higher risk of depression (Hsu, Chen, Cheng, & Su, 2016). Despite these feelings of insecurity and depression, executives in Tier 3 typically enjoy higher than average compensations, to the point where calls have been made for monitoring of compensation levels to assure conformity with organizational values (Rhee, 2016). Executive level employee management and leadership styles vary greatly, with CEO's of non-family organizations emphasizing shareholder value-maximization (Mullins & Schoar, 2015). Tier 3 executive employees have also been shown to have a key impact on how organizations are managed, how they perform, and on their organizational culture (Bandiera, Prat, & Sadun, 2013; Bennedsen, Neilsen, Perez-Gonzalez, & Wolfenzon, 2007). Each of the tiers of employees may experience differentiation and subcultures with varying degrees of cultural experience. Whatever the cultural experience may be, each employee type will likely have a preferred cultural direction moving forward.

Preferred Organizational Culture and Direction

Current cultural experiences are not always the desired direction of employees. Because culture is the makeup of shared experiences and attitudes (Martin, 1985), there may be a collective desire for a shift in current cultural mores. In their study of the merger between the National Health System Trust and Oxford University in the United Kingdom, Ovseiko and Buchan (2012) used the Competing Values Framework to determine the preferred organizational culture three years out after the merger occurred. Employees of the system preferred a team culture which emphasizes management that is warm and caring, with loyalty and tradition as the glue that keeps the organization together, and a culture that emphasizes human resources and high employee morale (Ovseiko & Buchan, 2012). Second to the desire for a team culture was the desire for an entrepreneurial culture which emphasizes risk taking, personal development, and growth.

The desired or preferred culture three years post-merger was an almost polar shift from the pre-merger culture experienced by the university, characterized as a rational culture that focused on tasks and accomplishments and competition without the organization. This was also a preferred shift for the NHS Trust culture which was perceived to be more hierarchal prior to the merger, and emphasized rules, policies, and stability (Ovseiko & Buchan, 2012). It is interesting to note that this desired shift from the current culture to a team oriented culture, with an entrepreneurial culture in close second, was a collective desire of both organizations measured independently after the merger (Ovseiko & Buchan, 2012). Further, successful or effective organizations tend to have congruence among the cultural dimensions within the culture type (Cameron & Quinn, 2011).

Conclusion

In sum, the literature related to mergers and acquisitions in the healthcare industry indicates that M&As have become more prominent as a result of the Affordable Care Act. As the ACA continues to unfold with new reimbursement paradigms and compliance requirements, healthcare organizations will seek to control their interdependencies by participating in M&As, lobbying for new legislation to assist in these consolidations while also seeking ways to reduce administrative costs, integrate clinical components for greater efficiencies and increase quality.

Merging healthcare organizations should take special care in matters of culture. Not properly paying attention to essentials of culture and establishing trust may ultimately lead to the demise of the merger. Culture may ultimately decide the fate of the M&A. Understanding what culture will emerge as a result of the M&A is important, and should be decided prior to the formal merger. These are important considerations for the merger of Organization A and Organization B.

CHAPTER 3

RESEARCH METHOD

Introduction

This chapter introduces the research design and the methodology for the study and includes the purpose statement and research questions. The study employed a non-experimental comparative and survey design. The Competing Values Framework (CVF) was utilized to measure cultural perceptions at Organization A and Organization B prior to the proposed merger. Correlational analyses compared the results between the two organizations' overarching cultures, and the subcultures that existed within each organization.

Purpose Statement

The objective of this survey study was to evaluate whether there was a significant difference in the pre-merger cultural perceptions of employees working at two competing health systems in the southeastern region of the United States as measured by the Competing Values Framework (CVF). The differentiation theory of culture was employed to stratify the sample to determine whether a significant difference existed between the three tiers of employees within each organization. Further, survey questions were asked to ascertain the preferred organizational culture for the potentially merged organization within a three year time period and if significant differences existed between organizations in the preferred post-merger culture. As a result of these analyses, one may infer whether there is potential cultural fit between the two systems if the organizations merge and whether cultural integration will be successful.

The research questions sought to elicit data related to understanding the cultural perceptions of employees within each tier of the separate organizations. Analyses determined whether the cultures properly aligned and to ascertain the preferred future culture of both organizations post-merger. Each research question is related to the overarching theme of the purpose statement.

Research Questions and Null Hypotheses

1. Is there a significant difference in the mean scores of the overarching organizational culture subscales between Organization A and Organization B as measured by the CVF?

    H_011: There is no significant difference in the mean scores of the overarching Entrepreneurial culture subscale between Organization A and Organization B as measured by the CVF.

    H_012: There is no significant difference in the mean scores of the overarching Hierarchical culture subscale between Organization A and Organization B as measured by the CVF.

    H_013: There is no significant difference in the mean scores of the overarching Team culture subscale between Organization A and Organization B as measured by the CVF.

    H_014: There is no significant difference in the mean scores of the overarching Rational culture subscale between Organization A and Organization B as measured by the CVF.

2. Is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales with regard to Organization A and Organization B as measured by the CVF?

H_021: There is no significant difference among Tier 1, 2, or 3 employees in the Entrepreneurial culture subscale between Organization A and Organization B.

H_022: There is no significant difference among Tier 1, 2, or 3 employees in the Hierarchical culture subscale between Organization A and Organization B.

H_023: There is no significant difference among Tier 1, 2, or 3 employees in the Team culture subscale between Organization A and Organization B.

H_024: There is no significant difference among Tier 1, 2, or 3 employees in the Rational culture subscale between Organization A and Organization B

3. Within Organization A, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

H_031: There is no significant difference among tier 1, 2, or 3 employees in the Entrepreneurial culture subscale within Organization A.

H_032: There is no significant difference among tier 1, 2, or 3 employees in the Hierarchical culture subscale within Organization A.

H_033: There is no significant difference among tier 1, 2, or 3 employees in the Team culture subscale within Organization A.

H_034: There is no significant difference among tier 1, 2, or 3 employees in the Rational culture subscale within Organization A.

4. Within Organization B, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

H_041: There is no significant difference among tier 1, 2, or 3 employees in the Entrepreneurial culture subscale within Organization B.

H_042: There is no significant difference among tier 1, 2, or 3 employees in the

Hierarchical culture subscale within Organization B.

H_043: There is no significant difference among tier 1, 2, or 3 employees in the

Team culture subscale within Organization B.

H_044: There is no significant difference among tier 1, 2, or 3 employees in the

Rational culture subscale within Organization B.

5. Is there a significant difference in the mean scores of the preferred overarching

organizational culture subscales post-merger between Organization A and Organization B

as measured by the CVF?

H_051: There is no significant difference in the preferred mean scores of the

Entrepreneurial culture subscale between Organization A and Organization B as

measured by the CVF.

H_052: There is no significant difference in the preferred mean scores of the

Hierarchical culture subscale between Organization A and Organization B as

measured by the CVF.

H_053: There is no significant difference in the preferred mean scores of the Team

culture subscale between Organization A and Organization B as measured by the

CVF.

H_054: There is no significant difference in the mean preferred scores of the

Rational culture subscale between Organization A and Organization B as

measured by the CVF.

Quantitative Design

Generalizations are suited more for quantitative studies, while qualitative studies result in data rich descriptions that develop theory as a result of the study (Patton, 2002). Cooke and Rousseau (1988) concluded that based on the results of the quantitative assessment they utilized to measure behavioral norms and culture, that "the behavioral norms and expectations are amendable to quantitative assessment, which can supplement the qualitative study of more semiotic facets of organizational culture" (1988, p. 268). An important part of analyzing the data is not to simply describe or analyze the cultural manifestation, but to determine how people in the organization interpret that manifestation, finding the pattern of meaning that underlies these cultural manifestations (Martin, 2002). However, treating the study of organizational culture as either purely quantitative or qualitative in nature severely limits the ability of various bodies of research to add to the field (Martin, 2002).

Quantitative designs assist in categorizing and generalizing these interpretations of cultural manifestation. However, "because culture is defined by underlying values and assumptions, individuals have a difficult time identifying or articulating them without some stimulus" (Cameron & Freeman, 1991, p. 31). Often among organizational culture researchers, quantitative analysis is criticized as lacking the ability to gain in-depth and rich data in the form of observing patterns of behavior and ascertaining the meanings of organizational stories and myths. However, quantitative analysis in organizational culture research has the ability to generalize the organizational culture if it is possible to provide a stimulus for participants to identify their own culture, even though they are immersed in it (Cameron & Freeman, 1991).

A key ingredient in these methods, however, is the requirement for the researcher to provide a stimulus to organization members which encourages them to interpret their

organization's culture. This stimulation can be in the form of requests for stories and

jokes, probing interview questions, or scenarios on a questionnaire (Cameron & Freeman,

p. 31).

This study utilized a scenario prompt method in order to obtain the data from

Organization A and Organization B. It is believed that by providing scenarios that can then be

rated as close to the current organizational culture, cultural manifestations may be identified,

measured, generalized, and compared.

Instrumentation

The present study utilized a survey design and employed the Competing Values

Framework (CVF) as the instrument for data collection. The CVF is a widely utilized

quantitative survey instrument to measure organizational culture (Ancarani, et al., 2009; Bligh,

2006; Cameron & Freeman, 1991; Gifford, et al., 2002; Helfrich, et al., 2007; Meterko, et al.,

2004; Ovseiko & Buchan, 2012; Ovseiko et al., 2015; Scott et al., 2003), and "is specially

designed to represent the balance of different cultures within the same organization" (Scott et al.,

2003, p. 941). Additionally, the CVF uses the stimulus method by providing respondents with

descriptions of cultures that they use to match to their current cultural experience (Cameron &

Freeman, 1991). Scott et al. (2003) conducted a study of quantitative organizational culture

instruments available and found that the CVF was among the most widely used and accepted.

The CVF follows a typological approach, "in which the assessment results in one or more 'types'

of organizational culture. The [CVF] … characterize(es) organizational cultures [based on the

quadrant type]" (Scott et al., 2003, p. 928). Further, the CVF is paired almost exactly with the

Jungian model of psychological archetypes that was developed in the 1920's as a way to assess personality and cultural archetypes (Scott et al., 2003).

The CVF has been utilized in several industry and organizational settings to measure culture on an organizational level (Patterson et al., 2005), however it is also an effective instrument to use on a micro scale such as departments or work groups (Gifford, et al., 2002), which would include the employee sublevels or tiers. The "advantages of the CVF are that it focuses on an organizations key cultural characteristics, measures organizational culture in a standardized way, and connects to a large body of theoretical and empirical literature on organizational culture and performance" (Ovseiko et al., 2015, p. 4)

The CVF is designed on a four quadrant model with a vertical axis and horizontal axis (Figure 1). The horizontal axis and its two correlating quadrants reflect the extent to which the studied organizations emphasize control and centralization, or decentralization with autonomy and flexibility, which are the two opposing ends of the horizontal axis. The vertical axis and the correlating two quadrants illustrate how much the organization emphasizes an internal focus on relationships and related stakeholders or the external focus on relationships and related stakeholders (Ovseiko & Buchan, 2012). "The [CVF] reduces the complexity of organizational culture for analytical and practical purposes by focusing on an organization's key cultural characteristics" (Ovseiko & Buchan, 2012, p. 710). A benefit of the instrument is that it allows organizations and employees to diagnose their own culture and identify a preferred future culture and make course adjustments or cultural improvements (Ovseiko & Buchan, 2012). This further allows leaders to make adjustments to the current culture to align with the preferred future culture identified using the instrument.
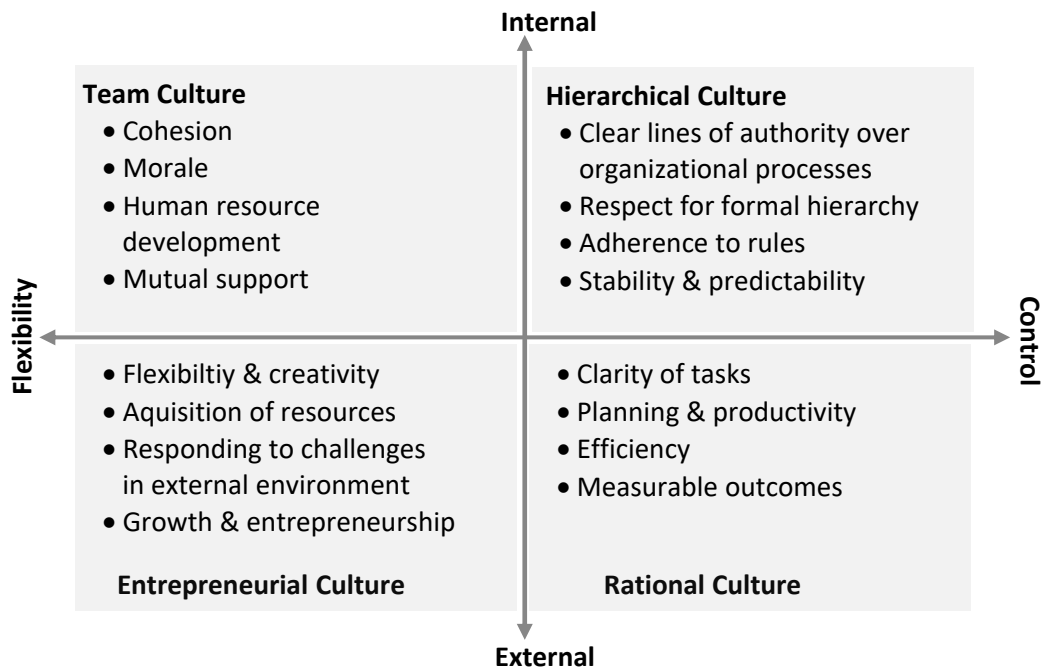
Figure 1. Competing Values Framework

(used with permission, Helfrich CD, Li YF, Mohr DC, Meterko M., Sales AE 2007)

The CVF presents the opportunity to measure cultural congruence among each organization. Congruence is defined "as consistency among organizational systems and components" (Cameron & Freeman, 1991, p. 28). Quinn (1984) stated that similarities among the subcategories within the CVF (i.e., homogeneity between the leader's style, institutional glue, or strategic emphasis) means there is a level of cultural congruence within that organization. Cameron and Freeman (1991) determined that congruence among organizational subcategories does not necessarily mean that the organization is more effective, but it can point

to levels of cultural fit. A key characteristic of the current study was to ascertain if there was a level of congruence among employee sublevels both within the organization and compared to the other organization.

The survey instrument utilized in this study was adopted from Helfrich's et al. (2007) adaptation of the U.S. Veterans Health Administration All Employee Survey. The reliability of the survey instrument was highest in the entrepreneurial subscale, moderate for the team, and lowest for the Hierarchical subscale (Ovseiko & Buchan, 2012). Though Cronbach's alpha was as low as .50 for the Hierarchical subscale, this was viewed as acceptable based on other researcher recommendations (Ovseiko & Buchan, 2012). The results of the study show that the two organizations being studied, though they had similar mission statements, essentially had different and distinct organizational cultures (Ovseiko & Buchan).

Possible limitations of the CVF include that the instrument has been primarily utilized in the research of culture among senior level management staff and has not been tested for validity and reliability among lower-level employees even though they constitute the largest portion of individuals in the culture being assessed (Helfrich et al., 2007). It was found that there were some issues with the subscales when it was applied to non-supervisor employees, possibly because employees were not able to distinguish among entrepreneurial, team and rational cultures. Hierarchical subscales were also shown to be somewhat mediocre (Helfrich et al., 2007). In Ovseiko and Buchan's (2015) study of the NHS Trusts merger, the CVF was followed by semi-structured qualitative interview to validate findings from the CVF at one of the two organizations, but not the other. The researchers viewed qualitative interviewing at the second organization as unnecessary as the CVF's findings were validated by interviews with employees in the first organization (Ovseiko & Buchan, 2015).

Population

Data for this study were collected from employees at the two participating healthcare organizations: Organization A and Organization B. Employees were given descriptions of each tier and were able to self-identify as one of the following tiers: Tier 1: entry level (Certified Nurse Assistant (CNA), Licensed Practical Nurse (LPN), Registered Nurse (non-supervisory), admissions, billing, medical records, and others); Tier 2: supervisory level (manager, supervisor, charge nurse, case manager, Health Information Manager (HIM), Environmental Services Director, and others); or Tier 3: executive level (Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Experience Officer (CXO), Chief Nursing Officer (CNO), Vice President (VP) and the associates, Legal Counsel, and others).

Sample

For this study, organizational and operational support for survey administration purposes was sought from both organizations prior to administering the survey. The entire employee population of both organizations was contacted with a link to the survey constituting a total of 15,662 potential survey respondents, with 8,400 employees in Organization A, and 7,262 employees in Organization B. A total of 3,946 responses were obtained, though 973 responses were deemed as incomplete. A response was deemed incomplete if the respondent did not finish the first 22 questions, thus completing the current culture assessment. This left a total of 1,485 responses for Organization A and 1,487 responses in Organization B for a total of 2,972 complete responses (19% response rate). In Organization A, there were 1,089 responses in Tier 1

(73% of Organization A), 359 responses in Tier 2 (24.2% of Organization A), and 37 responses in Tier 3 (2.5% of Organization A). In Organization B, there were 1,063 responses in Tier 1 (71.5% of Organization B), 390 responses in Tier 2 (26.2% of Organization B), and 34 responses in Tier 3 (2.3% of Organization B). The variance between numbers of responses among the tiers is expected as they represent the normal distribution of employees working in this category within a health organization. With at least 30 responses for each tier, it was determined that further statistical analyses was possible.

Data Collection Procedures

The Competing Values Framework

The CVF as used for this study was adapted from Helfrich et al. (2007), Ovseiko and Buchan (2012), and Cameron and Quinn's (2011) Organizational Culture Assessment Instrument (OCAI) which is based on the CVF. The full survey instrument and questionnaire is provided in Appendix B. The instrument has been shown to be one of the most widely used instruments to measure organizational culture quantitatively (Ancarani, et al., 2009; Bligh, 2006; Cameron & Freeman, 1991; Gifford, et al., 2002; Helfrich, et al., 2007; Meterko, Mohr, & Young, 2004; Ovseiko & Buchan, 2012; Ovseiko et al., 2015; Scott et al., 2003), and has been shown to have high reliability and validity (Cameron & Freeman, 1991; Scott et al., 2003).

The same style of questions were utilized twice in the survey. Questions 3 – 22 provided scenarios wherein respondents rated their current organizational culture. Then, the same style of questions (questions 17 – 42) were asked with a slight variation for respondents to rate their preferred organizational culture post-merger. Question 43 asked about the desire to merge with

the competing organization (Table 1). The survey instrument shown in Appendix B was administered to the employees of each organization via a web link sent by each individual organization. Each organization administered the survey link to the company email addresses of each employee, allowing the respondents to self-identify their tier level and organization. It should be noted that the response size was somewhat large considering that many employees do not have access to their company email addresses outside of the organizations' intranet, particularly in Organization B, indicating a higher commitment by Tier 1 employees to respond.

Table 1

Research Questions Related to Survey Questions

Measures	Question	Research Question
Current Culture	3 - 22	1 – 4
Preferred Culture	23-42	5
Desire to Merge	43	

Internal Validity

Validity is often tied with experimental or quantitative research, and is a measure of the truthfulness of the findings and how close the scientific explanations match the reality of what is being measured (McMillan & Schumacher, 2014). Internal validity is comprised of those things that may affect the design of the study itself, such as the causal links between the independent and dependent variables and whether the study was sensitive enough to detect a causal relationship between the two variables (Isaac & Michaels, 1997). A potential threat to the internal validity of this study is related to contemporary history (Isaac & Michael, 1997).

Contemporary history relates to experiences that subjects may have outside of the study that may affect their exposure to the event being studied (Isaac & Michaels, 1997). In this case, the responses to the preferred culture post-merger or the desirability to merge may have been affected by the amount of television coverage, publicity, or internal strife that participants were potentially exposed to concerning the planned merger, or it may be influenced by a perceived lack of communication regarding the merger from the organization itself. Another potential threat to the validity of this research relates to the John Henry Effect (Isaac & Michaels, 1997; McMillian & Schumacher, 2014). Respondents know that a merger is taking place and may have used the survey as a way to air grievances or as a way to curb the progress of the merger. When study subjects know they are being studied, this can affect the way they answer the survey.

