

Cultural Due Diligence: Wegmans Food Markets, Inc & The Mayo Clinic

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I. Introduction

The importance of a company's culture is undeniable. Experts agree that a company's culture can be a large contributing factor in a company's success or failure. The fact that it is complex and difficult to measure does not diminish its importance.

Cultural due diligence has, therefore, become an important strategy for assessing the strengths and weaknesses of company culture. Cultural due diligence is more than just observing the culture of a company. It includes determining what metrics and measures should be analyzed in identifying key elements of company culture. Whether used to analyze cultural sticking points between companies that are merging or to analyze the best way to change a company's culture, cultural due diligence deployed appropriately is a powerful tool to ensure success.

II. Cultural Due Diligence

In an influential article, Tom Krattenmaker describe nine crucial indicators that should be assessed in conducting cultural due diligence.¹ Developed and identified as a diagnostic tool for mergers and acquisitions, the tool can be applied more widely, for example, as a tool in analyzing cultural change. The nine indicators Krattenmaker identifies are: 1] direction and results; 2] business drivers; 3] infrastructure; 4] organizational practices; 5] leadership/management; 6] work practices; 7] use of technology; 8] work space; and 9] cultural indicators.²

¹ Culture Change That Stick, Harvard Business Review

² Industry Determinants of Organizational Culture, The Academy of Management Review

Another influential article on the importance of cultural intervention focuses on how to ensure that cultural change is effective. In “*Cultural Change That Sticks*” by Jon R. Katzenbach, Ilona Steffen, and Caroline Kronley, the authors take cultural due diligence and apply it to the most effective strategies for ensuring long-term cultural change.³ The authors argue that the following five strategies will produce lasting cultural change: 1] match strategy to culture; 2] focus on a few critical shifts in behavior; 3] honor the strengths of the existing culture; 4] integrate formal and informal interventions; and 5] measure and monitor cultural evolution.⁴

This paper will examine Krattenmaker’s nine diagnostic indicators of cultural due diligence followed by Katzenbach, Steffen and Kronley’s discussion of embedding cultural change. These theories will then be applied to an analysis of two companies. First, Wegmans grocery chain is a paradigmatic example of a company that focuses on culture first. Wegmans’ culture is its competitive advantage in a crowded grocery store market and an analysis of their strategy in creating and maintaining its company culture further exemplifies the importance of conducting culture due diligence as more than an afterthought.

A second example is of the expansion of the Mayo Clinic’s culture of innovation across service delivery in healthcare. Mayo’s emphasis on collaboration across disciplines was a revolutionary idea in medical research and the manner in which they developed formal and informal networks to reinforce their cultural priorities highlights the importance of reinforcing cultural change at multiple organizational levels.

³ “Organizational Culture And Performance.” *Journal of Managerial Issues*

⁴ *Ibid.*

III. The Nine Diagnostic Indicators for Conducting an Examination of Corporate Culture

The first of the indicators of culture that serves as a diagnostic touchpoint for Krattenmaker is that of direction and results.⁵ This indicator is not an objective measure of the success of the company's direction but rather is about the effectiveness of the way in which that direction is communicated across all levels of the organization. It is an acknowledgment of the importance of communicating the company's vision as well as its communication of the success of the vision in its implementation.

Closely related to this articulation and embeddedness of a company vision is the articulation and communication of the company's strategy for implementation of the vision. If a company privileges, for example, sustaining a competitive advantage, how does it go about realizing that vision? What are, as Krattenmaker asks, the business drivers? Is the competitive advantage to be sustained through competitive pricing? Or through quality? The key here is for a company to identify and define how it is that it will implement its strategy.

Thirdly, the infrastructure of a company is another key diagnostic point. How is a company organized and with what level of formality? The way in which hierarchies are organized and the process through which reports are made are incredibly important here in determining the degree of formality of relationships within the company. Access across levels of the organizational culture is a key determinant in determining an organization's cultural makeup.

Organizational practices often clearly reflect a company's culture. Standard practices are often unexamined and continue unabated. These practices can range from everything from

⁵ Ibid.

amounts that are justifiable as expenses to the acceptable amount of time employees take off for vacation, regardless of what the company policy may state about the allowable amount of vacation time. These can be written and clear rules or can be informal and unwritten.

