Organizational health in health organizations: towards a conceptualization

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This article is introducing a new concept of organizational health and discussing its possible implications for health organizations and health management. The concept is developed against the background of New Public Management, which has coincided with increasing workplace health problems in health organizations. It is based on research mainly in health promotion and health management. Organizational health is defined in terms of how an organization is able to deal with the tensions of diverse and competing values. This requires a dialectical perspective, integration as well as disintegration, and a tricultural approach to value tensions. The concept of organizational health is pointing towards an inverse value pyramid and a hybrid- and value-based form of management in health organizations. An application of this concept may clarify competing values and help managers to deal with the value tensions underlying workplace health problems on an organizational as well as an individual and group level. More empirical research is required, however, to link more closely the different aspects of organizational health in health organizations.

Keywords: efficiency, effectiveness, health professionals, quality of care, dialectical perspective, integration, disintegration, tricultural approach, inverse value pyramid.

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Introduction

During the last few decades, there have been a number of reforms and organizational changes in the health systems of the Nordic countries (1–3). Many of these changes have been inspired by the ideas of New Public Management, which means an application of management principles from the private sector in the public sector (4, 5). New Public Management was a trend in the USA and the UK during the Reagan and Thatcher era in the 1980s, and it was introduced in the Nordic countries during the 1990s. This development has implied a transition of many health and human service organizations from institutions based on human values to become more like economic enterprises. In Norway, for example, an explicit enterprise organization has been introduced in all the hospitals (6).

During the same period, there have been increasing health problems among professionals in Nordic health organizations. Such problems have included turnover and burnout (7, 8), sickness absenteeism as well as sickness presenteeism (9), negative stress, exhaustion and depression (10), high work load, time pressure and difficult work situations (11), work-related musculoskeletal injury (12), moral distress (13), anxiety and even mortality (14). Health problems among health professionals may be regarded as paradoxical, but they have obviously become a reality in many health organizations. Moreover, there seems to be a relationship between the application of New Public Management and the increasing health problems in health organizations. Such a relationship has also been observed in other organizations where New Public Management has been introduced (15, 16).

In accordance with a concern for economic efficiency and based on management principles from the private sector, New Public Management is mainly oriented towards the users or the customers of public services (5). In health organizations, this means an orientation towards the patients, not so much out of human concerns but rather for economic reasons. By introducing performance-based payment systems, the main concern has been to increase the number of patients treated rather than providing a high quality of care. This concern for productivity and efficiency is based on economic values quite different from the traditional human values of patients and professionals in health organizations. The tensions between these different values have affected the working conditions and increased the level of stress among health professionals with negative effects on their health (17, 18).
Value tensions like these are common also in other human service organizations, where a high degree of customer orientation has been significantly associated with a high level of stress and a high rate of sickness absence among professionals (19). However, the negative effects on the health of professionals are particularly problematic in health organizations for several reasons. First of all, these organizations are personnel intensive, engaging a large number of people, which makes the work environment and health at the workplace important issues. Moreover, health organizations are knowledge intensive and dependent on the competence of professionals, which also requires special attention to their health. Finally, health organizations have an important role as models for healthy organizations, where management should focus on the promotion of health at the workplace (20, 21).

Traditionally, workplace health challenges have been described mainly on an individual or group level (22). This is the case also in the Nordic countries (23, 24). However, to understand and deal with the value tensions and the health problems among health professionals, it is important to have perspectives, terminology and methods to promote health also on an organizational level. Most of the value tensions are tensions between different organizational values, which are more than a sum of the individual values in an organization (25). In this context, a concept of organizational health may be useful to broaden the horizon of workplace health promotion. With such a concept, the current health problems of health and other human service organizations may be explained by organizational characteristics on different levels of analysis (19, 22).

The aim of this article is to introduce a new concept of organizational health and to discuss its possible implications for health organizations. Although the need for such a concept has been rooted in a Nordic context, the conceptualization is based on a review and an analysis of research from many different countries. The review has included theoretical and empirical research mainly in the fields of health promotion and health management, but also research on health care and professional organizations. The analysis has focused on developing a new concept of organizational health. In the following sections, different aspects of this concept will be outlined, and a conceptual model of organizational health will be developed. There will also be a discussion of the implications of this concept for health organizations and for the management of such organizations.