The one-time nature of this survey should mitigate any threats due to maturation or changes in the instrument itself. There has been no bias in selection of subjects, and there was no experimental mortality involved. The goal of this research design has been to eliminate any rival alternative hypotheses, thus supporting the current research hypotheses (Isaac & Michaels, 1997).

External Validity

External validity is concerned with the generalizability of the study, and whether it can be applied across other individuals, populations and settings (McMillian & Schumacher, 2014). It is believed that the current study is valid for an external audience. There is an interaction of the selection and treatment and an interaction of setting and treatment (Isaac & Michaels, 1997) in that the treatment could be generalized to persons beyond the population studied within the organization and to other settings such as those found in higher education, business, and other organizations. M&As are frequent in these settings and the use of the CVF and the stimulus in

the questions are applicable in many settings. However, these results may not necessarily be generalizable to other populations outside of the current study.

Addressing Threats

Contemporary history (Isaac & Michaels, 1997) may be a threat to the internal validity of the survey instrument. It is believed however that the presentation of a stimulus through brief organizational descriptions will limit or eliminate that potential threat to validity. This is also believed to be the mitigating factor for the John Henry Effect. Because the survey uses the stimulus approach, it lessens the likelihood that respondents will answer in varying ways and limits the amount of flexibility in their answers. The design of the survey and the instrument used should have lessened threats that could create a plausible rival hypothesis.

Additionally, each of the survey responses were analyzed in aggregate based on the selected tier of employment. A sample of at least 30 was analyzed in each of these aggregates. It is believed that the self-reported responses to survey items were the direct result of the cultural experiences of each respondent and not caused by something else that was not intended in that measurement. Also, the measurement instrument was standard in each case and was the same with both organizations.

Reliability

The CVF has been tested extensively for issues related to reliability, and measures in quantitative terms the culture of organizations, and has been repeated in settings in healthcare, higher education, and general business (Ancarani, et al., 2009; Bligh, 2006; Cameron & Freeman, 1991; Gifford, et al., 2002; Helfrich, et al., 2007; Meterko, et al., 2004; Ovseiko & Buchan, 2012; Ovseiko et al., 2015; Scott et al., 2003). Cronbach's alpha has shown to be

sufficient for most studies in the four culture subscales. For instance, Ovseiko and Buchan (2012) reported an r value range of 0.72 - 0.73 for the Entrepreneurial culture subscale, 0.50 – 0.52 for the Hierarchical culture subscale, 0.53 – 0.54 for the Team culture subscale, and 0.55 – 0.58 for the Rational culture subscale. For the current study, Cronach's alpha was 0.875 – 0.881 for the Entrepreneurial culture subscale, 0.791 – 0.852 for the Hierarchical culture subscale, 0.861 – 0.891 for the Team culture subscale, and 0.857 – 0.808 for the Rational culture subscale. Overall, Cronbach's alpha was strong for the current survey, which suggests higher reliability.

Data Analysis

IBM SPSS Statistics version 23 was utilized for data analysis. For RQ1and RQ5, a comparison of the mean scores of the four culture subscales within the organizations was necessary, therefore an independent-samples *t* test was used to test for significant differences in the mean scores. For RQ2, a two-way ANOVA was completed as a comparison between Organization A's three tiers and Organization B's three tiers, followed by an independent-samples *t* test. RQ3 and RQ4 required a comparison of the mean scores of the four culture subscales within Tier 1, 2 and 3. Because of the comparison between 3 groups, a One-Way ANOVA was utilized to measure variability between groups. In the case of an ANOVA, if the null is rejected and a significant difference exists among the three tiers, post-hoc multiple comparisons was completed to test between tiers where the significant difference occurred.

Summary

Chapter 3 has provided an explanation of the methodology and process of data collection for this study. The chapter presented a brief introduction, research questions and null hypotheses, and instrumentation. The study explored whether a significant difference existed between the overarching cultures of Organization A and Organization B, and among the three tiers of employees within both organization.

CHAPTER 4

RESULTS

The purpose of this non-experimental quantitative survey study was to determine whether there were significant differences in the cultural perceptions and manifestations of the employees from two competing health systems prior to consummating a merger using the Competing Values Framework (CVF). Respondents self-identified as (Tier 1), entry-level employee; (Tier 2), supervisory level, or, (Tier 3), executive level to determine if a significant difference exists among these levels within each organization and among each organization prior to the proposed merger. By identifying if significant differences existed in cultural perceptions, one can better understand whether cultural fit between the organizations is likely to exist post-merger.

Data analyses involved examining the self-reported scores from survey respondents and computing a mean organizational culture score for each of the four culture subscales using the CVF framework. Analyses were conducted to determine whether a significant difference existed between the overall organizational culture subscales, between the three tiers of employees within both organizations, and between the three tiers of employees among each organization. Further, a similar set of questions was utilized to determine the preferred culture of the new organization post-merger and whether significant differences existed in those results.

A survey was administered to the entire employee population of both organizations and utilized 20 questions to assess cultural perceptions of the current organization, and a similar set of 20 questions to assess the preferred future culture for a total of 40 questions. The survey assessed 5 domains of culture within the organization(s): Dominant Characteristics, Organizational Leadership (executive leadership), Management of Employees, Organization

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Glue (what holds the organization together), and Strategic Emphases (what strategy the organization emphasizes). Each of these five domains were assessed with four organizational questions that corresponded to the CVF's four culture subscales: (1) Team Culture, (2) Hierarchical Culture, (3) Entrepreneurial Culture, and (4) Rational Culture (see Figure 1). The survey assessed the current cultural manifestations of the organization prior to the merger and the preferred cultural manifestations post-merger utilizing the same framework. The mean score of each of the five domains of culture were aggregated for an overall mean score in the Team, Hierarchical, Entrepreneurial, and Rational Culture subscales. The overall mean scores were plotted on the CVF model. Further, the mean scores of each of the four culture subscales were evaluated to determine if significant differences existed among the tiers and between organizations.

Chapter 4 presents a summary of the data followed by statistical analyses of the Research Questions and associated hypotheses. An alpha level of .05 was used to determine the statistical significance of the data. The findings of the study are addressed in this chapter. These results may not necessarily be generalizable to other populations outside of the current study.

Research Question 1

Research Question 1: Is there a significant difference in the mean scores of the overarching organizational culture subscales between Organization A and Organization B as measured by the CVF?

H_011: There is no significant difference in the mean scores of the overarching Entrepreneurial culture subscale between Organization A and Organization B as measured by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no significant difference in the mean scores of the overarching current Entrepreneurial culture subscale scores between Organization A and Organization B. The current Entrepreneurial culture subscale was the test variable and the grouping variable was the organizations, A and B. The test was significant, $t(2970) = 5.12$, $p < .001$. Therefore, the null hypothesis was rejected. Employees in Organization A ($M = 2.86$, $SD = .84$) rated the Entrepreneurial culture subscale significantly different from employees of Organization B ($M = 2.71$), $SD = .83$). The 95% confidence interval for the difference in means was .10 to .22. The η^2 index was <.01 which indicated a very small effect size. Employees in Organization A tended to rate the organization higher on the Entrepreneurial culture subscale than employees from Organization B. Figure 2 shows the distributions for the two groups.
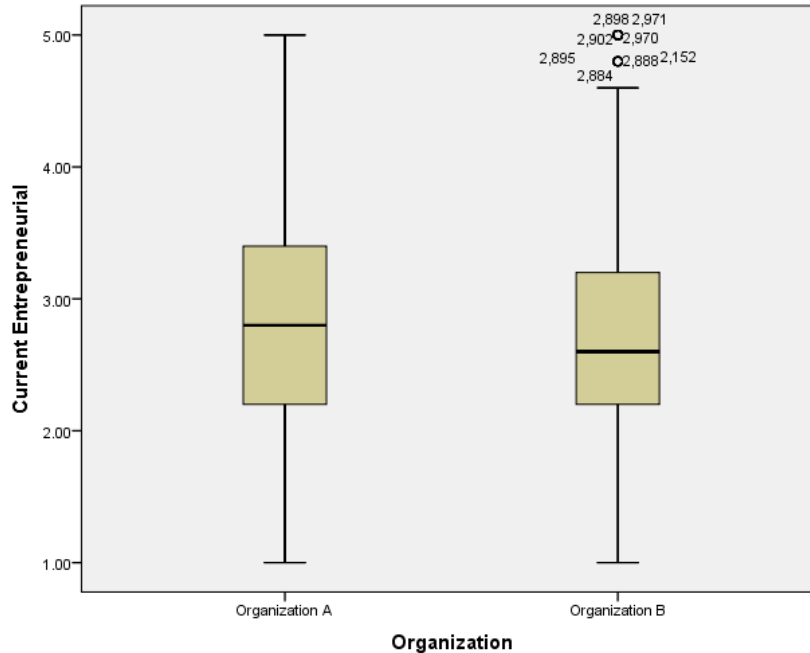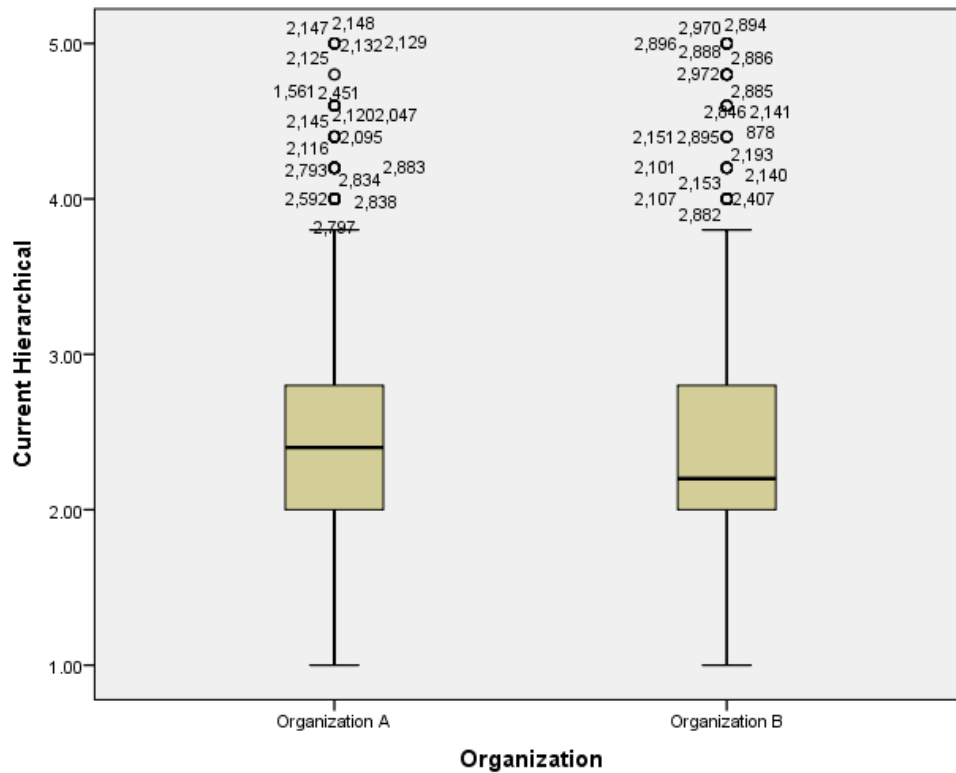
Figure 2. Mean Scores of Organization A and Organization B Current

Entrepreneurial Culture Subscale

Note: 0 = 1.5 times IQR

H_012: There is no significant difference in the mean scores of the overarching

Hierarchical culture subscale between Organization A and Organization B as measured

by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching current Hierarchical culture subscale

scores between Organization A and Organization B. The current Hierarchical culture subscale

was the test variable and the grouping variable was the organizations, A and B. The test was

significant, $t(2971) = 4.27$, $p < .001$. Therefore, the null hypothesis was rejected. Employees in

Organization A ($M = 2.45$, $SD = .70$) rated the Hierarchical culture subscale significantly

different from employees of Organization B ($M = 2.34$), $SD = .72$). The 95% confidence interval

for the difference in means was .06 to .16. The η^2 index was <.01 which indicated a very small

effect size. Employees in Organization A tended to rate the organization higher on the

Hierarchical culture subscale than employees from Organization B. Figure 3 shows the
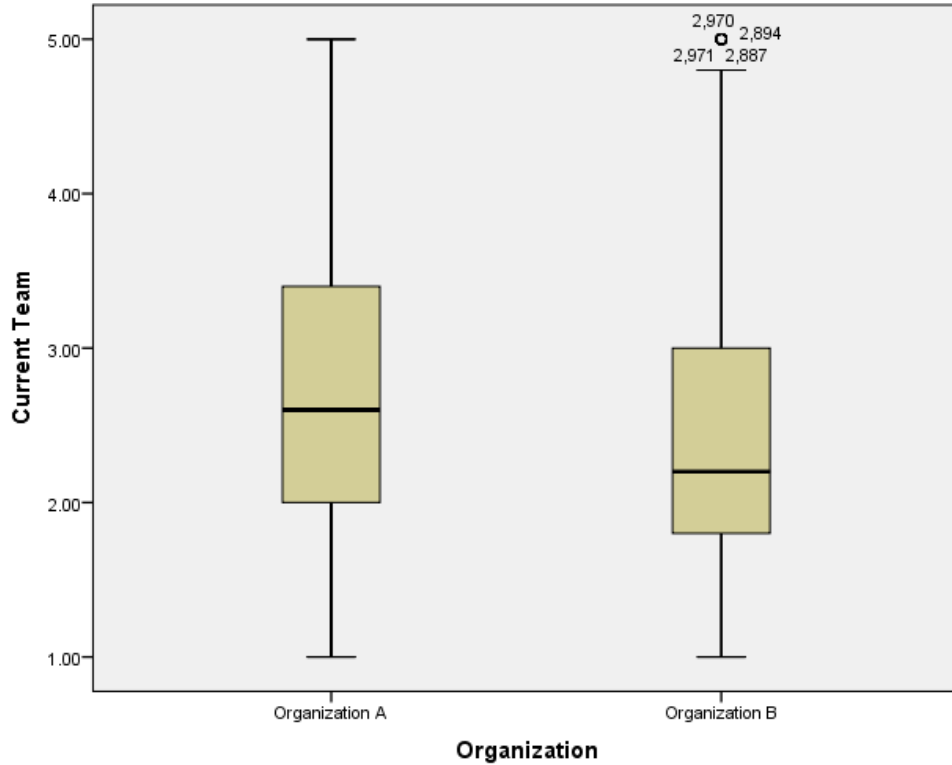
distributions for the two groups.

Figure 3. Mean Scores of Organization A and Organization B Current Hierarchical

Culture Subscale

Note: 0 = 1.5 times IQR

H_013: There is no significant difference in the mean scores of the overarching

Team culture subscale between Organization A and Organization B as measured

by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching current Team culture subscale scores

between Organization A and Organization B. The current Team culture subscale was the test

variable and the grouping variable was the organizations, A and B. The test was significant,

$t(2971) = 8.93$, $p <.001$. Therefore, the null hypothesis was rejected. Employees in Organization

A ($M = 2.73$, $SD = .94$) rated the Team culture subscale significantly different from employees of

Organization B ($M = 2.43$), $SD = .92$). The 95% confidence interval for the difference in means

was .23728 to .37078. The η^2 index was .03 which indicated a small to medium effect size.

Employees in Organization A tended to rate the organization higher on the Team culture

subscale than employees from Organization B. Figure 4 shows the distributions for the two

groups.

Figure 4. Mean Scores of Organization A and Organization B Current Team Culture

Subscale

Note: 0 = 1.5 times IQR

H_014: There is no significant difference in the mean scores of the overarching

Rational culture subscale between Organization A and Organization B as

measured by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching current Rational culture subscale

scores between Organization A and Organization B. The current Rational culture subscale was

the test variable and the grouping variable was the organizations, A and B. The test was not

significant, $t(2971) = .78$, $p = .437$. Therefore, the null hypothesis was retained. Employees in

Organization A (M = 2.44, SD = .73) rated the Rational culture subscale about the same as

employees of Organization B (M = 2.42), SD = .74). The 95% confidence interval for the

difference in means was -.03 to .07. The η^2 index was <.01 which indicated a very small effect

size. Employees in Organization A tended to rate the organization about the same as employees

from Organization B on the Rational culture subscale. Figure 5 shows the distributions for the

two groups.
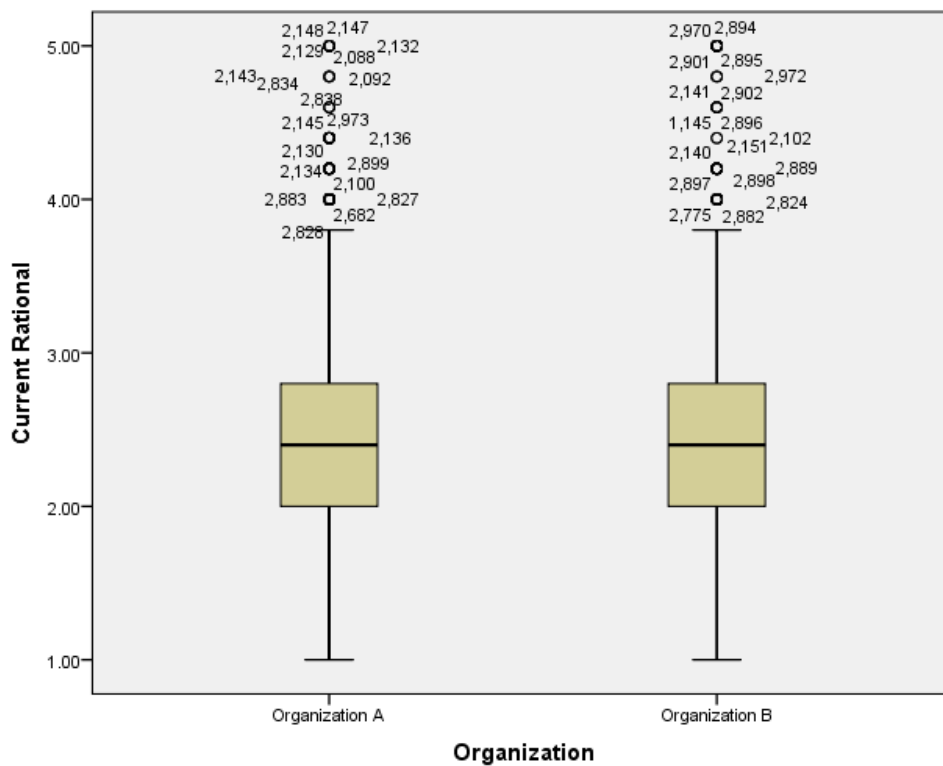
Figure 5. Mean Scores of Organization A and Organization B Current Rational Culture

Subscale

Note: 0 = 1.5 times IQR

Discussion

From these independent samples t tests, it is shown that there is a significant difference in three of the four culture subscales between Organization A and Organization B. This suggests a minimal level of cultural overlap in the separate cultures of Organization A and Organization B as they are currently. Overall, there is a significant difference between the two cultures of Organization A and B prior to the health system merger. However, as indicated by the η^2 results, the magnitude is small to very small. Figure 6 shows these cultures displayed together using the CVF model.
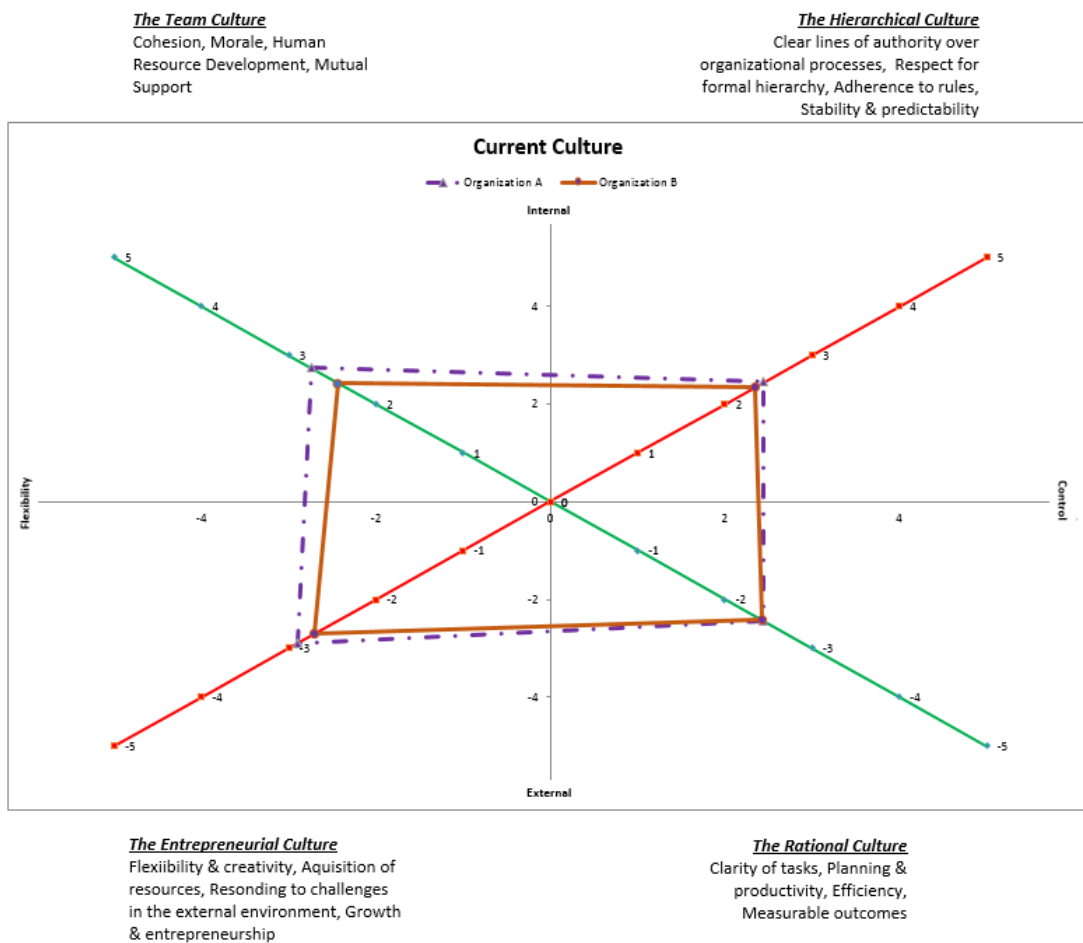
Figure 6. Current Culture CVF Model

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Research Question 2

Research Question 2: Is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales with regard to Organization A and Organization B as measured by the CVF?