Leadership and management styles and types can be a strength or weakness for an organization. A cultural due diligence analysis will review the types of leadership styles that have been rewarded and are consistent with the cultural values of the organization and the industry and country in which it operates. This value-based analysis is often difficult to diagnose because it can be difficult to recognize. For example, a European manager may bring different communication and leadership styles than would an American. The importance of recognizing and diagnosing these cultural differences in leadership styles is invaluable.

Work practices and process are closely linked to leadership styles. The analysis here would focus on organizational lines of authority. Does the company operation in cross-functional teams? Or is each area of required company operations operating as its own mini-company and in operational silos? This can be critically important in diagnosing corporate culture as well. Do line staff feel empowered to identify problems and creatively problem solve, or do they just report up the organizational chain? These two approaches are key to defining work practices.

Another importance diagnostic indicator is the use and incorporation of technology in day to day operations. The degree to which communication occurs using email as opposed to during in-person meetings is just one example that can define cultural interactions between employees.

Finally, Krattenmaker looks at the way in which work space is organized and the way that shapes interactions between employees. For example, workspaces can be open and collaborative, a series of private offices, or a combination of both. The organization of the

workspace should match company values and priorities. If the culture is highly integrated and collaborative, then the workspace should match this. If the culture is highly fragmented and operates in silos, one might expect to see a series of private workspaces with only a minimal amount of space that is designated to more formal gatherings like meetings and not collaborations amongst teams.

These kinds of differing approaches can also be extended to work events and practices. Would a company event that invited employees' families be well received or would it be considered an invasion of an employee's private life? Discussion of an employee's private life may be acceptable in some companies and not others. Similarly, attending a work event out of normal business hours may be seen as an imposition on an employee's personal time or an important part of team building.

IV. Five Key Factors for Embedding Cultural Change

The first factor that Katzenbach *et al* identify as a key indicator for embedding cultural changes by conducting cultural due diligence is the direction that the company is taking and the way in which results are measured. Company strategy should match its implementation. A strategy that is only articulated at the highest organizational levels is not effective as either a tool for cultural change or as an indicator of a company's success. An example of this would be a company bringing in consultants to conduct a SWOT analysis but then leaving the report to gather dust on a shelf. Using the analysis to merely write a strategy but not to implement it is not effective due diligence. It could also, as the authors note, be as simple as how a company

defines customer service.⁶ If the corporate strategy defines customer service differently than it is understood by employees, then there is a disconnect between the strategy and its implementation.

The second factor that a company should consider when considering enactment of cultural change is an analysis of their business drivers. A company should identify what drives their business and the way that these drivers are incorporated into their corporate strategy. The manner in which a company defines its competitive advantage strategy is crucial. Does the company focus, for example, on quality? Or is price the more important focus? Not only does the corporate culture need to integrate high-level strategy with what is happening on the ground in a company but it also needs to be able to clearly articulate the way in which its values are the key drivers of its business model. In this regard, the first element of this analysis is similar to the diagnostic tools proposed by Krattenmaker. The corporate structure must match the corporate culture.

If there is going to be lasting cultural change, then the corporate managers should focus on a few key changes in behavior. Behavioral shifts can be difficult to integrate and successful corporate changes in culture must be examined for the way in which they will be accepted. Focusing on a few key elements that have a large impact is most effective.

Failing to honor the strengths of the existing corporate culture is another pitfall to avoid. This is also why the diagnostic phase of cultural due diligence is critically important. Understanding fully the culture of a company can help identify those elements that can be retained and honored by incorporating them into any other changes that take place. For example, a company in New Orleans would be advised to understand the importance of Mardi Gras and the way in which it is

⁶ Ibid.

an integral part of New Orleans culture and the way in which it may be incorporated into the months leading up to the actual day of Mardi Gras. Perhaps a group of employee's hosts employees families on a grandstand on the day of Mardi Gras. Cancelling that as an event would not honor the local culture and certainly would not engender good will. Honoring the parts of a company culture that can be identified as a strength is an important factor in any long-lasting cultural change in an organization.