Aspects of organizational health

Traditionally, in the literature of health promotion, concepts like occupational health, healthy workplaces and workplace health promotion have been used to describe and analyse health issues in organizations (26). These concepts have mainly focused on individual and group dimensions of health at the workplace, but more recently, organizational dimensions have also been included (27, 28). However, in spite of this broadening of perspective, organizational health has not been used explicitly as a theoretical or empirical concept in the literature of health promotion.

On the other hand, organizational health has been used for a long time in the management literature, mainly as an abstract idea of what constitutes a ‘good organization structure’ (29), but also in connection with organizational diagnosis for design and development of organizations (30, 31). In empirical research, organizational health has been used in assessments of organizational climate in educational institutions (32), in studies of industrial restructuring and downsizing (33), and recently also in studies of occupational health with a focus on the organizational context (34, 35).

There have been very few empirical studies of organizational health in health organizations. In an American dissertation, the organizational health of a hospital was defined in general terms as the ability of the organization to create and foster value symbols that provide meaning to the external and internal participants in the culture (36). In another dissertation, it was concluded that hospitals with a high level of organizational health are distinguished by close relations to their environments, an internalization of vision and mission among the employees and a value-based management approach (37).

On the basis of this review of the literature, a new concept of organizational health can be developed by linking it to the value tensions in health organizations. In general terms, organizational health can be defined as how well an organization is able to cope with the tensions of diverse values for the benefit of the patients, the professionals and the organization as a whole. This requires an organizational level of analysis (38). It also requires a dialectical perspective of organizations, focusing on conflicts and diversity of values, but also on their mutual dependencies (39). The following sections will outline different aspects of organizational health regarded from this perspective.

Values of quality, efficiency and effectiveness

In health organizations, there is a basic value tension between the quality of patient care and the efficiency of service production, which is affecting the health of the professionals as well as the overall effectiveness of the organization (40). Efficiency is in this context usually defined as the ratio between the resource inputs and the production outputs of an organization, while effectiveness is defined as the relationship between the outputs and the objectives of the organization (41).

Efficiency may be detrimental to the quality of care, and the other way around, but quality may also be an important condition for efficiency (42). This tension is reflected in another tension between being a health institution and being a health enterprise. An institution is
infused by human values (43), while an enterprise is based on economic ideas such as productivity and efficiency. There is a tension between these different views of organizing, although both of them may be needed in a health organization. They may also be reinforced by norms in the environment, the organizational field or the ‘action net’ of the organization (44, 45).

There is also an important value tension between efficiency and effectiveness, which is related to organizational health. The main objective of a health organization is to care for the health of the patients but indirectly also for the health of the professionals. Thus, there is a strong relationship between effectiveness and organizational health. Considerations of efficiency may threaten organizational health, and health concerns may also be an obstacle to organizational efficiency. On the other hand, organizational health may be necessary to reach efficiency in a health organization, and efficiency may contribute to organizational health.

Although there is a tension between organizational health and efficiency, there is also a mutual dependency, and both may be conducive to organizational effectiveness. This is the implication of a dialectical perspective of organizations. However, with the current orientation of New Public Management towards efficiency of service production, the gap between organizational efficiency and effectiveness may be increasing, and the importance of effectiveness and organizational health may be undermined.

**Both integration and disintegration**

On an individual level and from a holistic point of view, health can be regarded as an oscillation between integration and disintegration. This means that health is integration, or a process of being integrated, in the environment. On the other hand, periods of disintegration are necessary for being in health. Disintegration means a lack of integration, which may be a reaction to grief and stress (46).

Analogously, organizational health may also be characterized by integration as well as disintegration. Integration of diverse and competing values, for example, quality of patient care and efficiency of service production, may be achieved by dialogue (47). When professionals listen to managers struggling with budgetary limits and when managers pay attention to professionals worrying about negative effects of performance-based payment systems on patient care, there is a process of integration that may strengthen organizational health.