H_02_1: There is no significant difference among tier 1, 2, or 3 employees in the Entrepreneurial culture subscale between Organization A and Organization B.

A 3X2 two-way analysis of variance was conducted to evaluate the relationship between Organization A and Organization B and the tiers of employees, and the Entrepreneurial culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Entrepreneurial culture subscale. The ANOVA was not significant, $F(2, 2966) = 2.05$, $p = .128$. Therefore, the null hypothesis was retained. The strength of the relationship between the tier and the Entrepreneurial culture subscale, as assessed by η^2, was small (.001). The results indicate that the mean score of the Entrepreneurial culture subscale was not significantly different between the tiers of employees between Organization A and Organization B. The means and standard deviations for the three tiers are reported in Table 2. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 2

Means and Standard Deviations for Organization A and Organization B Entrepreneurial culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.96	.82
	2	359	2.73	.86
	3	37	2.87	.83
Organization B	1	1063	2.72	.81
	2	390	2.68	.83
	3	34	2.59	1.09

While there was no significant interaction in the Entrepreneurial culture subscale between Organization A and Organization B, an independent-samples *t* test was used to ascertain if a significant difference exists between each of the independent tiers between Organization A and Organization B. The current Entrepreneurial culture subscale was the test variable and the grouping variable was the tiers, 1, 2, and 3 between Organization A and B. The test was significant for Tier 1, $t(2150) = 5.26$, $p < .001$. The 95% confidence interval for the difference in means was .12 to .26. The η^2 index was .013 which indicated a small effect size. Employees in Tier 1 Organization A and Organization B did not perceive culture the same way for the Entrepreneurial subscale. The test was not significant for Tier 2, $t(747) = .82$, $p = .412$. The 95% confidence interval for the difference in means was -.07 to .17. The η^2 index was <.01 which indicated a very small effect size. The test was also not significant for Tier 3, $t(69) = .1.23$, $p =$

.223. The 95% confidence interval for the difference in means was -.17 to .74. The η^2 index was .02 which indicated a small effect size.

H_022: There is no significant difference among tier 1, 2, or 3 employees in the Hierarchical culture subscale between Organization A and Organization B.

A 3X2 two-way analysis of variance was conducted to evaluate the relationship between Organization A and Organization B and the tiers of employees, and the Hierarchical culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Hierarchical culture subscale. The ANOVA was not significant, $F(2, 2967) = 3.31$, $p = .037$. Therefore, the null hypothesis was retained. The strength of the relationship between the tier and the Hierarchical culture subscale, as assessed by η^2, was small (.002). The results indicate that the mean score of the Hierarchical culture subscale was not significantly different between the tiers of employees between Organization A and Organization B. The means and standard deviations for the three tiers are reported in Table 3. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 3

Means and Standard Deviations for Organization A and Organization B Hierarchical culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.47	.73
	2	359	2.39	.63
	3	37	2.50	.61
Organization B	1	1064	2.31	.72
	2	390	2.39	.71
	3	34	2.43	.89

While there was no significant interaction in the Hierarchical culture subscale between Organization A and Organization B, an independent-samples *t* test was used to ascertain if a significant difference exists between each of the independent tiers between Organization A and Organization B. The current Hierarchical culture subscale was the test variable and the grouping variable was the tiers, 1, 2, and 3 between Organization A and B. The test was significant for Tier 1, $t(2151) = 4.89$, $p < .001$. The 95% confidence interval for the difference in means was -.09 to .21. The η^2 index was .01 which indicated a small effect size. The test was not significant for Tier 2, $t(747) = -.05$, $p = .963$. The 95% confidence interval for the difference in means was -.10 to .09. The η^2 index was <.01 which indicated a very small effect size. The test was also not significant for Tier 3, $t(69) = .37$, $p = .710$. The 95% confidence interval for the difference in means was -.29 to .43. The η^2 index was .002 which indicated a very small effect size.

H_02_3: There is no significant difference among tier 1, 2, or 3 employees in the

Team culture subscale between Organization A and Organization B.

A 3X2 two-way analysis of variance was conducted to evaluate the relationship between Organization A and Organization B and the tiers of employees, and the Team culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Team culture subscale. The ANOVA was significant, $F(2, 2967) = 1.38$, $p < .001$. Therefore, the null hypothesis was rejected. The strength of the relationship between the tier and the Team culture subscale, as assessed by η^2 was small (.006). The results indicate that the mean score of the Team culture subscale was significantly different between the tiers of employees, but not between Organization A and Organization B.

Because the overall F test was significant, post hoc multiple comparisons were conducted to evaluate pairwise difference among the means of the three tiers between the organizations. A Tukey procedure was selected for the multiple comparisons because equal variances were assumed. There was a significant difference in the means between Tier 1 and Tier 2 ($p < .001$). However, there was not a significant difference between Tier 1 and Tier 3 ($p = .470$), nor between Tier 2 and Tier 3 ($p = .957$). It appears that a significant difference exists between the mean score for the Team culture subscale between tiers, though there was not significant interaction between the tiers and the organizations, indicating that no significant difference exists between the tiers in Organization A, and the tiers in Organization B. The means and standard deviations for the three tiers and organizations are reported in Table 4. The N reported for each tier is indicative of the normal distribution of employees within a health system.

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Table 4

Means and Standard Deviations for Organization A and Organization B Team culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.76	.95
	2	359	2.62	.91
	3	37	2.81	.80
Organization B	1	1064	2.48	.92
	2	390	2.31	.88
	3	34	2.15	1.04

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While there was no significant interaction in the Team culture subscale between Organization A and Organization B, an independent-samples *t* test was used to ascertain if a significant difference exists between each of the independent tiers between Organization A and Organization B. The current Team culture subscale was the test variable and the grouping variable was the tiers, 1, 2, and 3 between Organization A and B. The test was significant for Tier 1, $t(2151) = 7.05$, $p < .001$. The 95% confidence interval for the difference in means was -.21 to .36. The η^2 index was .02 which indicated a small effect size. The test was significant for Tier 2, $t(747) = 4.81$, $p < .001$. The 95% confidence interval for the difference in means was .19 to .44. The η^2 index was .03 which indicated a small effect size. The test was also significant for Tier 3, $t(69) = 2.99$, $p = .004$. The 95% confidence interval for the difference in means was .22 to 1.09. The η^2 index was .11 which indicated a small effect size.

$H_0 2_4$: There is no significant difference among tier 1, 2, or 3 employees in the

Rational culture subscale between Organization A and Organization B

A 3X2 two-way analysis of variance was conducted to evaluate the relationship between Organization A and Organization B and the tiers of employees, and the Rational culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Rational culture subscale. The ANOVA was significant and indicated a significant main effect for the tiers, $F(2, 2967) = 6.22$, $p < .001$, and a significant interaction between the organizations and the tiers, $F(2, 2967) = 6.22$, $p = .002$. Therefore, the null hypothesis was rejected. The strength of the relationship between the tier and the Rational culture subscale, as assessed by η^2 was small (.004). The results indicate that the mean score of the Rational culture subscale was significantly different between the tiers of employees and between Organization A and Organization B. The means and standard deviations for the three tiers are reported in Table 5. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Because the interaction between the organization and the tiers was significant, the differences among the tiers for Organization A and Organization B were examined separately. Follow-up tests were conducted to evaluate the three pairwise differences among the means scores for the organizations and tiers. Based on the 95% confidence level, there is a significant difference between Tier 1 in Organization A and Organization B which was $F(2, 2967) = 6.22$, $p = .015$. Further, a significant difference exists between Tier 2 in Organization A and Organization B, which was $F(2, 2967) = 6.22$, $p = .014$. However, there was no significant difference in Tier 3 between Organization A and Organization B; $F(2. 2967) = 6.22$, $p = .174$.

Therefore, the null was rejected as there is a significant difference between Tier 1 and Tier 2 employees when compared between the two organizations.

Table 5

Means and Standard Deviations for Organization A and Organization B Rational culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.51	.76
	2	359	2.26	.61
	3	37	2.30	.71
Organization B	1	1064	2.43	.73
	2	390	2.39	.75
	3	34	2.47	.10

Though the interaction was significant in the Rational culture subscale between Organization A and Organization B, an independent-samples *t* test was still used to ascertain if a significant difference exists between each of the independent tiers between Organization A and Organization B. The current Rational culture subscale was the test variable and the grouping variable was the tiers, 1, 2, and 3 between Organization A and B. The test was significant for Tier 1, $t(2151) = 2.39$, $p = .017$. The 95% confidence interval for the difference in means was .01 to .14. The η^2 index was .002 which indicated a small effect size. The test was also significant for Tier 2, $t(747) = -2.63$, $p = .009$. The 95% confidence interval for the difference in means was -.23 to -.033. The η^2 index was <.01 which indicated a very small effect size. The test was not

significant for Tier 3, $t(69) = -.85$, $p = .399$. The 95% confidence interval for the difference in means was -.58 to .23. The η^2 index was .01 which indicated a small effect size.

Discussion

From the analysis for Research Question 2 it is shown from the two-way ANOVA that there is a significant interaction between the tiers and the organizations for only the Rational culture subscale. Though a significant difference exists in the mean scores of the Team culture subscale, no significant interaction exists, suggesting that there is not a significant difference between the mean scores for the culture subscales between the organizations tiers, except on the Rational culture subscale. Though there is a significant difference in the current culture of Organization A and Organization B as shown in Research Question 1, there does not seem to be a significant difference between the tiers of Organization A and Organization B as shown by the two-way ANOVA, except for the Rational culture subscale. A likely reason for this is the differences in the n between each tier.

As a means of further analysis, an independent-samples t test was conducted for each culture subscale to test for a significant difference between each independent tier, 1, 2, and 3 between Organization A and Organization B. These tests revealed a significant difference between Tier 1 employees in Organization A and Organization B in all four culture subscales, between Tier 2 employees in Organization A and Organization B in the Team and Rational culture subscales, and between Tier 3 employees in Organization A and Organization B in the Team culture subscale. Figure 7 shows the organizations plotted on the CVF model by tier, and Figures 8, 9, and 10 show each tier independently.

The Team Culture
Cohesion, Morale, Human
Resource Development, Mutual
Support

The Hierarchical Culture
Clear lines of authority over
organizational processes, Respect for
formal hierarchy, Adherence to rules,
Stability & predictability
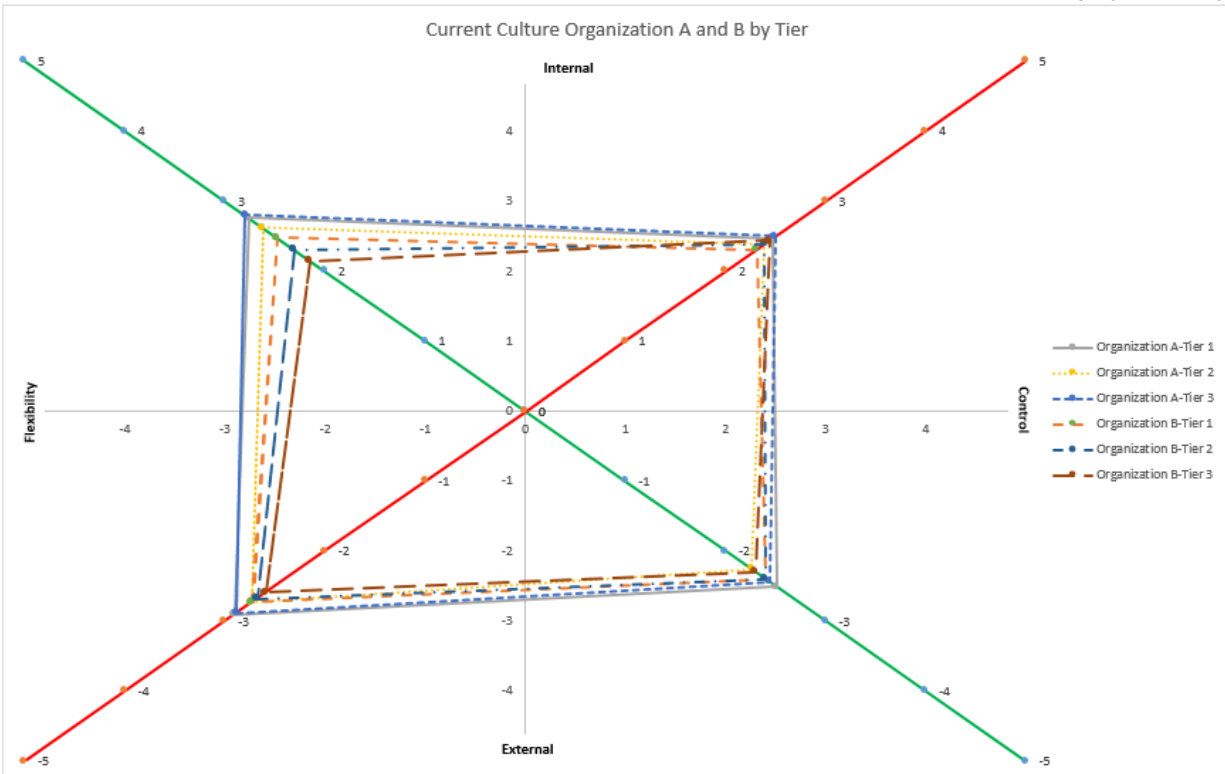
The Entrepreneurial Culture
Flexiibility & creativity, Aquisition of
resources, Resonding to challenges
in the external environment, Growth
& entrepreneurship

The Rational Culture
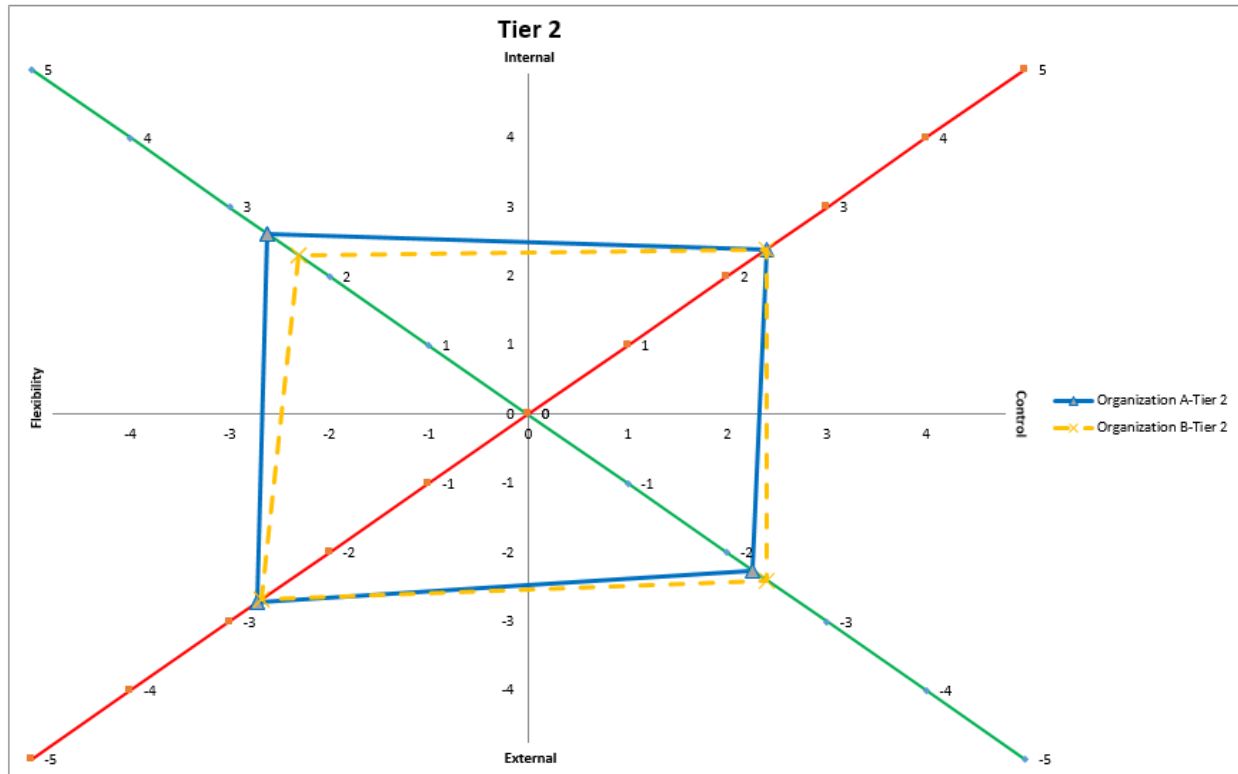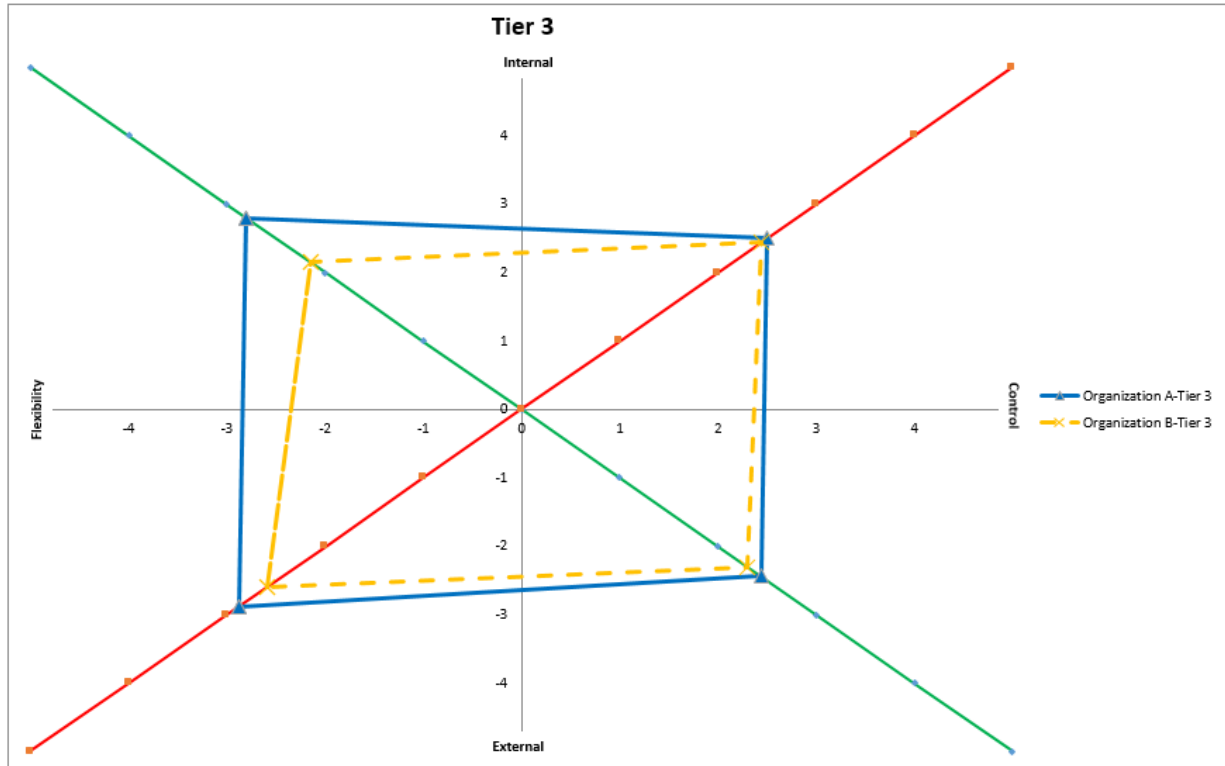Clarity of tasks, Planning &
productivity, Efficiency,
Measurable outcomes