Another way to evaluate a company's strengths and to honor them would be through informal and formal interventions. If part of the corporate culture has been a top-down management structure and that is what should be changed, then clearly explaining to line workers what the change means for them is an important part of getting company buy in for the change. In this example, simply formally changing lines of authority to change direct reporting structurally without being able to articulate that vision to the line workers may well communicate to these workers that there is not real cultural change going on. Simply, it could be interpreted as business as usual within a different structure. In that case, changing organizational structure would not affect organizational change as old mind-sets would simply diffuse whatever power there was in the organizational reporting change. A change like the one in this example would have to be affected both structurally through a formal intervention changing the reporting structure and informally be ensuring that the employees who are impacted understand the reason for the change.

Finally, the desired cultural interventions must be measured and monitored. This is not just a simple afterthought but integral to cultural due diligence and cultural change in an organization. Attainable goals should be set, measures should be evaluated to make certain that the desired

results are being achieved. The authors identify four key areas that should be evaluated and that managers should pay attention to:

1. Business performance: are key indicators and growth targets being met?
2. Critical behaviors: Are employees exhibiting behaviors consistent with the cultural behaviors that the company is trying to encourage?
3. Milestones: are time specific milestones met? are policies being implemented?
4. Underlying beliefs, feelings, and mind-sets: are key cultural attitudes reflective of corporate values and strategies for achieving them?⁷

The authors note that the last area is the most difficult to measure and to change to match the corporate culture. Metrics and outcome measures should not be a quantitative tool that is burdensome but should track integration of culture and process. Used properly, these measures can also reinforce to employees the kinds of values and behaviors that are important to the corporation.

V. Corporate Culture: Wegmans' Employees First Approach

Wegmans is a family-owned grocery store chain that has operations mainly in the northeastern United States. Wegmans consistently ranks high on the best places to work in national surveys and was ranked #2 on Fortune magazine's 2018 list.⁸ Wegmans is not just considered a great place for employees, but it also has a huge fan base and was awarded the accolade of best grocery store in 2017 by Consumer Reports, a spot it has held since 2006.⁹

⁷ Ibid.

⁸ <https://jobs.wegmans.com/who-we-are>

⁹ ibid

Wegmans' high degree of satisfaction amongst both employees and consumers alike is largely attributed to its strong culture where it emphasizes employees first.

Wegmans' values are clearly articulated at each level of the organization. Wegmans has a set of values which act as a set of organizing principles around which the organization operates:

1. We **care** about the well-being and success of every person.
2. **High standards** are a way of life. We pursue excellence in everything we do.
3. We **make a difference** in every community we serve.
4. We **respect** and listen to our people.
5. We **empower** our people to make decisions that improve their work and benefit our customers and our company.¹⁰

There are many examples of the way in which Wegmans lives its values at every level of the organization. One such example is the employee educational assistance program. The company operates a scholarship program for its employees that is estimated to have contributed \$110 million to its employees.¹¹ They do not limit the number of scholarships available and remarkably, it is available to both part-time and full-time employees. This program offers a window into the way the high-level values of the company are translated to its employees. Investing in the future of its employees means for Wegmans that the education of its employees not only improves its own workforce but that it also improves the communities where the employees live. Putting people first has the consequence of improving not only their lives but also the lives of people in their communities.

¹⁰ Ibid.

¹¹ Ibid.

Another example of supporting employees who are also members of communities is in evidence in their community volunteering program. The company participates in local initiatives that provide food for the hungry and since 2016 alone Wegmans has contributed 14.5 million pounds of food to local community food banks and Feeding America campaign drives. They are part of United Way campaigns in local areas where they have stores and they have a robust relationship with the American Red Cross in support of disaster relief efforts.¹²

Wegmans does not only believe that improving the lives of their employees will improve the lives of their communities but also that improving the lives of their employees will translate to one of their core company values of an emphasis on customer service. The Board chairman puts it this way, “When our people feel cared about and respected, they turn around and make our customers feel that way too.”¹³

That core belief is translated not just into a generous benefits package but rather into what Wegmans refers to as employee rewards. They don’t just offer health insurance to their employees for example, and then just leave it at that. Rather, they have implemented on-site annual health and wellness screenings that include identification of health and wellness challenges for the individual employee. There are onsite Weight Watchers programs, yoga classes, employee wellness discounts, and individual coaching from onsite dieticians for employees. While many other employees have adopted these approaches to employee wellness, Wegmans was an early adopter of the emphasis on employee health and well-being.