Sometimes, organizational health may also be promoted by disintegration. It means that competing values are encouraged, and tensions maintained in the organization. With the proliferation of New Public Management, efficiency has become the main criterion for priority setting in many health organizations. Such a development may have been necessary to cope with increasing healthcare expenditures. As a result, however, there has been a transition from individualized patient care to more standardized industrial service production, which has implied increasing value squeezes for health professionals and managers (48).

Under such conditions, disintegration may be necessary for keeping the competing values alive in collective sense-making processes among professionals and managers (49). In many organizations, however, competing values are neither integrated nor disintegrated. Instead, the value tensions are fragmented or simply swept under the carpet. In a health organization, fragmentation takes place when important values are separated from each other, for example, when some of them are discussed in economic terms while others are discussed in professional terms (50). There are also many different ways of sweeping value tensions under the carpet, but none of them is healthy for an organization. In the long run, such a strategy may even lead to ‘organizational schizophrenia’ (51).

**From a bicultural to a tricultural approach**

Studies of crises and reactions in health organizations, when professionals are confronting the value tension between the quality of patient care and the efficiency of service production, have suggested that a ‘bicultural’ approach may be optimal for the professionals as well as the organization (52). Such an approach implies an acknowledgement that it is hardly possible to solve the value conflict, but maybe possible to learn to live with it. On an individual level, this may be an effective compromise when professionals are facing different cross press- sures and value tensions, and when scarcity of resources makes comprehensive patient care a never fulfilled ideal (53). In the long run, however, such an approach may be harmful to the health of the professionals (54).

Organizational health implies not only a bicultural approach but a ‘tricultural’ approach to value tensions, adding a concern for the health of the professionals to the considerations of quality and efficiency (40). This means an increased attention to workplace health issues on an operational as well as an organizational level (38), which also explains the difference and the relationship between workplace health and organizational health. With a tricultural approach, the workplace health issues are related to the value tensions of the organization. In a health organization, such an approach may include not only the tension between human and economic values, but also a special concern for the integrity of the professionals. Recent research has shown that if professionals are not able to work in accordance with their own values, their health may be at risk (54).

A tricultural approach to organizational health is consistent with a dialectical perspective on the tensions between quality, efficiency and effectiveness in a health organization,
and it also allows for both integration and disintegration of values in the organization. Moreover, the tricultural approach points towards an analysis of health organizations in terms of ‘value pyramids’ (40), which can be used to develop a conceptual model of organizational health.

A model of organizational health

Health organizations can be described and classified according to their concerns for the patients, the health professionals and the production of health services. These concerns are forming different value pyramids, depending on the priorities of the organizations:

- **Putting the patients on the top** means a *normative* value pyramid, where the care of the patients is the most important value of the organization. This may seem as an obvious priority for a health organization, but it is not always the case.

- **An economic value pyramid**, where concerns of productivity and efficiency are the most important among the different values, may be required when there are serious financial problems and the survival of the organization is threatened.

- **A professional value pyramid** with the health professionals on the top may be a valid position when the organization is struggling with the quality of care and when it is important to recruit and retain professionals.

In theory, all of these different value pyramids may be compatible with organizational health, but experiences of New Public Management have shown the negative consequences of the economic value pyramid in practice. A normative value pyramid with the patients on the top would probably be more conducive to organizational health. However, with the increasing concern also for the health of the professionals, organizational health would rather require an *inverse* value pyramid putting the professionals as well as the patients on the top. This means a simultaneous concern for the health of the patients and the professionals, while the concern for the efficiency of production would be regarded more like a constraint for the promotion of organizational health. The inverse value pyramid and its relation to organizational health, efficiency and effectiveness are illustrated in Figure 1.

In the description of the different value pyramids, a situational perspective is indicated. According to the management literature, different organizational structures and leadership styles may be appropriate in different environmental situations (55). Analogously, it may be argued that different value pyramids are valid in different environments. For example, if the healthcare expenditures continue to increase, more and more health organizations will find themselves with an economic value pyramid. Similarly, changes in the institutional environment may influence the development of different value pyramids (56). An increasing concern for organizational health may lead to development of an inverse value pyramid for the benefit of the patients, the professionals and the organization as a whole.