Figure 7. Current Culture Organization A and B by Tier CVF Model

The Team Culture
Cohesion, Morale, Human Resource Development, Mutual Support

The Hierarchical Culture
Clear lines of authority over organizational processes, Respect for formal hierarchy, Adherence to rules, Stability & predictability

Tier 1

Internal

Flexibility

Control

Organization A-Tier 1
Organization B-Tier 1
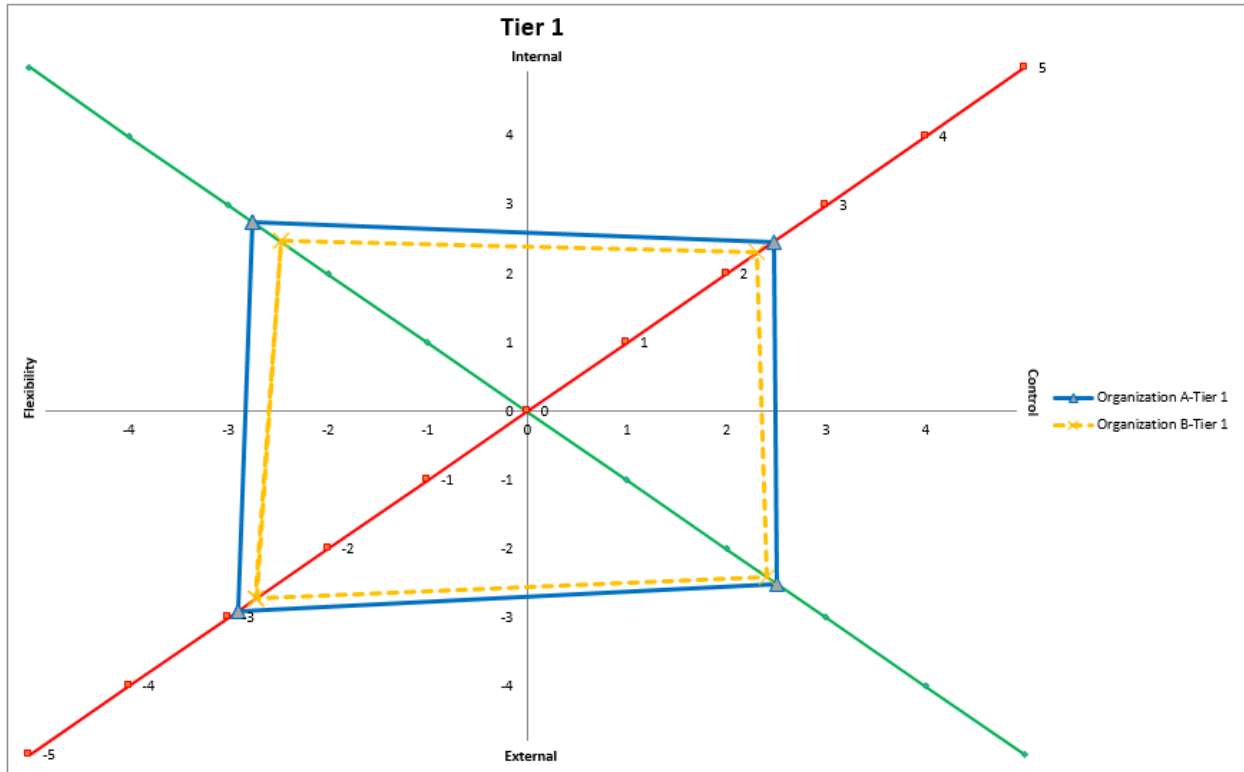
External

The Entrepreneurial Culture
Flexiibility & creativity, Aquisition of resources, Resonding to challenges in the external environment, Growth & entrepreneurship

The Rational Culture
Clarity of tasks, Planning & productivity, Efficiency, Measurable outcomes

Figure 8. Tier 1 Comparison

Figure 9. Tier 2 Comparison

Figure 10. Tier 3 Comparison

Research Question 3

Research Question 3: Within Organization A, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

H₀3₁: There is no significant difference among tier 1, 2, or 3 employees in the

Entrepreneurial culture subscale within Organization A.

A one-way analysis of variance was conducted to evaluate the relationship between the

three tiers in Organization A and the mean score of the Entrepreneurial culture subscale. The

factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and

Tier 3: executive level. The dependent variable was the Entrepreneurial culture subscale. The

ANOVA was significant, $F(2, 1482) = 5.74$, $p = .003$. Therefore, the null hypothesis was

rejected. The strength of the relationship between the tiers within Organization A and the

Entrepreneurial culture subscale as assessed by η^2 was small (.008). The results indicate that the

mean score of the Entrepreneurial culture subscale was significantly different among the three

tiers of employees in Organization A.

Because the overall F test was significant, post hoc multiple comparisons were conducted

to evaluate pairwise difference among the means of the three tiers. A Tukey procedure was

selected for the multiple comparisons because equal variances were assumed. There was a

significant difference in the mean scores between Tier 1 employees and Tier 2 ($p = .002$).

However, there was not a significant difference between Tier 1 and Tier 3 employees ($p = .973$),

nor between Tier 2 and Tier 3 employees ($p = .591$). It appears that Tier 1 employees view this

culture subscale significantly different from Tier 2 employees, but not Tier 3 employees. The

means and standard deviations for the three tiers are reported in Table 6. The N reported for each

tier is indicative of the normal distribution of employees within a health system.

Table 6

Means and Standard Deviations for Organization A Entrepreneurial culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.91	.83
	2	359	2.73	.86
	3	37	2.88	.83

H_032: There is no significant difference among tier 1, 2, or 3 employees in the Hierarchical culture subscale within Organization A.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization A and the mean score of the Hierarchical culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Hierarchical culture subscale. The ANOVA was not significant, $F(2, 1482) = 1.81$, $p = .163$. Therefore, the null hypothesis was retained. The strength of the relationship between the tiers within Organization A and the Hierarchical culture subscale as assessed by η^2 was small (.002). The results indicate that the mean score of the Hierarchical culture subscale was not significantly different among the three tiers of employees in Organization A. The means and standard deviations for the three tiers are reported in Table 7. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 7

Means and Standard Deviations for Organization A Hierarchical culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.47	.73
	2	359	2.39	.63
	3	37	2.50	.61

H_033: There is no significant difference among tier 1, 2, or 3 employees in the Team culture subscale within Organization A.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization A and the mean score of the Team culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Team culture subscale. The ANOVA was significant, $F(2, 1482) = 3.12$, $p = .044$. Therefore, the null hypothesis was rejected. The strength of the relationship between the tiers within Organization A and the Team culture subscale as assessed by η^2 was small (.004). The results indicate that the mean score of the Team culture subscale was significantly different among the three tiers of employees in Organization A.

Because the overall F test was significant, post hoc multiple comparisons were conducted to evaluate pairwise difference among the means of the three tiers. A Tukey procedure was selected for the multiple comparisons because equal variances were assumed. There was a significant difference in the mean scores between Tier 1 employees and Tier 2 ($p = .038$). However, there was not a significant difference between Tier 1 and Tier 3 employees ($p = .963$),

nor between Tier 2 and Tier 3 employees ($p = .504$). It appears that Tier 1 employees view this culture subscale significantly different from Tier 2 employees, but not Tier 3 employees. The means and standard deviations for the three tiers are reported in Table 8. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 8

Means and Standard Deviations for Organization A Team culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.76	.95
	2	359	2.62	.91
	3	37	2.80	.80

H_034: There is no significant difference among tier 1, 2, or 3 employees in the Rational culture subscale within Organization A.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization A and the mean score of the Rational culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Rational culture subscale. The ANOVA was significant, $F(2, 1482) = 16.49$, $p < .001$. Therefore, the null hypothesis was rejected. The strength of the relationship between the tiers within Organization A and the Rational culture subscale as assessed by η^2 was small (.022). The results indicate that the mean score of the Rational culture subscale was significantly different among the three tiers of employees in Organization A.

Because the overall *F* test was significant, post hoc multiple comparisons were conducted to evaluate pairwise difference among the means of the three tiers. A Tukey procedure was selected for the multiple comparisons because equal variances were assumed. There was a significant difference in the means between Tier 1 employees and Tier 2 ($p = .000$). However, there was not a significant difference between Tier 1 and Tier 3 employees ($p = .198$), nor between Tier 2 and Tier 3 employees ($p = .947$). It appears that Tier 1 employees view this culture subscale significantly different from Tier 2 employees, but not Tier 3 employees. The means and standard deviations for the three tiers are reported in Table 9. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 9

Means and Standard Deviations for Organization A Rational culture subscale

Organization	Tier	N	M	SD
Organization A	1	1089	2.50	.76
	2	359	2.25	.61
	3	37	2.29	.71

Discussion

From the analysis of Research Question 3, there is an overall significant difference in the mean scores of the culture subscales between the three tiers in Organization A. Only the Hierarchical mean culture subscale score was not significant, indicating that there is an overall difference in the way that Tier 1 employees view the current organizational culture compared to Tier 2 employees, who constitute their direct supervisors. Tier 1 and Tier 3 employees did not

have a significantly different perception of culture in any of the culture subscales. Figure 11

shows the culture of Organization displayed by tier.
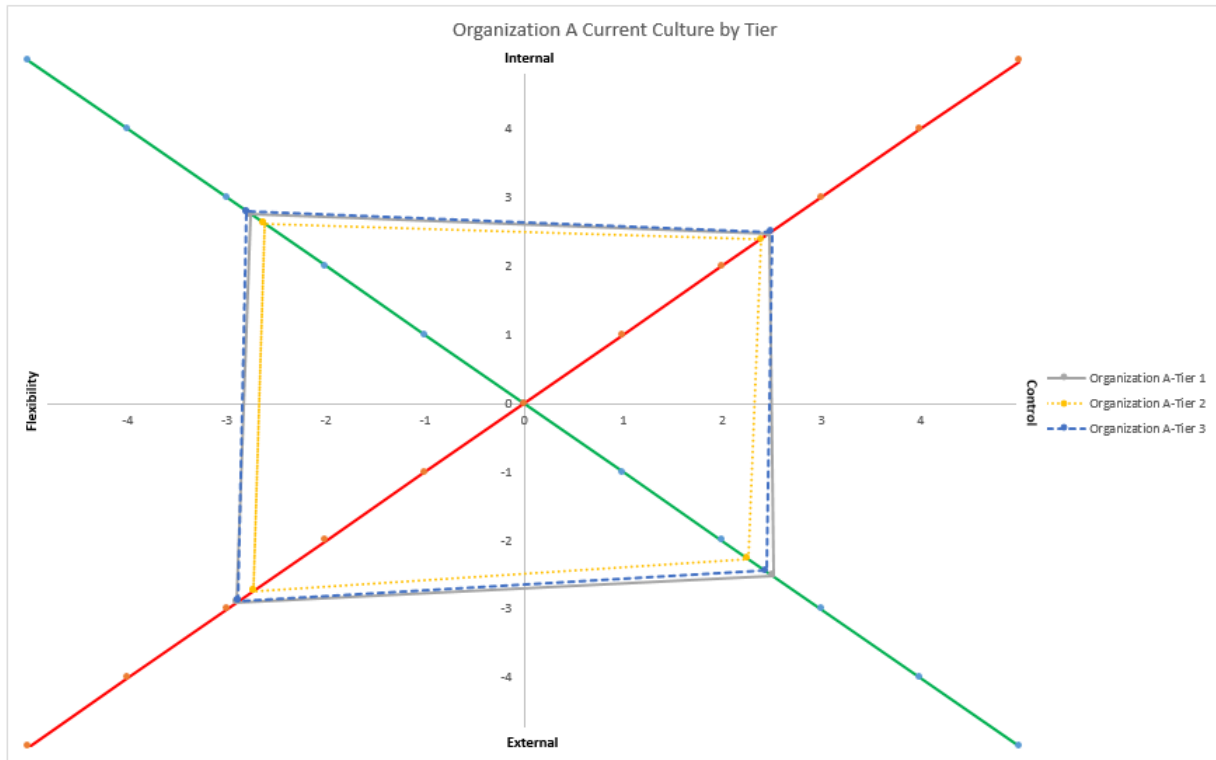
Figure 11. Organization A Current Culture by Tier CVF Model

Research Question 4

Research Question 4: Within Organization B, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF?

H_041: There is no significant difference among tier 1, 2, or 3 employees in the Entrepreneurial culture subscale within Organization B.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization B and the mean score of the Entrepreneurial culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Entrepreneurial culture subscale. The ANOVA was not significant, $F(2, 1484) = .62$, $p = .539$. Therefore, the null hypothesis was retained. The strength of the relationship between the tiers within Organization B and the Entrepreneurial culture subscale as assessed by η^2 was small (.001). The results indicate that the mean score of the Entrepreneurial culture subscale was not significantly different among the three tiers of employees in Organization B. The means and standard deviations for the three tiers are reported in Table 10. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 10

Means and Standard Deviations for Organization B Entrepreneurial culture subscale

Organization	Tier	N	M	SD
Organization B	1	1063	2.72	.81
	2	390	2.68	.83
	3	34	2.59	1.09

H_042: There is no significant difference among tier 1, 2, or 3 employees in the

Hierarchical culture subscale within Organization B.

A one-way analysis of variance was conducted to evaluate the relationship between the

three tiers in Organization B and the mean score of the Hierarchical culture subscale. The factor

variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3:

executive level. The dependent variable was the Hierarchical culture subscale. The ANOVA was

not significant, $F(2, 1485) = 1.87$, $p = .155$. Therefore, the null hypothesis was retained. The

strength of the relationship between the tiers within Organization B and the Hierarchical culture

subscale as assessed by η^2 was small (.003). The results indicate that the mean score of the

Hierarchal culture subscale was not significantly different among the three tiers of employees in

Organization B. The means and standard deviations for the three tiers are reported in Table 11.

The N reported for each tier is indicative of the normal distribution of employees within a health

system.

Table 11

Means and Standard Deviations for Organization B Hierarchical culture subscale

Organization	Tier	N	M	SD
Organization B	1	1064	2.31	.716
	2	390	2.39	.71
	3	34	2.44	.89

H_043: There is no significant difference among tier 1, 2, or 3 employees in the Team culture subscale within Organization B.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization B and the mean score of the Team culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Team culture subscale. The ANOVA was significant, $F(2, 1485) = 6.52$, $p = .002$. Therefore, the null hypothesis was rejected. The strength of the relationship between the tiers within Organization B and the Team culture subscale as assessed by η^2 was small (.009). The results indicate that the mean score of the Team culture subscale was significantly different among the three tiers of employees in Organization B.

Because the overall F test was significant, post hoc multiple comparisons were conducted to evaluate pairwise difference among the means of the three tiers. A Tukey procedure was selected for the multiple comparisons because equal variances were assumed. There was a significant difference in the means between Tier 1 employees and Tier 2 ($p = .005$). However, there was not a significant difference between Tier 1 and Tier 3 employees ($p = .100$), nor

between Tier 2 and Tier 3 employees (p = .602). It appears that Tier 1 employees view this culture subscale significantly different from Tier 2 employees, but not Tier 3 employees. The means and standard deviations for the three tiers are reported in Table 12. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 12

Means and Standard Deviations for Organization B Team culture subscale

Organization	Tier	N	M	SD
Organization B	1	1064	2.48	.92
	2	390	2.21	.88
	3	34	2.15	1.04

H_04_4: There is no significant difference among tier 1, 2, or 3 employees in the Rational culture subscale within Organization B.

A one-way analysis of variance was conducted to evaluate the relationship between the three tiers in Organization B and the mean score of the Rational culture subscale. The factor variable, the tiers, included three levels: Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level. The dependent variable was the Rational culture subscale. The ANOVA was not significant, $F(2, 1485)$ = .48, p = .619. Therefore, the null hypothesis was retained. The strength of the relationship between the tiers within Organization B and the Rational culture subscale as assessed by η^2 was small (.001). The results indicate that the mean score of the Rational culture subscale was not significantly different among the three tiers of employees in Organization B.

The means and standard deviations for the three tiers are reported in Table 13. The N reported for each tier is indicative of the normal distribution of employees within a health system.

Table 13

Means and Standard Deviations for Organization B Rational culture subscale

Organization	Tier	N	M	SD
Organization B	1	1064	2.43	.73
	2	390	2.39	.75
	3	34	2.47	.10

Discussion

From the analysis of Research Question 4, there is not a significant difference in the way that the tiers of employees perceive the current culture within Organization B. Though there was a significant difference in the Team culture subscale, it is not significant enough for an overall difference. Figure 12 shows the culture of Organization B by tier.