Wegmans was also an early adopter of other employee rewards programs that include financial planning assistance, access to legal services, assistance with locating child care

¹² Ibid.

¹³ www.wegmans.com

providers and help with elder care. One of their newest initiatives is the provision of adoption assistance and financial planning for employees considering adoption. Recognizing the challenges of working moms, Wegmans also offers a pre-tax dependent care savings program as well as paid holidays and vacation time.

One of the more impressive of the life rewards at Wegmans is its compensation structure. Wegmans has a commitment to offering a starting salary that is equal to or greater than that of its competitors. There is a clear articulation of regularly scheduled pay increases that is very transparent. Wegmans' contribution to employee medical expenses is equally impressive. Wegmans will pay 85% of employee medical expenses and it is the only grocery store in the industry to contribute to employee retirement accounts.¹⁴

These best in class employee benefits are only a part of the innovative approach that Wegmans takes to its employees. Wegmans also offers thorough and extensive training to employees. Cashiers, for example, must complete 40 hours of customer service training before they can take up their spots at a register. Employees in leadership roles undergo an extensive leadership training course with continuous goal setting. Team leaders responsible for a product line are sent to visit suppliers wherever they might be located. The head of the meat department might be sent to Montana and the butcher may go to Colorado. The lead team member of the cheese section might be sent to Italy. These are not corporate buyers but rather employees who will be interacting with customers. As a result, employees are not only well trained in customer service but also very knowledgeable about their own product lines.

¹⁴ Ibid.

VI. Diagnosing Wegmans Culture

Applying Krattenmaker's nine diagnostic indicators for conducting cultural due diligence, it is easy to see how effective the Wegmans business culture really is. The first indicator for Krattenmaker is how well a company communicates its vision and identity across all levels of the organization. There is little doubt that Wegmans does an extraordinary job of this kind of corporate communication. The values statement is a very clear articulation and is not some lofty aspiration for the company but serves as a guidepost for its operation. Even when faced with operational challenges, Wegmans never made the decision to lay off staff or to cut wages. In an era of big box stores, Wegmans retained its focus on quality and customer service.¹⁵ It does not compete, for example, on price alone but rather engenders loyalty among not only its employees but also its customers. As the author of an article published in The Atlantic put it, Wegmans is the anti-Wal-Mart.¹⁶ The approach is not just pitting quality against quantity but instead is focusing on a customer's experience and Wegman's knows that its customer service is critical to this and devotes resources to training to ensure superior customer service. The experience ensures that Wegmans continues to operate its sales at a high volume as well and volume is the driver of its profit.

The investment in employees is also seen in the organizational structure. Wegmans empowers employees to take ownership of their own positions and it encourages employees to become engaged in the overall direction of their sections. In this sense, it is not a hierarchical structure but rather one which actively encourages and rewards employee engagement.

¹⁵ "The Anti-Walmart: The Secret Sauce of Wegmans is People", The Atlantic, March 23, 2012 (David Rohde)

¹⁶ *Ibid.*

Employees who participate in the leadership program are mentored by fellow employees and are expected to, “pay it forward” and in turn become a mentor once they graduate from the program.

Infrastructure and organizational practices are also reflected in Wegmans’ statement of its values. Listening to and respecting employees are stated values. One example of the way in which organizational practices match the stated goals is in employee wellness arena. Wegmans was one of the first large companies to stop the sale of tobacco products in its stores. This move coincided with a renewed focus on employee wellness. The seamless integration of corporate strategy and corporate culture was in evidence here.¹⁷

Work practices and the use of technology were aligned when Wegmans launched a new online web platform for employees to manage their benefits. One of the more innovative practices of Wegmans is the use of technology to allow employees to see their own performance targets and to track their progress towards these goals. This extends to an employee putting in a leave request. The system allows a department or section of an individual store to honor flex-time requests from employees as the scheduling is centrally available and the scheduling software allows lateral input from employees through monitoring of their own performance goals and their managers who are monitoring and approving flex-time requests.