Implications for health management

In health organizations, like in many other human service organizations, professionals are managing themselves in work processes and multidisciplinary teamwork. Highly autonomous, they usually desire a minimum of management involvement (57). In such organizations, there may be intensive discussions regarding the substance and quality of the service production, challenging the authority of managers as well as professionals. Communication between these groups is often difficult because of their different roles and the different values involved. Managers are usually focusing on efficiency, while professionals are focusing on quality (58). Therefore, to promote organizational health, new forms of health management are required.

Hybrid management

Organizational health in health organizations requires managers who can handle and reflect upon different and conflicting logics and change dynamics. Hybrid management means a combination of professional and management knowledge (59). Such combinations exist by tradition in hospitals, where physicians and nurses often

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Figure 1 Organizational health as an inverse value pyramid in a health organization.
have ‘clino-managerial’ roles and retain a professional as well as a managerial identity (60, 61). Hybrid roles may be adopted willingly or reluctantly. For example, in Finland, the medical profession was ‘hybridized’ in the 1990s by a willing adoption of management accounting techniques in the context of New Public Management. This development was in contrast to the UK, where professionals have strongly resisted the intrusion of accounting practices into the medical domain (62).

Hybrid management in health organizations is usually bicultural, combining considerations of quality and efficiency, but it may also be tricultural, including a concern for the health of the professionals as well. Such a tricultural approach may be necessary to manage the different components of a health organization. A focus on the patient is the raison d’être for the organization, a focus on the production of health services is necessary because of the limited resources available, and a focus on the professionals is necessary because of their workplace health challenges and the increasing shortage of professional competence (38, 53). Although the bicultural form of hybrid management has been questioned (63), it seems that a tricultural form of hybrid management could offer large benefits for the development of organizational health in health organizations.

**Value-based management**

To a certain degree, management of health organizations is always value impregnated. Therefore, health management must be able to consider the diverse and competing values of such organizations. This requires a value-based form of management, which differs from other forms of management by using values as management tools and as a source for motivation and energy (64). Value-based management is derived from moral philosophy and sociology, highlighting different values and attitudes in an organization, including ‘ethical accounting’ through a value-based dialogue between managers and professionals (65, 66). The advantages of value-based management have also been supported by empirical studies of organizational health in hospitals (36, 37).

As mentioned before, if the diverse values of a health organization are not managed properly the tensions may lead to a schizophrenic organization (51). To prevent such a development, health managers may give priority to certain values over others, for example, putting the patient and professional values in front of the production values. In a New Public Management context, however, health managers may find it difficult to explain why the options for increasing efficiency through reorganization or mergers and cuts in the workforce may be less desirable in a health organization than in an industrial enterprise. Through value-based health management, it may be possible to integrate the diverse values in health organizations, but also to maintain and manage the value tensions, and to challenge the prevailing economic paradigm of New Public Management. It has also been argued that a combination of hybrid and value based management could show the way into a post-New Public Management era (67).

**Concluding remarks**

In this article, organizational health has been defined in terms of how an organization is able to deal with the tensions of diverse and competing values. Different aspects of the concept have been outlined, for example, the dialectical conflicts and dependencies between different values, the need for both integration and disintegration of values in an organization and a tricultural approach to value tensions. These aspects are pointing towards an inverse value pyramid in health organizations and hybrid and value based forms of health management.

The concept of organizational health may help to clarify the different value tensions in health organizations. A continual focus on organizational health may also link the workplace health challenges of health professionals on the clinical level to considerations of health on the organizational macrolevel. Hybrid and value based managers may have a special role as translators between health challenges on the different organizational levels. They may also be able to avoid minor problems at the workplace escalating to major health problems for the patients, the health organization and the society.

A further development of the concept of organizational health will have to include a deeper analysis of the different aspects of the concept. It may require contributions from health promotion theory, institutional organization theory, sense-making theory and theories of hybrid and value based management. However, what is needed most of all is more empirical research on organizational health in health organizations as well as other human service organizations. How can organizational health be promoted in such organizations? How can healthy health organizations be designed and structured? What kind of leadership is required to promote and sustain organizational health? How can the different aspects of organizational health be included in health management on an operational as well as a strategic level? The results of such research may have important practical as well as theoretical implications.

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**Author contributions**

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