The Team Culture
Cohesion, Morale, Human Resource Development, Mutual Support

The Hierarchical Culture
Clear lines of authority over organizational processes, Respect for formal hierarchy, Adherence to rules, Stability & predictability
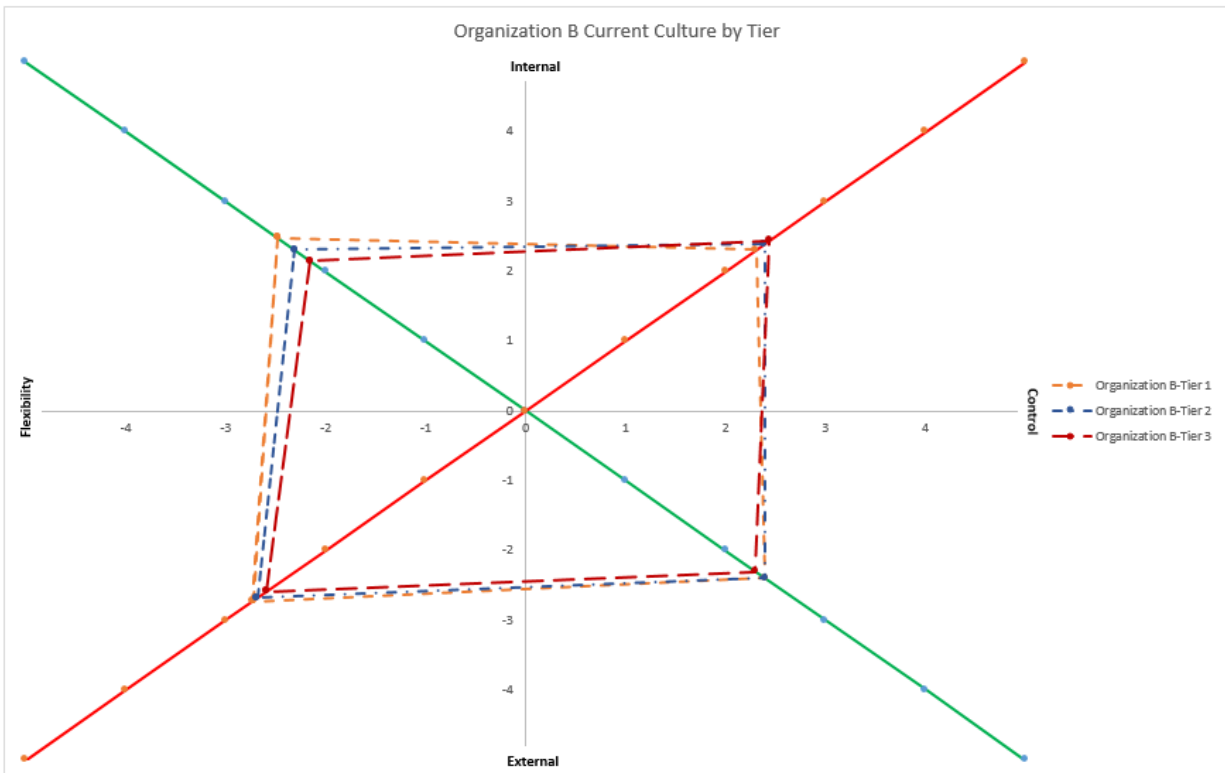
The Entrepreneurial Culture
Flexiibility & creativity, Aquisition of resources, Resonding to challenges in the external environment, Growth & entrepreneurship

The Rational Culture
Clarity of tasks, Planning & productivity, Efficiency, Measurable outcomes

Figure 12. Organization B Current Culture by Tier CVF Model

Research Question 5

Research Question 5: Is there a significant difference in the mean scores of the preferred overarching organizational culture subscales post-merger between Organization A and Organization B as measured by the CVF?

H$_0$5$_1$: There is no significant difference in the preferred mean scores of the

Entrepreneurial culture subscale between Organization A and Organization B as

measured by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching preferred Entrepreneurial culture

subscale scores post-merger between Organization A and Organization B. The preferred

Entrepreneurial culture subscale was the test variable and the grouping variable was the

organizations, A and B. The test was not significant, $t(2816) = 1.57$, $p = .116$. Therefore, the null

hypothesis was retained. Employees in Organization A ($M = 1.98$, $SD = .66$) rated the preferred

Entrepreneurial culture subscale about the same as employees of Organization B ($M = 2.02$), SD

$= .67$). The 95% confidence interval for the difference in means was -.089 to .01. The η^2 index

was <.01 which indicated a very small effect size. Employees in Organization A tended to rate

the preferred post-merger organization about the same as employees from Organization B on the

Entrepreneurial culture subscale. Figure 13 shows the distributions for the two groups.
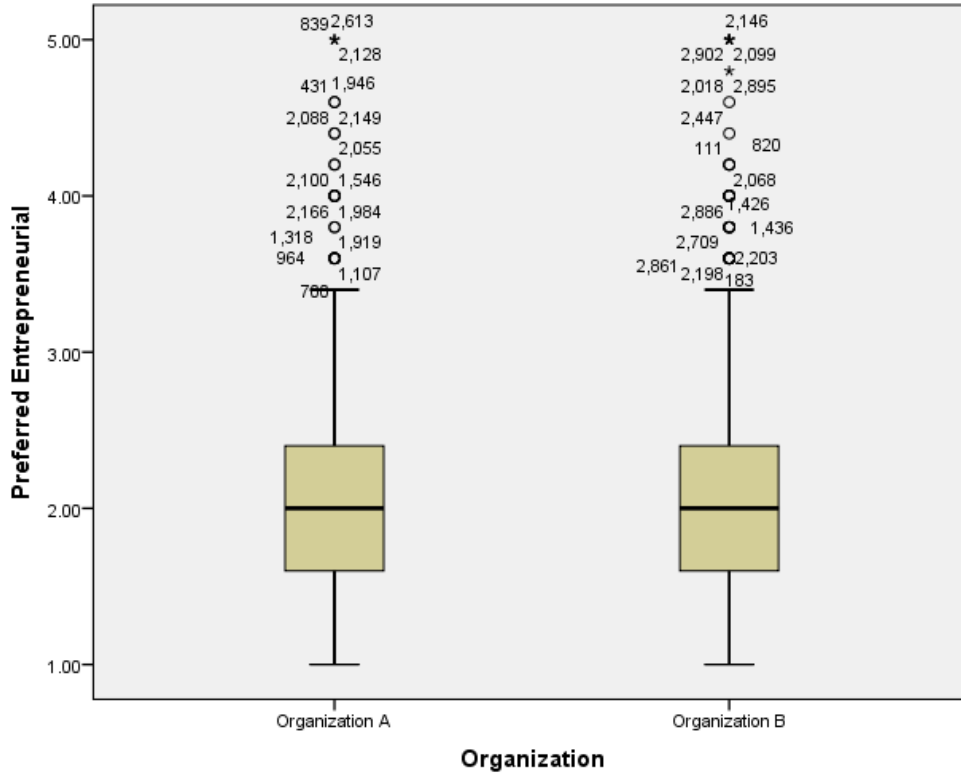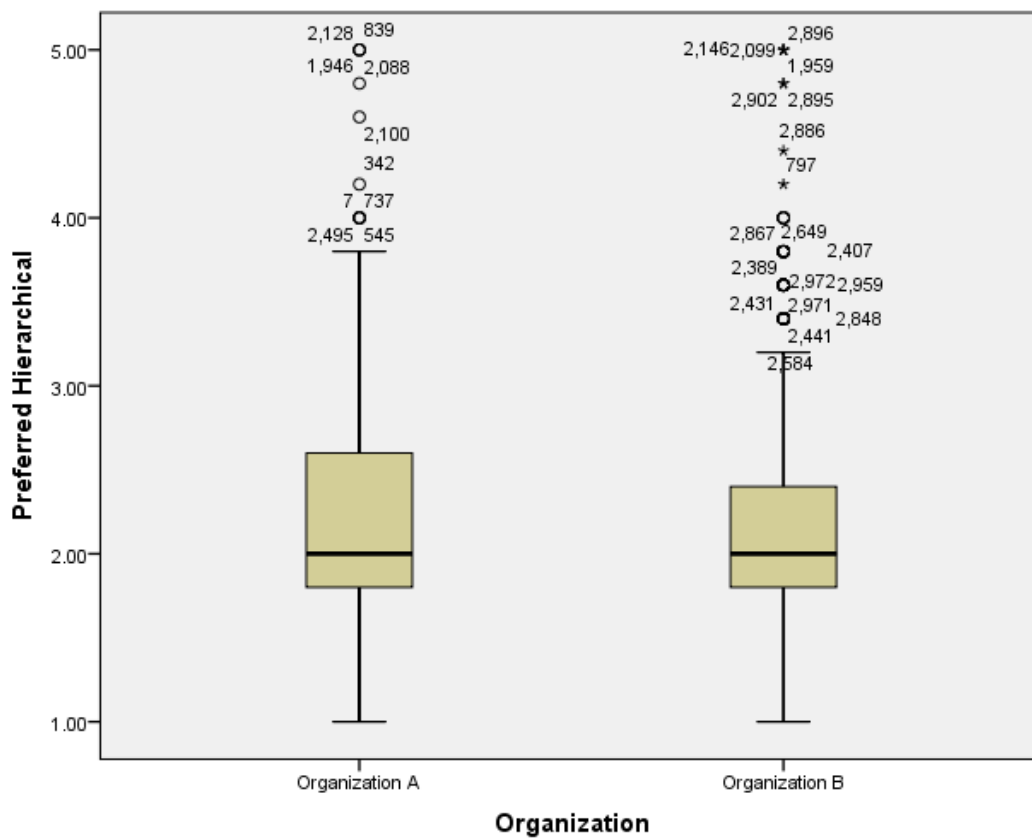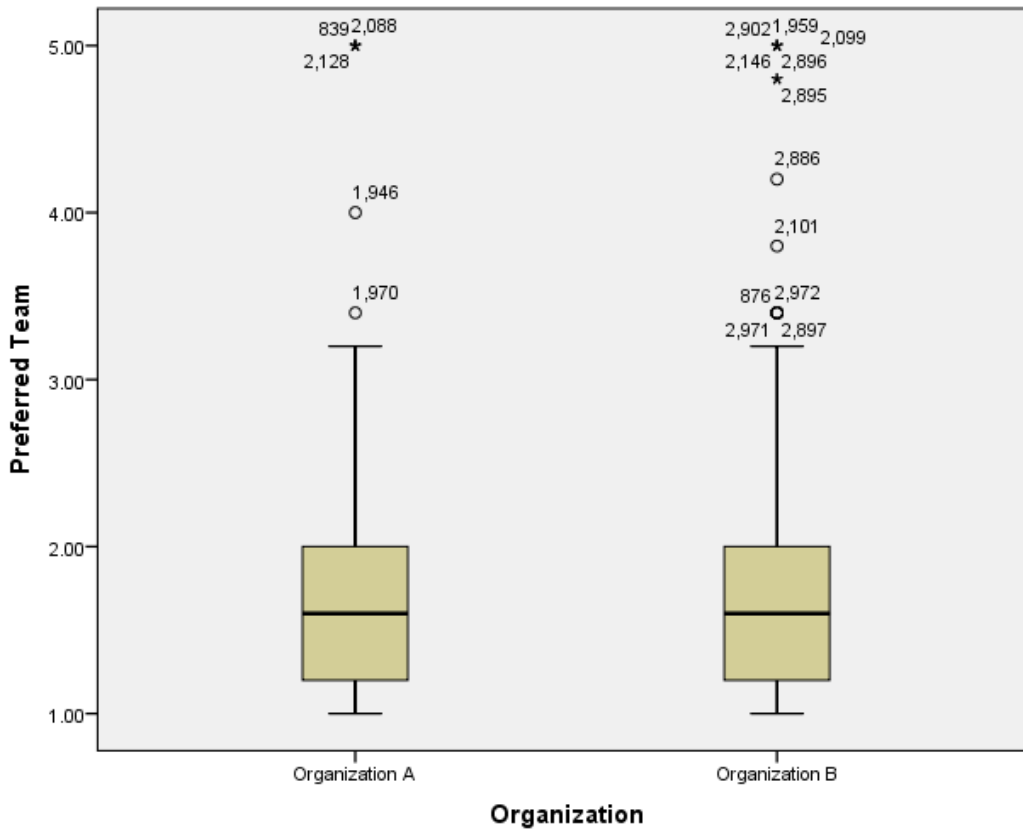
Figure 13. Mean Scores of Organization A and Organization B Preferred Entrepreneurial

Culture Subscale

Note: 0 = 1.5 times IQR

> H$_0$5$_2$: There is no significant difference in the preferred mean scores of the
>
> Hierarchical culture subscale between Organization A and Organization B as
>
> measured by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching preferred Hierarchical culture

subscale scores post-merger between Organization A and Organization B. The preferred

Hierarchical culture subscale was the test variable and the grouping variable was the

organizations, A and B. The test was not significant, $t(2817) = .81$, $p = .420$. Therefore, the null

hypothesis was retained. Employees in Organization A ($M = 2.11$, $SD = .67$) rated the preferred

Hierarchical culture subscale about the same as employees of Organization B ($M = 2.09$), $SD =$

.67). The 95% confidence interval for the difference in means was -.03 to .07. The η^2 index was

<.01 which indicated a very small effect size. Employees in Organization A tended to rate the

preferred post-merger organization about the same as employees from Organization B on the

Hierarchical culture subscale. Figure 14 shows the distributions for the two groups.

Figure 14. Mean Scores of Organization A and Organization B Preferred Hierarchical

Culture Subscale

Note: 0 = 1.5 times IQR

H$_0$5$_3$: There is no significant difference in the preferred mean scores of the Team

culture subscale between Organization A and Organization B as measured by the

CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching preferred Team culture subscale

scores post-merger between Organization A and Organization B. The preferred Team culture

subscale was the test variable and the grouping variable was the organizations, A and B. The test

was not significant, $t(2817) = .59$, $p = .552$. Therefore, the null hypothesis was retained.

Employees in Organization A ($M = 1.62$, $SD = .54$) rated the preferred Team culture subscale

about the same as employees of Organization B ($M = 1.64$), $SD = .57$). The 95% confidence

interval for the difference in means was -.05 to .03. The η^2 index was <.01 which indicated a

very small effect size. Employees in Organization A tended to rate the preferred post-merger

organization about the same as employees from Organization B on the Team culture subscale.

Figure 15 shows the distributions for the two groups.

Figure 15. Mean Scores of Organization A and Organization B Preferred Team Culture

Subscale

Note: 0 = 1.5 times IQR

H$_0$5$_4$: There is no significant difference in the mean preferred scores of the

Rational culture subscale between Organization A and Organization B as

measured by the CVF.

An independent-samples t test was conducted to evaluate the hypothesis that there is no

significant difference in the mean scores of the overarching preferred Rational culture subscale

scores post-merger between Organization A and Organization B. The preferred Rational culture

subscale was the test variable and the grouping variable was the organizations, A and B. The test

was not significant, $t(2816) = .54$, $p = .592$. Therefore, the null hypothesis was retained.

Employees in Organization A ($M = 2.06$, $SD = .69$) rated the preferred Rational culture subscale

about the same as employees of Organization B ($M = 2.08$), $SD = .70$). The 95% confidence

interval for the difference in means was -.07 to .04. The η^2 index was <.01 which indicated a

very small effect size. Employees in Organization A tended to rate the preferred post-merger

organization about the same as employees from Organization B on the Rational culture subscale.

Figure 16 shows the distributions for the two groups.
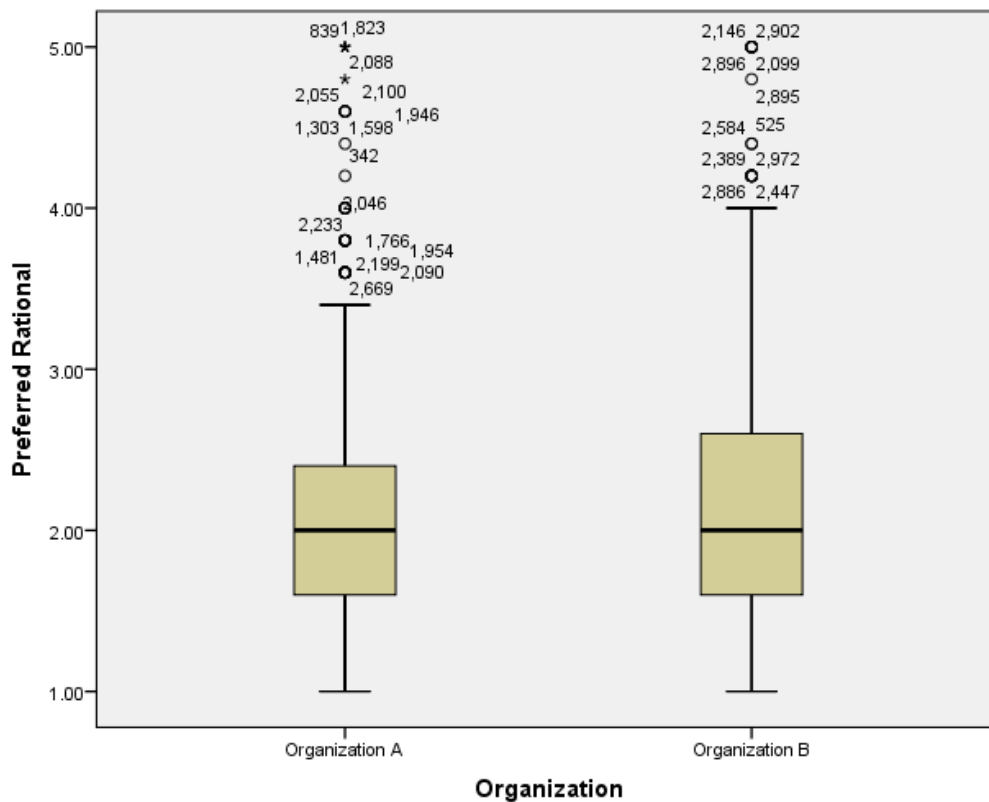
Figure 16. Mean Scores of Organization A and Organization B Preferred Rational

Culture Subscale

Note: 0 = 1.5 times IQR

Discussion

From these independent samples t tests, it is shown that there is not a significant difference in all four of the preferred culture subscales between Organization A and Organization B. This suggests that both sets of employees prefer about the same future culture post-merger. Figure 17 shows these cultures displayed together using the CVF model.
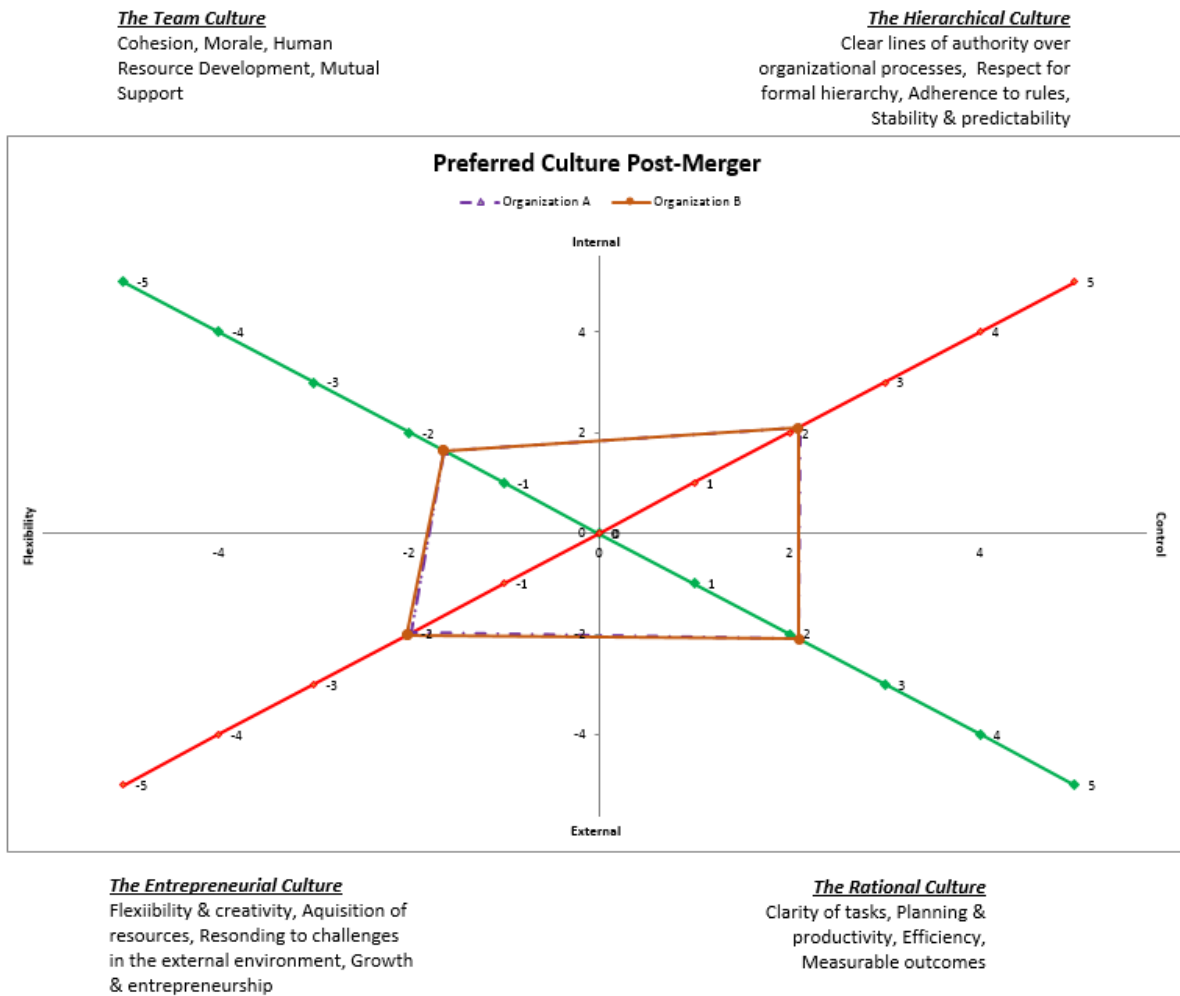
Figure 17. Preferred Culture Post-Merger CVF Model

Summary

This chapter presented the descriptive analyses for cultural perceptions between two competing health systems prior to merger. Five Research Questions and 20 null hypotheses directed data analyses. Independent-samples t tests were utilized to determine if there was a significant difference between the mean scores of the four culture subscales for the current organization and the preferred future organization. A two-way ANOVA was utilized to determine if a significant difference existed between the mean scores of the four culture subscales between the three tiers between Organization A and Organization B, followed by an independent-samples t test between the independent tiers between organizations, and One-Way ANOVA's were used to determine if there was a significant difference in the mean scores of the four culture subscales among the three tiers in Organization A and among the three tiers in Organization B. From these tests, 4 out of the 5 Research Questions had significant findings, and 11 out of the 20 hypotheses had significant findings. A summary of these findings, as well as conclusions, implications for culture integration, practice, and recommendations for further study are presented in Chapter 5.