Finally, many of the Wegmans stores are arranged like open air European markets with space for employee yoga and wellness checks. Using cultural diagnostic tools, it is clear that Wegmans continually engages in cultural due diligence and that this is at the heart of its success.

¹⁷ <http://www.hrworks-inc.com/article/taking-closer-look-benefits-wegmans-way>

VII. How Does Wegmans Handle Cultural Change?

Wegmans has a focus on volume as a key indicator of business performance and its salesforce has been its strength. In a 2015 survey, when questioned about whether or not management had a clear vision of where it was going and if that had been communicated across all levels of the organization, 96 % of employees said yes.¹⁸

But what about when cultural change is necessary? What happens when the very underpinnings of its success must be changed? In 2011, the head of Human Resources for Wegmans was interviewed by the Rochester Business Journal alongside the head of organizational development.¹⁹ No operational silos were in evidence and Wegmans famous cross-functional units both addressed the question of how the organization handles cultural change. First, Wegmans determined that employee surveys were not giving them the kind of information that they needed to assess cultural change, so a study was developed.

Wegmans wanted to determine if they had to make a change to their benefits package, the sort of change that would be acceptable to their employees. In order to measure this, the study focused on three phases:

1. Understanding the level of employee engagement
 2. Assessing what factors drew employees to the company and what factors kept them there;
- and

¹⁸ "Why Wegmans is American's Favorite Supermarket", The Huffington Post, April 6, 2015 (Jenny Che)

¹⁹ " Taking a Closer Look at Benefits: The Wegman Way", Rochester Business Journal, June 10, 2011 (Candace Walters)

3. Applying conjoint analysis which is used to measure how consumers value product features.²⁰

Wegmans learned that the top three factors that employees considered when joining the company were flexible work schedules, company reputation, and health benefits. The three top factors for staying with the company were health benefits, flexible work schedules, and employment security. Wegmans learned that the cost of the health benefits was not the only driver which it had previously assumed.²¹

The study Wegmans conducted demonstrates that they not only value employee feedback but just how valuable that feedback actually can be. Using the same approach to employee satisfaction that is used for evaluating customer preferences is also telling. Wegmans has integrated its identity as a great place to work by treating its employees as a base that needs to be taken care of so that they can take care of their customers. Perhaps the only drawback to this model is the fact that Wegmans is a privately held corporation that is not responsible to shareholders or governmental agencies for funding or agreement with their business decisions. Turning to an example of a hospital that receives a great deal of governmental funding will assist in determining whether a focus on cultural due diligence is possible with these business types.

²⁰ Ibid.

²¹ Ibid.

VIII. Mayo's Culture of Innovation

The Mayo Clinic is a world-renowned non-profit hospital that has a focus on integrating patient care, education, and research. It was ranked as the country's best hospital on US News and World Reports 2017 ranking of the best hospitals and it has maintained a position near the top of this list for almost 30 years. It also consistently ranks among the Top 100 places to work in the United States. It has a reputation for treating difficult cases and for its innovation in medical research.

Each year, over 1.3 million patients are treated at the Mayo Clinic. For Mayo, medical research is extremely important to patient care. This translates to not just finding the right cure but in many cases, identifying the right disease. In a recent study, researchers found that roughly 86% of patients that were seen at Mayo for a second opinion received a new or different diagnosis.²² Treatment at Mayo is streamlined and coordinated. With such a large reservoir of experts at the clinic, patients can be treated much more efficiently, quickly and with a higher degree of quality than at virtually any other medical center in the world.²³

IX. Expanding the Culture of Innovation in Research to Health Care Delivery

In 2002, there had been enormous advances made in disease diagnosis and advances in treatments of previously difficult to treat diseases. Mayo Clinic began to explore whether or not the same kind of innovation could be found in health care delivery. As diagnoses and treatments of diseases became ever more complex, there were new challenges in providing these advances to patients and there had been little or no advances made in service delivery to patients.²⁴ While

²² www.mayoclinic.org

²³ CFE the PBS Documentary, "Faith, Hope and Science"

²⁴ Yale School of Management Case Study, "Design at Mayo"

Mayo was no stranger to innovation in the delivery of healthcare services- it had developed the patient medical record after all- there was no real concentrated focus on ensuring that delivery of healthcare services was as innovative as the diagnoses and cures that research was advancing.