CHAPTER 5

SUMMARY, CONCLUSION, IMPLICATIONS FOR PRACTICE, AND
RECOMMENDATIONS FOR FUTURE RESEARCH

This chapter includes a summary of findings, conclusions, implications for practice, and recommendations for future research. The purpose of this study was to measure the cultural perceptions of two competing organizations prior to a proposed merger, to test for significant differences in cultural perceptions between the two organizations prior to the merger, to test for significant differences among the tiers of employees within the organizations, and to measure the employees' preferred organizational culture post-merger. Analyses involved comparing the mean scores of the current cultural perceptions and preferred post-merger culture as measured by the Competing Values Framework (CVF) using an independent samples t test. Additionally, a series of one-way analysis of variance tests were used to ascertain if there was a significant difference in the current cultural perceptions between tiers 1, 2, and 3 within Organization A, and between tiers 1, 2, and 3 within Organization B. Finally, a two-way analysis of variance was utilized to test for a significant difference between the three tiers between Organization A and Organization B.

Summary of Findings

A series of independent samples t-tests were utilized to analyze the hypotheses associated with Research Questions 1 and 5. A series of one-way analysis of variance tests were utilized to analyze the hypotheses of Research Questions 3 and 4, and a series of two-way analysis of

variance tests were used to analyze the hypotheses within Research Question 2. The results of these analyses are presented according to each Research Question.

Research Question 1

Is there a significant difference in the mean scores of the overarching organizational culture subscales between Organization A and Organization B as measured by the CVF? To test this question, a series of independent samples t-tests were used to compare the mean scores of the Entrepreneurial, Hierarchical, Team, and Rational culture subscales. Each subscale mean score is the result of five questions that respondents used to identify how much the given scenario was like their current organization. These five questions measured the dominant characteristics of the organization, the leadership or executive leadership, the management of employees, the organizational glue or what keeps the organization together, and the strategic emphases of the organization.

These mean scores were then used in the independent samples t test to ascertain if there is a significant difference between each of the four culture subscales between Organization A and Organization B. Three of the four culture subscales were found to be significantly different between the two organizations; only the Rational culture subscale was found to be insignificant. This suggests that overall, Organization A and Organization B's current organizational cultures are significantly different in three of the four culture areas, meaning that there are cultural differences on the emphasis on cohesion and moral and human resource development (Team culture subscale); differences in how clear the lines of authority are or respect for hierarchal structures and adherence to rules (Hierarchical culture subscale); and differences in the flexibility of the organization, and how to respond to growth and entrepreneurship (Entrepreneurial culture

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subscale). No significant difference exists in the Rational culture subscale, which entails the clarity of tasks, planning, efficiency, and measurable outcomes.

Research Question 2

Is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales with regard to Organization A and Organization B as measured by the CVF? To analyze this Research Question, a series of two-way analysis of variance tests were utilized to see if there is a significant difference between the tiers of employees as defined by the Council on Linkages Between Academia and Public Heath Practice (Tier 1: entry-level, Tier 2: supervisory level, and Tier 3: executive level) between Organization A and Organization B. Again the mean scores of each of the four culture subscales were used in the comparison, though the unit of analysis was the tiers between organizations. For further analysis, an independent-samples *t* test was conducted between each independent tier between Organization A and Organization B.

The 3X2 analysis of variance showed that there was no significant difference between the Entrepreneurial and Hierarchical culture subscales between Organization A and Organization B's tiers of employees. Though there was a significant difference found in the Team culture subscale, there was not a significant interaction. Only the Rational culture subscale was shown to have a significant difference and significant interaction. From the post hoc analysis and pairwise comparison, it was shown that the significant difference exists between Tier 1 employees between Organization A and Organization B, and Tier 2 employees between Organization A and Organization B. However, the partial eta square was small, showing that even this difference was not as significant.

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The follow-up *t* tests revealed more depth to the differences in culture between

Organization A and Organization B. These tests showed a significant difference between

Organization A Tier 1 employees and Organization B Tier 1 employees in all four culture

subscales. As this is the largest group of employees in both organizations, it stands to reason that

the significant difference found between both organizations in Research Question 1 is likely the

result of this tier. Further, Organization A Tier 2 employees were significantly different than

Organization B Tier 2 employees in the Team and Rational culture subscales, meaning that the

managerial employees from both organizations do not see their cultures as the same when it

comes to important matters like cohesion, morale, human recourses, clarity of tasks, planning, or

efficiency. In addition, Organization A Tier 3 employees rated the Team culture subscale within

their organization as significantly different that Organization B Tier 3 employees. This indicates

significant differences between executive leadership between both merging organizations on

issues of cohesion, moral, and the use of human resources. This is a critical area that may prove

problematic for the merger.

Research Question 3

Within Organization A, is there a significant difference among the three employee tiers (1

– entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF? To analyze

this Research Question, a series of one-way analysis of variance tests were used to ascertain if a

significant difference exists within Organization A among the three tiers of employees. Again,

the four culture subscales were used as the unit of measurement. In three of the four culture

subscales there was a significant difference in perception between Tier 1: entry-level employees

and Tier 2: supervisory level employees. The only non-significant difference was in the

Hierarchal culture subscale. This could mean that Tier 1 employees do not have the same

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perceptions about overall organizational culture that Tier 2 employees have, who incidentally are the direct supervisors of Tier 1 employees.

Research Question 4

Within Organization B, is there a significant difference among the three employee tiers (1 – entry, 2 – supervisory, 3 – executive) of culture subscales as measured by the CVF? As with Research Question 3, a series of one-way analysis of variance tests were used to ascertain if a significant difference exists within Organization B among the three tiers of employees, using the four culture subscales as the unit of measurement. Only the Team culture subscale showed any significant difference between Tier 1 and Tier 2 employees, and this difference was found to be small according to the partial eta squared. Overall, Organization B employees perceived their current organizational culture much the same.

Research Question 5

Is there a significant difference in the mean scores of the preferred overarching organizational culture subscales post-merger between Organization A and Organization B as measured by the CVF? A series of independent samples t-tests were used to compare the mean scores of the preferred culture post-merger in the Entrepreneurial, Hierarchal, Team, and Rational culture subscales. Surprisingly, there were no significant differences between Organization A and Organization B's preferred future culture post-merger. Each organization prefers almost the same culture for the newly merged organization.

Conclusion

From these analyses, it appears that the current, pre-merger organizational culture between Organization A and Organization B is statistically significantly different. However, that significance is relatively small based on the partial eta squared. While the existing difference is small, overall it does seem to be significant enough to warrant possible cultural concerns about the feasibility of the organizations merging. The significant differences uncovered between the tiers of employees could be a stumbling block to effective cultural integration. Tier 1 employees do not measure culture the same way between the two organizations in all four of the culture subscales. More concerning however are the cultural differences found between Tier 2 employees in the two culture subscales, and the difference in the Team culture subscale between Tier 3 employees. The greater concern for these two tiers revolves around their impact and influence on the organization as a whole, and the feasibility of cultural integration. As Weber (1996) points out, in mergers that necessitate a high degree of integration of systems, if the management and executive levels have a greater difference in culture, management styles, or vision among them, they are less likely to be effective at integration, which could undermine the entire merger process. These employees arguably play a larger role in integration in than the much larger Tier 1 employees.

However, the statistical non-significance between both organizations hopeful or preferred future culture after the system merge is encouraging; employees within both organizations desire essentially the same culture. This is important for leaders and executives within the two organizations to understand as they work toward cultural integration post-merger. While the motivating conditions for the merger of Organization A and B are much the same as described by Kastor (2010) and Kirch et al. (2005) in the now defunct mergers between Mount Saini and New

York University Hospitals and between Penn State and Geisinger Health System, it seems that the two cultures have the potential to merge well given the desired future culture post-merger. However, it should still be noted that significant differences were found in the current cultures, and markedly between the independent tiers. Of great concern are the differences in Tier 2 and Tier 3 between the two organizations. This critical group of employees must align visions, or it could mean culture clash for Tier 1 employees post-merger.

Of some importance is the differentiation that exists within Organization A. The literature is somewhat silent on differences in organizational culture using the employee tier system as the unit of analysis, though much exists about the differentiation theory within organizations. Differentiation states that differences among cultures and subcultures are inherent in the overall organizational culture, and that there is nothing that can be done to change that (Angwin & Vaara, 2005; Cooke & Rousseau, 1988; Martin, 2002). This study shows that within one of the organizations studied, there is a significant difference in the cultural perceptions of Tier 1 and Tier 2 employees, suggesting that there is a level of differentiation. However, only one of the culture subscales in Organization B was shown to be significantly different among the tiers, which does not suggest a high level of differentiation in that organization, though clearly some does exist.

Of interest in the current study, though not answerable by the findings, is whether this merger will follow the empirical pattern expressed in other literature that there is not a true merger of equals; that one culture will ultimately dominate the other culture, despite what public relations personnel say (Cartwright & Cooper, 1996; Stahl & Sitkin, 2005). Suggestions for future research include the need for a longitudinal study of this merger to measure which culture

will dominate in the future, or if the preferred future culture expressed by both organizations is truly achieved.

<div align="center">**Implications for Practice**</div>

This study shows that differentiation does exist within organizations, and more importantly, between merging organizations. It is critical for merging organizations to conduct a study of organizational culture and to ascertain which tiers of employees are experiencing differentiation, especially between the two entities. If significant differences exist between Tier 1 employees, merging leaders must find a way to ease the integration process, and to assist these employees in the changing systems and landscapes. As Bligh (2006) noted, employees within this tier may take pride in retaining old practices and processes as a form of rebellion that can undermine the efficacy of the merger and further deteriorate the new culture. More importantly however is the need to ascertain cultural differences between Tier 2 and Tier 3 employees between the two organizations. If these tiers do not align, it can mean greater trouble in the integration process post-merger.

This leads to a primary consideration for future practice, the process of cultural integration post-merger. Datta (1991) suggested that integration of operations with different management styles is virtually impossible and that where high post-acquisition integration is required, (i.e., there is a need for alignment of systems as they will be doing the same or similar business operations), as in the case of a health system merger, different management styles can negatively affect the cultural integration process. The results of this study suggest that Tier 2 employees in Organization A and Organization B see culture dissimilarly. While this is not a direct reflection of the management style utilized by the organizations, it is reasonable to

conclude that the perceived culture of the organizations does influence management style. Therefore, it is probable that the two management styles may not integrate well, thus challenging the cultural integration process. There are some also significant differences within Tier 3 employees, and it can be argued that this group does more for setting the vision, mission, and strategic plan for the newly merged organization than any other. Therefore, if culture clash exists among this group, it is likely that it will be felt throughout the organization. As a result, this group is more likely to see turnover post-merger, as will Tier 2 (Weber, 1996).

Of further interest to this study and the implications for practice was question 43 in the survey that asks about the respondent's desire to merge and whether such a merger will be beneficial to the organizational culture. While not tied to this study's Research Questions, the item was of interest to the researcher, and useful for practitioners. Those results appear in Figure 18. As can be seen, the overall response to the system merger and the perceived impact on organizational culture was mostly ambiguous, with the majority of respondents stating they neither agreed nor disagreed that the proposed merger will positively impact the organizational culture. Specifically, 482 respondents (17.1%) Strongly Agree; 695 (24.7%) Agree; 854 (30.4%) Neither Agree nor Disagree; 346 (12.3%) Disagree; and, 436 (15.5%) Strongly Disagree (Figure 19). Having the support and buy-in of the organizational employees is integral to the successful integration of culture post-merger (Bligh, 2006). Therefore, it is concerning that nearly 30% of the employee population see the merger as having a negative effect on the organizational culture with an additional 30% being ambiguous about the positive effects. With nearly 60% of the respondents not being clearly positive about the effects on the organizational culture, executives within the merging organizations need to work to fully integrate these employees and work toward common consensus. The formation of subcultures that undermine the success of the

merger can occur if employees feel the need to maintain a semblance of the pre-merger culture

(Bligh, 2006).
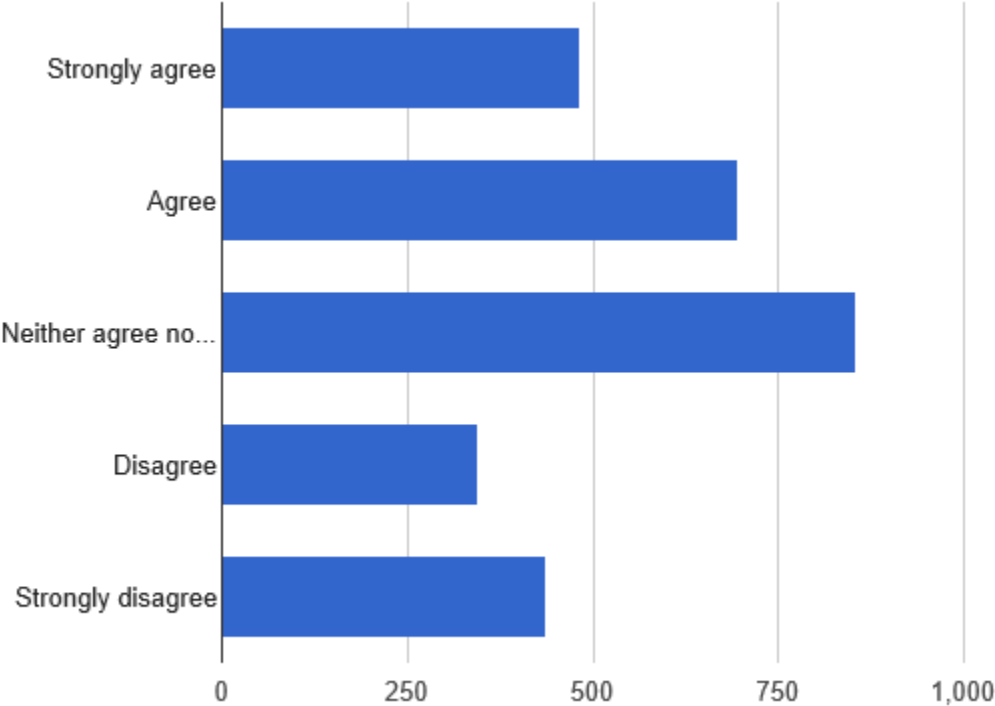
Figure 18. Desire to Merge and Organizational Culture Impact
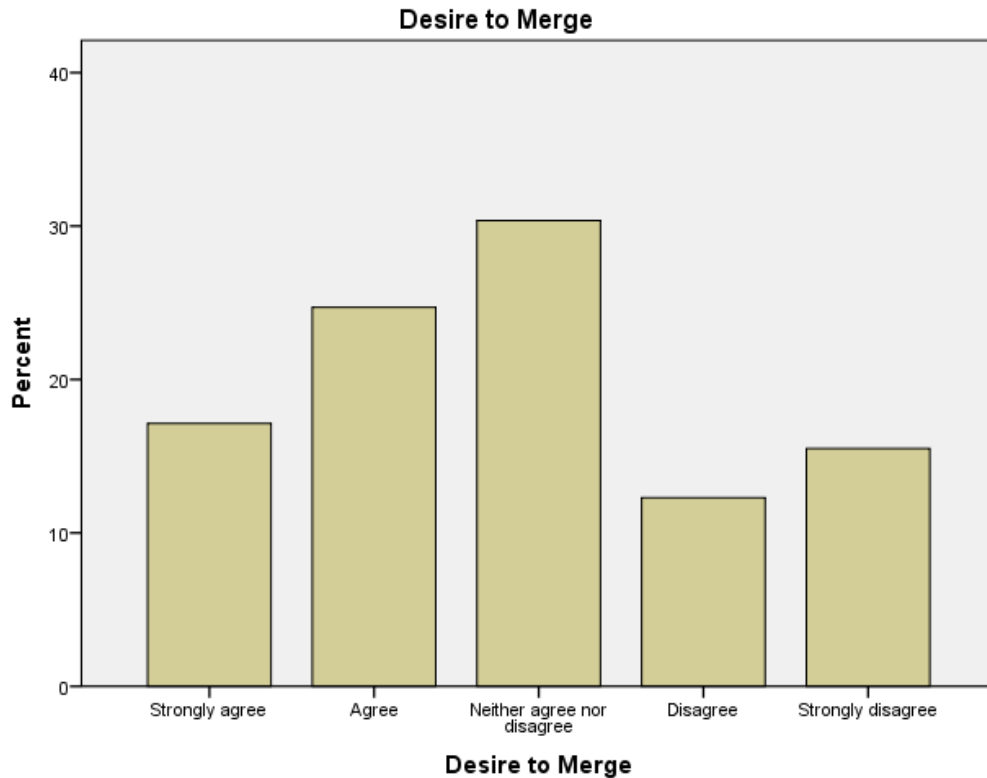
Figure 19. Desire to Merge and Organizational Culture Impact – Percentages

Breaking this down further, Organization A favors merging slightly more than Organization B with 40.6% of employees responding with Strongly Agree or Agree versus Organization B's 38.6% (Figure 20 and 21). Further, within Organization A, 24.9% of employees responded with Strongly Disagree or Disagree, while Organization B responded with 27.7%. This indicates that overall, Organization A is slightly more enthusiastic about the merger and the implications for the organizational culture than Organization B is. This is consistent with the theory that Organization A is in fact the acquirer of Organization B, who according to the literature as the acquired organization, is more likely to have the acquiring organization's culture forced on them, is more likely to experience turnover in the managerial and executive levels, is more likely to see their own culture as weak or a failure, and is more likely to experience post-

merger remorse (Buono, et al., 1985; Cartwright & Cooper, 1996; Nahavandi & Malekzadeh, 1988; Stahl & Sitkin, 2005). This may in part account for the less enthusiastic feelings about the potential for merger.
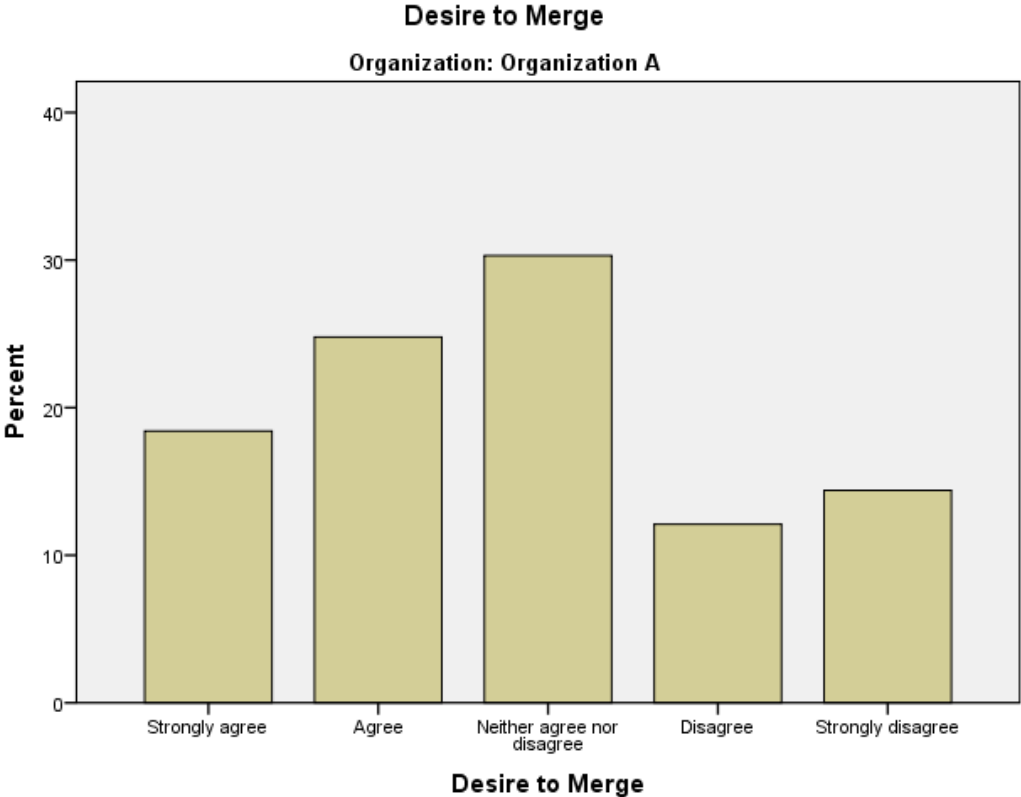
Figure 20. Organization A Desire to Merge
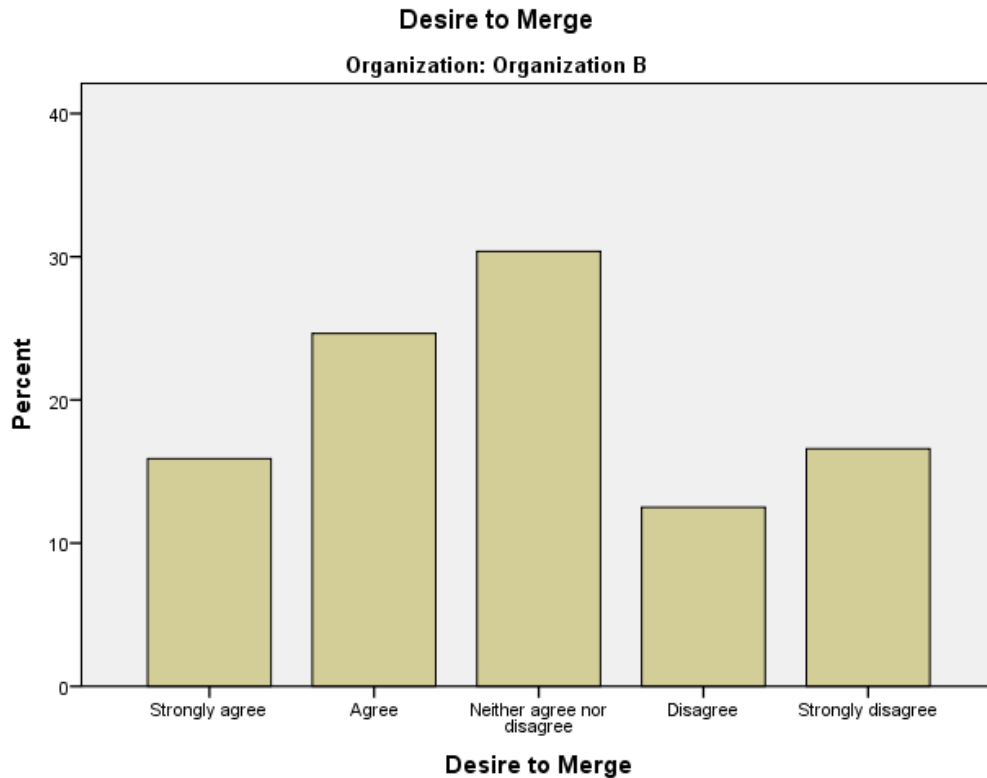
Figure 21. Organization B Desire to Merge

It may also be important to understand how each individual tier of employees feel about the prospect of the merger for future practice, as this may inform leaders on the best communication devices to individualized tiers. Within Organization A, 35% of Tier 1 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 27.7% either Strongly Disagree or Disagree (Figure 22). Within Organization A, 54.6% of Tier 2 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 18.4% either Strongly Disagree or Disagree (Figure 23). Finally, within Organization A, 70.2% of Tier 3 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 5.4% either Strongly Disagree or Disagree (Figure 24).
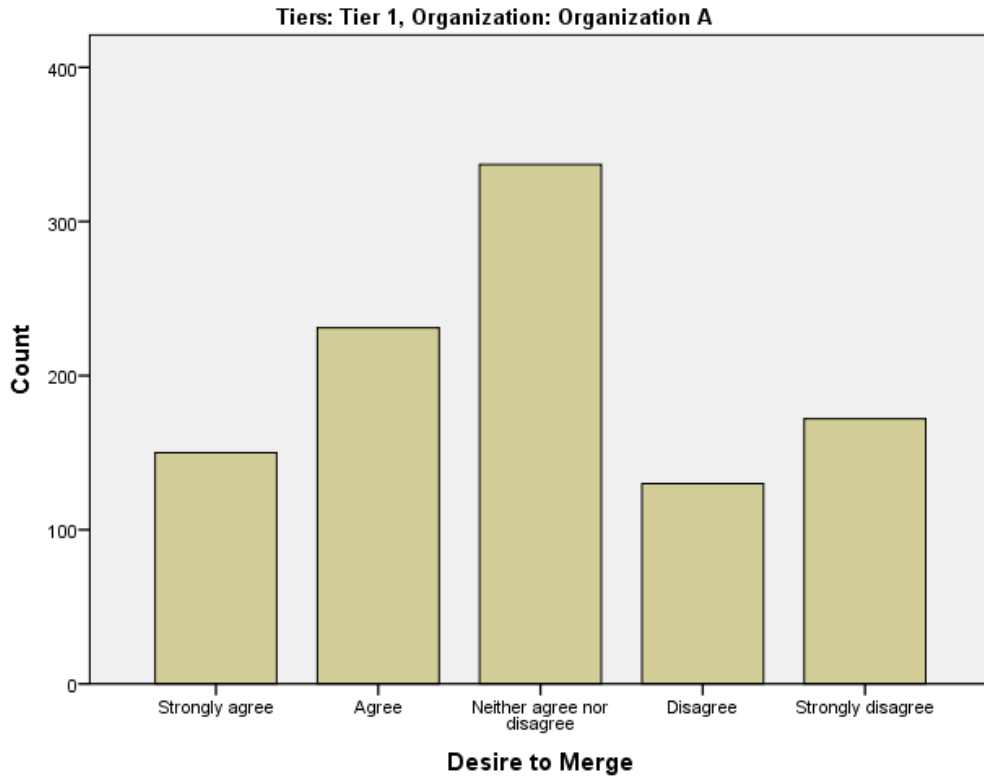
Figure 22. Organization A, Tier 1 Desire to Merge
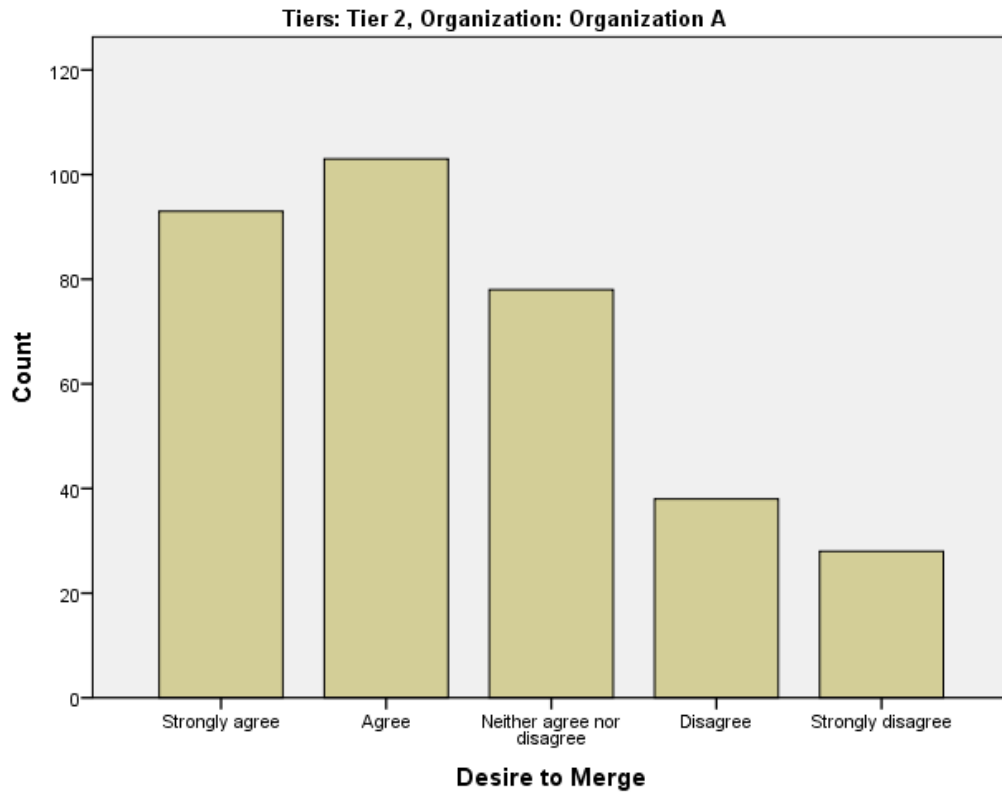
Figure 23. Organization A, Tier 2 Desire to Merge
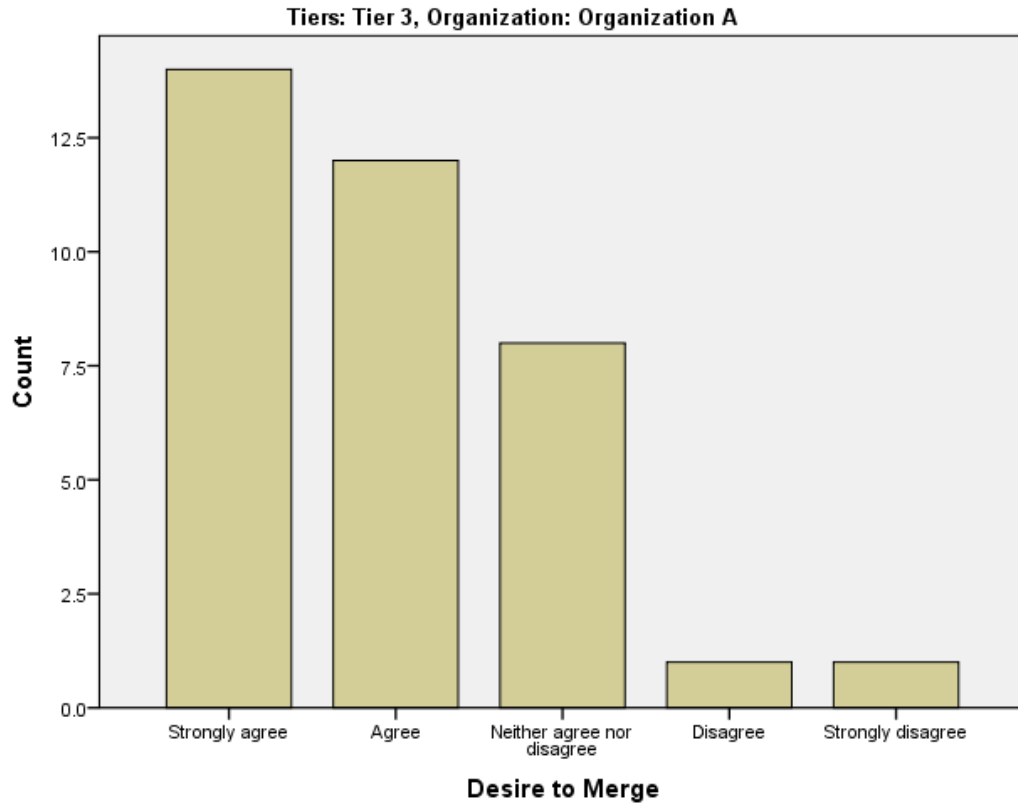
Figure 24. Organization A, Tier 3 Desire to Merge

Within Organization B, 36.6% of Tier 1 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 29.9% either Strongly Disagree or Disagree (Figure 25). Within Organization B, 42.1% of Tier 2 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 22.6% either Strongly Disagree or Disagree (Figure 26). Finally, within Organization B, 58.8% of Tier 3 employees either Strongly Agree or Agree that the merger will benefit their future culture, while 17.7% either Strongly Disagree or Disagree (Figure 27).
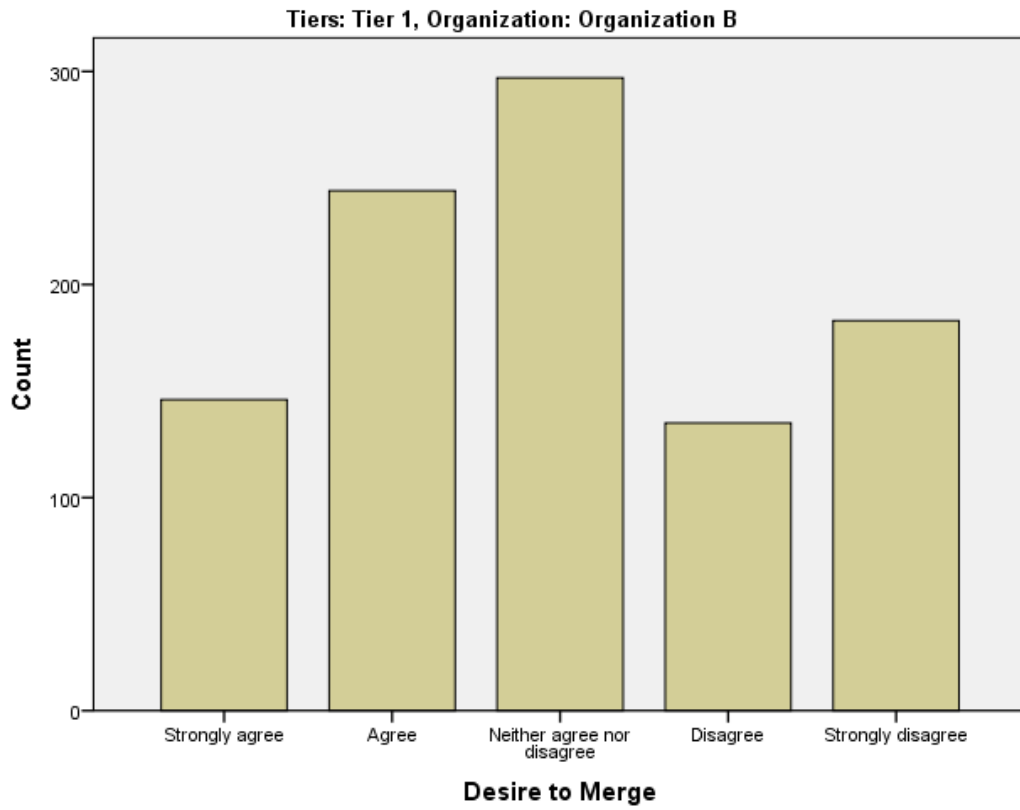
Figure 25. Organization B, Tier 1 Desire to Merge
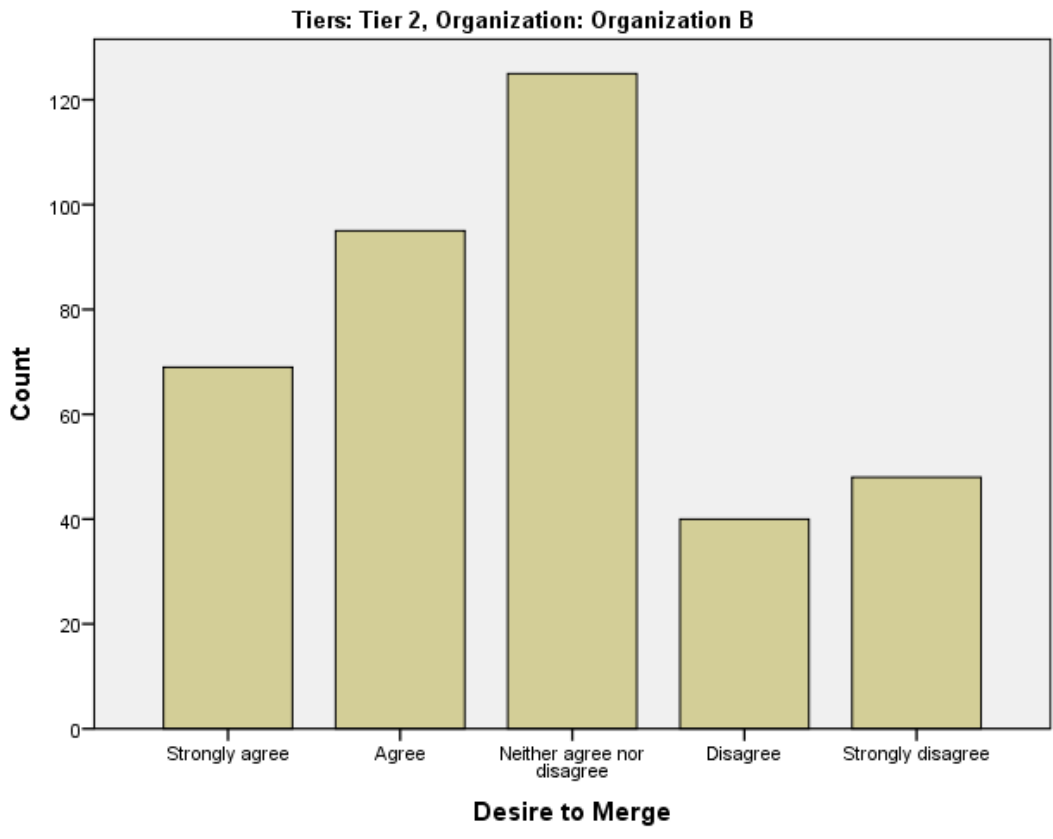
Figure 26. Organization B, Tier 2 Desire to Merge
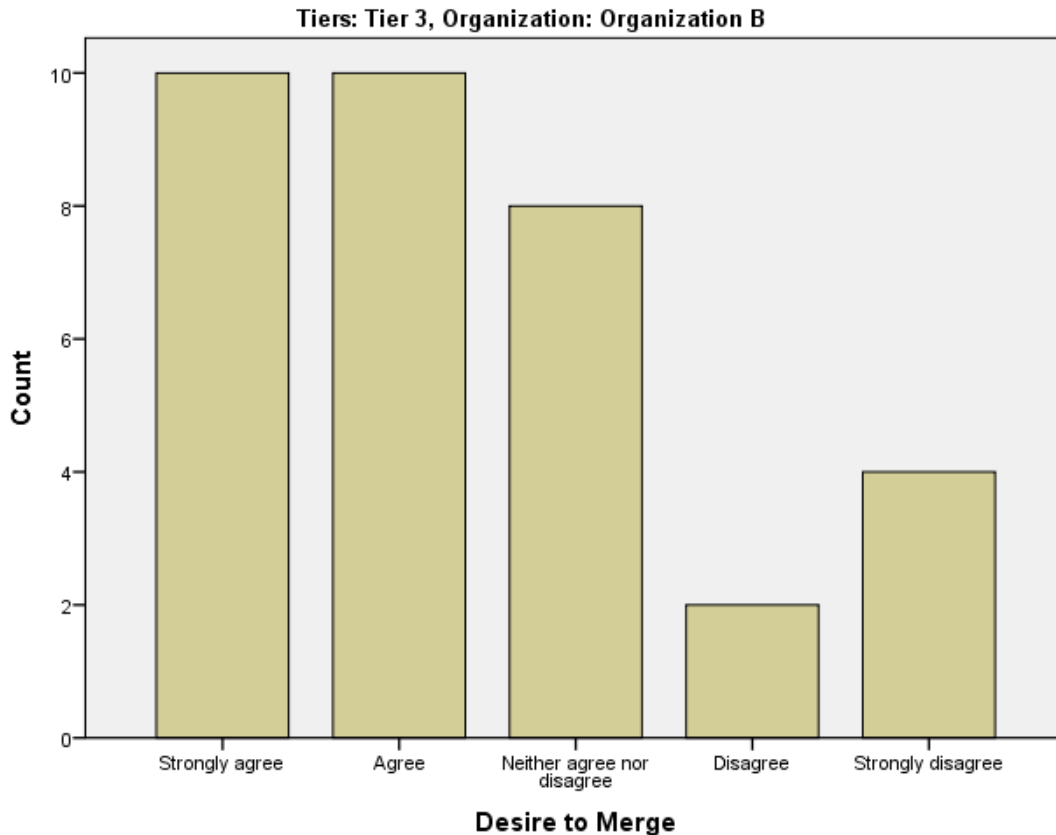
Figure 27. Organization B, Tier 3 Desire to Merge

It is interesting to note that Tier 1 employees between Organization A and Organization B feel relatively the same about the merger and the impact on their future culture. However, it should be noted that among Tier 2 employees within Organization B, fewer employees felt as positive about the merger, while in Tier 3, even fewer felt that the merger was going to have a positive impact. This further substantiates the concern that these two levels of employees will have challenges successfully integrating cultures post-merger, and that Organization A is in fact poised as the acquirer, while Organization B is the acquired; or that there is at least the perception thereof among Tier 2 and 3 employees within Organization B. These figures could be the result of a perceived loss of autonomy as described by Bligh (2006), or because of concerns

with job security. In either case, this could pose problems for the successful integration of cultures, which could undermine the entire merger.