Mayo decided to launch a small incubator project called SPARC to test theories about the interaction between patients and providers. The incubator lab grew quickly and within six years, a Center for Innovation was established that was a highly regarded element of the Mayo Clinic. It had many successes including reorganizing workflows to streamline efficiencies in practice areas, it had tested new strategies for educating patients, patient exam rooms had been redesigned, and new technologies had been incorporated into doctors' consultations with patients to improve their quality. But even with all these accomplishments, it had not yet reached its goal of transformational change.

The Center for Excellence certainly focused on design change. As an outgrowth of SPARC which stood for "**See-Plan-Act-Refine-Communicate**," the Center for Innovation stayed true to the mission of the Mayo Clinic, "To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research." Improving and innovating healthcare delivery was another step on its way to fulfilling its overall mission. Mayo's core value was to place the patient first.

X. Cultural Due Diligence and Transformational Change

There is little doubt that the Mayo clinic had a clearly articulated set of core values that it translated across all of its units. In addition to its stated core value of placing the patient first, the Mayo clinic had a set of values that was communicated at each level of the organization:

1. Respect
2. Integrity
3. Compassion
4. Healing
5. Teamwork
6. Innovation
7. Excellence
8. Stewardship²⁵

The crucial challenge for Mayo was how to focus on innovation, excellence and teamwork in support of its other goals without allowing those goals of healing, integrity, compassion and stewardship to take a back seat. In short, how could they focus on healthcare delivery without falling short of their other goals?

There was little question about the direction and results that the Mayo Clinic was looking for in terms of healthcare innovation in the arena of treatment and diagnosis. There were business drivers at work as well with significant changes underway in the reimbursement schedules of Medicaid. Streamlining services without compromising quality was a key challenge.

Changing the infrastructure through the incorporation of design ideas was the true innovation here. By changing the design of the infrastructure to encourage more collaboration in service delivery and to make the patient the center of the delivery of medical interventions, the organizational culture would also change. Medical centers, and academic medical centers in

²⁵ Ibid.

particular are notoriously hierarchical entities and Mayo's incorporation of design ideas was the first time an academic medical center to develop an innovation group around healthcare delivery.

Bringing together healthcare providers in such a collaborative atmosphere would mimic the kinds of interdisciplinary work that was happening in research and would cut across practice silos. Technology would not just be used to develop medicines but also to deliver services and in the process change work spaces.

XI. Embedding Transformation and Cultural Change

The factors that impact the ability of an organization to implement cultural change as part of its cultural due diligence strategy are particularly important in the Mayo example. The direction of the Mayo Clinic had not really changed in its over hundred-year history- collaboration through innovation placing the patient first had been its driver since its founding in 1863.

Operating as a non-profit since 1920, the Mayo Clinic has long understood the instability of public funding of hospitals. In 2009, just prior to the founding of the Center for Innovation, the Mayo Clinic had made public its position on healthcare reform. The proposed reforms, many of which made their way into the Affordable Care Act, would not according to the Mayo Clinic either reduce bureaucratic overhead and reduce spiraling costs of healthcare nor would it improve patient health outcomes. In this context, the initiative of Mayo to look to healthcare delivery as a means for streamlining service delivery was incredibly important and pragmatic.

There is little doubt that the initial strategy for SPARC was to focus on a few, high impact projects that would demonstrate the value of the incorporation of design principles into healthcare delivery. There are several examples here. Mayo's traditional exam room was redesigned to make it more informal and more like an office setting than a medical exam room.

In the new exam room, doctors and patients sit around a round table and chairs in a carpeted room in a home-like setting with changing rooms and an exam table with medical instruments in the adjacent room. This simple change encourages a more open and collaborative approach with patients.

One of the more troubling findings from the design intervention was the discovery that mortality rates increased and quality of care decreased for patients at shift changes, when one doctor handed off responsibility for patient care to another doctor starting a shift as their relief. Protocols were changed for handing off of patients from one doctor to another and project managers were added to the team to ensure that costs did not escalate in the new protocols.