In addition to the implications of the desirability to merge are those relating to the differences between the current culture and the preferred future culture. It is interesting to note that both Organization A and Organization B chose to de-emphasize the Team and Entrepreneurial culture subscales, and emphasized the Hierarchical and Rational culture subscales post-merger (Figure 28). This means that the newly formed organization prefers to de-emphasize cohesion, mutual support, and human resources, in addition to de-emphasizing creativity, acquisition of additional resources, and growth. It may be reasonable to postulate that this shift is due to the perceived need by both organizations to align policies and procedures post-merger as opposed to emphasizing human resources and growth, possibly due to acquisition fatigue caused from the drawn out merger process that both organizations have undergone.

The Team Culture
Cohesion, Morale, Human Resource Development, Mutual Support

The Hierarchical Culture
Clear lines of authority over organizational processes, Respect for formal hierarchy, Adherence to rules, Stability & predictability

The Entrepreneurial Culture
Flexiibility & creativity, Aquisition of resources, Resonding to challenges in the external environment, Growth & entrepreneurship

The Rational Culture
Clarity of tasks, Planning & productivity, Efficiency, Measurable outcomes

Figure 28. Current Culture and Preferred Culture – Organization A and B

This shift in the preferred future culture from the current culture is almost directly opposite from what Ovseiko and Buchan (2012) and Ovseiko, et al., (2015) found when studying health system mergers in the UK. Like the current study, Ovseiko and Buchan (2012) and Ovseiko, et al., (2015) found that the preferred future culture was almost identical for both organizations, but wanted to emphasize the Team and Entrepreneurial culture subscales.

Comparing these results to the current studies results shows a shift from what is the norm in organizational mergers (Figure 29).
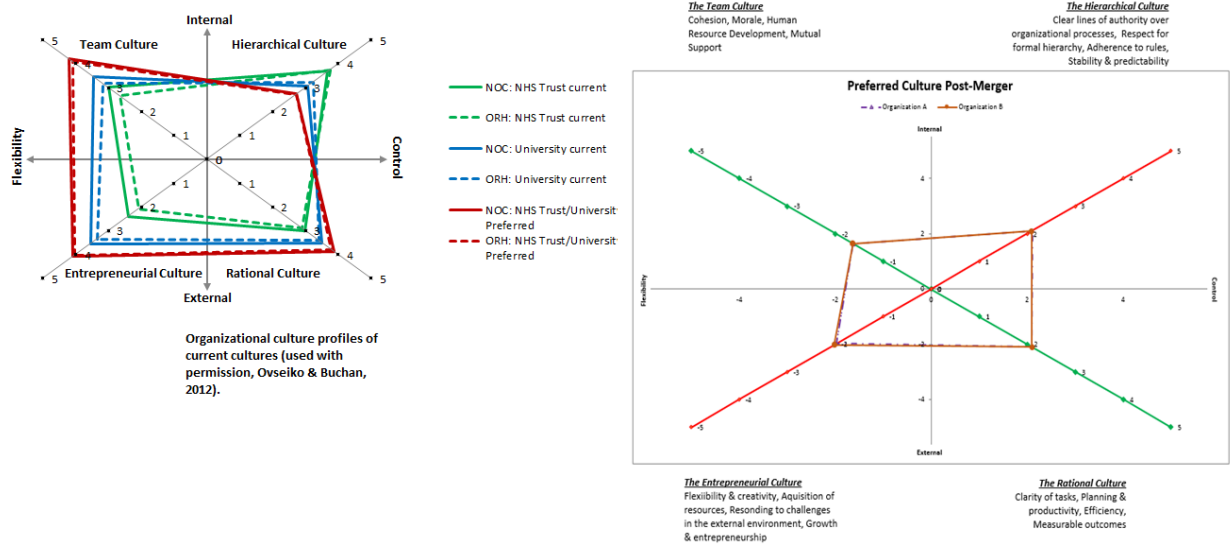
Figure 29. Preferred Culture Comparison

Recommendations for Further Research

Several opportunities exist for researchers to take this study and build upon its foundation, both for a generalizability within the field and also within the natural experiment of two competing health systems merging in an unprecedented way as this one is. The researcher gathered additional data points during the survey which focused on the desirability to merge, and several demographic data points that can be used to make inferences about education attainment and culture preferences, or years of service and cultural perceptions. Possible future research studies should include:

- Further study into the differentiation theory of culture between tiers of employees. While this study suggested that differentiation existed between Tier 1 and Tier 2 employees in Organization A, Organization B did not show the same results. Additional organizations and samples should be sought to better understand perceived cultural differences among employee types.

- Additional research should utilize the data collected in the present study to determine whether differentiation exists among the preferred post-merger culture based on the tiers of employees.

- A longitudinal study of the same organizations should be completed to ascertain if the preferred culture was achieved over time and to measure changes in organizational culture after a dramatic shift like a M&A.

- A study to assess if Organization A was the "acquirer" in this merger, and whether its pre-merger culture dominates the post-merger culture. Additionally, the same longitudinal study should focus on acculturation to determine what method was utilized to integrate the cultures.

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APPENDIX

Survey Instrument

Merging Cultures: Organizational Behavior, Leadership, and Differentiation in a Health System Merger Survey

Please complete the survey below. The survey should take about 15 minutes to complete.

Thank you!

Dear Participant,

The purpose of this research survey is to categorize the current culture of your organization and to compare the cultures of each tier of employee within your organization, to categorize the preferred future culture of the organization after the merger, and to make an inference about the future cultural fit after the merger. The survey asks you about how you perceive your current organizational culture within your health system (not your specific hospital or department), and asks about how you would prefer it to be after the merger. The survey should take about 15 minutes to complete.

No personally identifiable information about you has been nor will be sought or collected by the investigator, which includes IP addresses or geo-location data.

Participation in this research study is voluntary. You may refuse to participate and you can quit at any time. If you quit or refuse to participate, the benefits or treatment to which you are otherwise entitled will not be affected. Participation in this study or refusal to do so, will in no way influence your grades, employment, or subject recommendation.

If you have any research-related questions or problems, you may contact me, Colin G. Chesley, at 423-439-4483, or at chesley@etsu.edu.

By completing this survey, you are confirming you are 18 or older, and are implying consent.

Sincerely,

Colin G. Chesley, MBA, NHA
College of Public Health
East Tennessee State University

1) Please select which employment level best fits your current position and job description:

○ Tier 1 - entry level position - includes employees that are responsible for carrying out the day-to-day care tasks within the healthcare organization and do not hold management positions. Some common examples of this tier could include but are not limited to the positions of Certified Nurse Assistant (CNA), Licensed Practical Nurse (LPN), Registered Nurse (non-supervisory), admissions, billing, medical records, Environmental Services, Dietary, and others.

○ Tier 2 - management or supervisor level - includes employees whose responsibilities include managing or supervising staff, programs, departments or units, and can be described as mid-level managers. These employees may also be involved in the development of policy within the organization. Some common examples of this tier could include but are not limited to the positions of manager, supervisor, charge nurse, case manager, Health Information Manager (HIM), Environmental Services Director, and others.

○ Tier 3 - senior management or executive level - includes professionals in the organization that have key decision making ability. This level includes professionals who lead the organization or facility, and oversee others who directly manage units, programs, or operations within the organization. This level is typically associated with those employees who set the vision for the organization, control aspects of quality, and attempt to create and establish the organizational culture. Some common examples of this tier could include but are not limited to the positions of Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Medical Officer (CMO), Chief Experience Officer (CXO), Chief Nursing Officer (CNO), Vice President (VP and AVP), Legal Counsel, and others.

2) At which organization are you currently employed?

○ ███████████
○ ███████████

Using questions 3 - 22, please rate how your health system CURRENTLY BEHAVES. None of the descriptions below is any better than the others, they are just different.

Please rate your CURRENT organization's Dominant Characteristics. Please only mark "strongly agree" for that one characteristic that is MOST like your current organization.

		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
3)	My organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	O	O	O	O	O
4)	My organization is a very formalized and structured place. Formal policies and procedures generally govern what people do.	O	O	O	O	O
5)	My organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.	O	O	O	O	O
6)	My organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	O	O	O	O	O

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Please rate your CURRENT organization's Organizational Leadership. Please only mark "strongly agree" for that one characteristic that is MOST like your current organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
7) The executive leadership in my organization is generally considered to exemplify entrepreneurship, innovation, or risk taking.	O	O	O	O	O
8) The executive leadership in my organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency	O	O	O	O	O
9) The executive leadership in my organization is generally considered to exemplify mentoring, facilitating, or nurturing.	O	O	O	O	O
10) The executive leadership in my organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	O	O	O	O	O

Please rate your CURRENT organization's Management of Employees. Please only mark "strongly agree" for that one characteristic that is MOST like your current organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
11) Managers in my organization are risk-takers. They encourage employees to take risks and be innovative.	O	O	O	O	O
12) Managers in my organization are rule-enforcers. They expect employees to follow established rules, policies, and procedures.	O	O	O	O	O
13) Managers in my organization are warm and caring. They seek to develop employees' full potential and act as their mentors or guides, and they emphasize teamwork.	O	O	O	O	O
14) Managers in my organization are coordinators and coaches. They help employees meet the organizations goals and objectives and drive competition and achievement.	O	O	O	O	O

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Please rate your CURRENT Organization Glue (what holds the organization together). Please only mark "strongly agree" for that one characteristic that is MOST like your current organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
15) The glue that holds my organization together is commitment to innovation and development. There is an emphasis on being cutting-edge and first.	O	O	O	O	O
16) The glue that holds my organization together is formal rules and policies. People feel that following the rules is important.	O	O	O	O	O
17) The glue that holds my organization together is loyalty and tradition. Commitment to this organization runs high.	O	O	O	O	O
18) The glue that holds my organization together is the emphasis on tasks and goal accomplishment. A production orientation is commonly shared.	O	O	O	O	O

Please rate your CURRENT organizations Strategic Emphases (what strategy the organization emphasizes). Please only mark "strongly agree" for that one characteristic that is MOST like your current organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
19) My organization emphasizes growth and acquiring new resources. Readiness to meet new challenges is important.	○	○	○	○	○
20) My organization emphasizes permanence and stability. Keeping things the same with smooth operations is important.	○	○	○	○	○
21) My organization emphasizes human resources. High cohesion and morale in the organization are important.	○	○	○	○	○
22) My organization emphasizes competitive actions and achievement. Measurable goals are important, as is winning in the marketplace.	○	○	○	○	○

Questions 23 - 42 are about how you would PREFER your NEW health system or organization to behave AFTER THE TWO SYSTEMS HAVE MERGED.

Please answer all of the questions.

Please rate how you would PREFER your NEW organization's Dominant Characteristics AFTER THE TWO SYSTEMS HAVE MERGED. Please only mark "strongly agree" for that one characteristic that you prefer MOST for your future organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
23) I hope my new organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	O	O	O	O	O
24) I hope my new organization is a very formalized and structured place. Formalized policies and procedures generally govern what people do.	O	O	O	O	O
25) I hope my new organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.	O	O	O	O	O
26) I hope my new organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	O	O	O	O	O

Please rate how you would PREFER your NEW organization's Organizational Leadership to behave AFTER THE TWO SYSTEMS HAVE MERGED. Please only mark "strongly agree" for that one characteristic that you prefer MOST for your future organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
27) I hope the executive leadership in my new organization is generally considered to exemplify entrepreneurship, innovation, or risk taking.	○	○	○	○	○
28) I hope the executive leadership in my new organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency	○	○	○	○	○
29) I hope the executive leadership in my new organization is generally considered to exemplify mentoring, facilitating, or nurturing.	○	○	○	○	○
30) I hope the executive leadership in my new organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	○	○	○	○	○

Please rate how you would PREFER your NEW organization's Management of Employees AFTER THE TWO SYSTEMS HAVE MERGED. Please only mark "strongly agree" for that one characteristic that you prefer MOST for your future organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
31) I hope managers in my new organization are risk-takers. They encourage employees to take risks and be innovative.	○	○	○	○	○
32) I hope managers in my new organization are rule-enforcers. They expect employees to follow established rules, policies, and procedures.	○	○	○	○	○
33) I hope managers in my new organization are warm and caring. They seek to develop employees' full potential and act as their mentors or guides, and they emphasize teamwork.	○	○	○	○	○
34) I hope managers in my new organization are coordinators and coaches. They help employees meet the organizations goals and objectives and drive competition and achievement.	○	○	○	○	○

Please rate how you would PREFER the NEW organization's Organization Glue (what holds the new organization together) AFTER THE TWO SYSTEMS HAVE MERGED. Please only mark "strongly agree" for that one characteristic that you prefer MOST for your future organization.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
35) I hope the glue that holds my new organization together is commitment to innovation and development. There is an emphasis on being cutting-edge and first.	○	○	○	○	○
36) I hope the glue that holds my new organization together is formal rules and policies. People feel that following the rules is important.	○	○	○	○	○
37) I hope the glue that holds my new organization together is loyalty and tradition. Commitment to this organization runs high.	○	○	○	○	○
38) I hope the glue that holds my new organization together is the emphasis on tasks and goal accomplishment. A production orientation is commonly shared.	○	○	○	○	○

Please rate how you would PREFER your NEW organization's Strategic Emphases (the strategy the new organization emphasizes) AFTER THE TWO SYSTEMS HAVE MERGED. Please only mark "strongly agree" for that one characteristic that you prefer MOST for your future organization in each category.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
39) I hope my new organization emphasizes growth and acquiring new resources. Readiness to meet new challenges is important.	○	○	○	○	○
40) I hope my new organization emphasizes permanence and stability. Keeping things the same with smooth operations is important.	○	○	○	○	○
41) I hope my new organization emphasizes human resources. High cohesion and morale in the organization are important.	○	○	○	○	○
42) I hope my new organization emphasizes competitive actions and achievement. Measurable goals are important, as is winning in the marketplace.	○	○	○	○	○

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Question 43 asks about your desire for your health system or organization to merge with the competing health system in the area.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
43) I believe that the proposed merger between my health system or organization and the competitor will benefit my organization and its culture.	○	○	○	○	○

Please answer the following demographic questions.

	Less than 6 months	6 months - 11 months	1 - 3 years	4 - 5 years	6 - 10 years	11 - 15 years	16 - 20 years	More than 20 years
44) How long have you been employed by your current employer or organization?	O	O	O	O	O	O	O	O

45) Please select the job title/description that most closely resembles your current position.

- O Executive Management: Executive or VP, Clinical Executive, Compliance/Risk/General Counsel
- O Facilities Maintenance: Custodian, Housekeeper, Laundry, Facilities Manager, Maintenance/Plant Ops
- O Finance: Accountant, Bookkeeper, Auditor, Collections, Payroll (not HR), Medical Billing, Patients Accounts
- O Food Service: Cook, Food Service Manager, Prep/Line Cook, Dietitian
- O General Office: Administrative Assistant, Business Analyst, Office Manager, Program Director, Receptionist, Materials Manager/Purchasing Clerk
- O Physician: ER doctor, Surgeon, Hospitalist, Radiologist, etc.
- O CRNA, CNA
- O LPN/LVN, RN, Charge Nurse, Nursing Supervisor, Nursing Director
- O Healthcare Clinical: Clinical Department Director/Head, Case Management, Clinical Technician, Laboratory, Therapist, Physician Assistant/Nurse Practitioner
- O Healthcare Non-Clinical: Admissions, Chaplain, Chargemaster Coordinator, Medical Records/Health Information, IT/IS Specialist, Guest Services, Quality/Process Improvement, Social Worker, Utilization Review
- O Pharmacy: Pharmacist, Pharmacy Technician, Pharmacy Manager
- O Human Resources: Benefits, Employee Relations, Recruiter, Training
- O Other

46) Please select your level of educational attainment.

- O High school - grades 9 - 12, no diploma or degree
- O High school graduate (or equivalent)
- O Some college - 1 - 4 years, no degree
- O Associates degree (including occupational or academic degrees)
- O Bachelor's degree (BA, BS, AB, etc.)
- O Master's degree (MA, MS, MENG, MSW, etc.)
- O Professional school degree (MD, DDC, JD, etc.)
- O Doctorate degree (PhD, EdD, etc.)

47) What is your race or ethnicity?

- O White
- O Hispanic, Latino, or Spanish origin
- O Black or African American
- O Asian
- O American Indian or Alaska Native
- O Middle Eastern or North African
- O Native Hawaiian or Other Pacific Islander
- O Some other race, ethnicity, or origin

48) Gender   ○ Male
                                    ○ Female

49) What year were you born?
    Example: 1976   --

50) What is the zip code where you live?   --

VITA

COLINN GLEN CHELSEY

Education:

Doctor of Education – Educational Leadership, East Tennessee State University, Johnson City, TN. 2017

Master of Business Administration – Healthcare Administration, King College, Bristol, TN. 2012

Bachelor of Science in Healthcare Administration – University of Phoenix, Phoenix, AZ. 2007

Professional Experience:

Clinical Instructor & Field Internship Coordinator
August 2013 to present, East Tennessee State University

Administration:

Field Internship Coordinator – Coordinates student internship placements with field experience sites nationally and internationally. 2013 – present

Administrator, August 2010 to September 2013, NHC HealthCare, Bristol

Administrator – Asst. Administrator – AIT
March 2007 to July 2010, Glen Oaks Health & Rehabilitation – Vanguard Healthcare Services

Publications:

Barber, J. H., **Chesley, C. G.,** & Flora, B. H. (2016). *Impacts of the FOCUS Act on governance in Tennessee higher education institutions.* Journal of Academic Administration in Higher Education, pp. 33 - 47. Awarded a Best Paper Award from the International Conference on Learning and Administration in Higher Education, 2016.

Public Speaking,
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Presentation – Joint Meeting of Academic Business World International Conference & International Conference on Learning and Administration in Higher Education, Nashville, TN, 2016 – *Impacts of the FOCUS Act on Governance in Tennessee Higher Education Institutions*. Barber, J. H., **Chesley, C. G.,** & Flora, B. H.

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Poster Presentation – Conference on Higher Education Pedagogy, Virginia Tech, 2016 – *Does Student Mindset Impact the Effectiveness of Online Instructional Methods?* Barton, A. & **Chesley, C. G.**

Presenter – Bristol TN Regional Municipal Planning Commission 2014 – *ACLF and SNF Standards for Certification: Market Trends and Acuity of Care*

Honors and Awards: Recognition in Teaching Award – College of Public Health, 2016

Best Paper Award – *"Impacts of the FOCUS Act on Governance in Tennessee Higher Education Institutions"*, presented at the International Conference on Learning and Administration in Higher Education, Nashville, TN, May 2016.

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