Another innovation was in response to the knowledge that the recovery of stroke victims is strongly tied to the quality of the care that they receive immediately following a stroke. Mayo established consulting capabilities for remote clinics in rural areas where stroke specialists might not be readily accessible or available. Video consults can be conducted and these remote locations were given robot prototypes that a team of doctors at the main Mayo location can control to conduct a video examination so that the appropriate medical intervention can be determined.

Mayo was also the first United States medical center to put in place patient use kiosks. Akin to the technology in use at airports, patients can use the self-service kiosks to digitally check in once they have arrived at the clinic. While they are checking in, they can update their personal information, log onto their patient records, and check their billing status. In addition to the onsite kiosks, patients can also remotely log on from their home computers prior to their visits and answer pre-appointment questions and sign authorizations at home before they even head to the clinic. Once that process is completed, they will be issued a barcode that can be used to

check in at the kiosk. These changes impacted the approach of Mayo Clinic to its patients. However, rather than change the overall mission of bringing innovation to patient care, it simply enhanced it in terms of service delivery.

These high impact projects were not about incremental change but rather emphasized the importance of embedding cultural change. Patients were the focus of medical research and new treatment options were always important values for Mayo. These service delivery projects focused on a few changes that had a big impact.

The next hurdle faced by the design innovation team at Mayo was how to measure these changes. Some of the projects could be identified clearly by their outcomes. Once the waiting rooms in some practice areas were redesigned, other practice areas started clamoring for changes to their workspace which was a clear indicator of the value that they felt the redesign held.

The collaborative network approach implemented by Mayo at shift changes significantly reduced medical errors and improved outcomes for patients. Residents reported that once Mayo implemented a formalized structure for shift changes that there was a marked improvement in the communication of important medical history of patients, the status of labs results that were pending and the importance of why the labs were ordered, and the communication of other key information like patient allergies. In short, the delivery focus on the patient ensured that key information was communicated at shift changes.

The other innovation in stroke care was also fairly easy to measure. There was a reduction in costs by quickly identifying a patient's symptoms and ensuring that they were put in the correct

hospital bed with the appropriate level of supervision. Teams were able to identify very early on the appropriate level of risk faced by a patient and to allocate resources accordingly.²⁶

Using design models, customized care tailored to the needs of individual patients was the focus with the goal of improving care while reducing costs and burdens placed on resources. To accomplish this, a time-driven activity-based costing analysis was conducted to study costs and outcomes for patients that were associated with alternative protocols for stroke care.

This early assessment of risk was conducted using National Institutes of Health (NIH) protocols. The emphasis here was not just on getting the right patient to the right bed but also with as few hand-offs between shifts and teams as possible. This is a demonstration of truly integrating cultural change. There was an overall initiative to reduce handoffs between patients given the discovery that shift changes increased risk to patients. It could have been possible to conduct the process analysis of getting the patient to the right bed as quickly as possible but without consideration of the impact of handoffs between teams. However, the innovation center had already identified this as an issue for patient outcomes. The authors of the Harvard article on the changes to the way stroke patients were triaged are at pains to point out that while the model that they used was in the stroke care practice at Mayo that it could also be used across other practices.

In this sense, the Mayo Center for Innovation has resisted a one size fits all approach to performance metrics that demonstrate the value of the cultural change they are seeking to solidify. ²⁷For Mayo, there should be metrics that are associated with the type of change that is being implemented. For example, is the change contemplated a change to a process that is

²⁶ Harvard Business Review, "Lessons from Mayo Clinic's Redesign of Stroke Care", October 19, 2018

²⁷ Ibid.

universally translatable? Or it is a disruptive change that will cause other changes across the health service delivery spectrum? The metrics will also not always be financial. The example of the modeling of the process for treating and evaluating stroke victims had a financial component certainly, but perhaps the change to the exam room affected change that was less able to be put in financial terms but was important nonetheless.

There is little doubt that the existing culture of innovation at Mayo was honored. The establishment of the Center for Innovation was less a departure from Mayo's mission statement and organizational culture than it was an extension of it. The tools for it were certainly innovative in the use of design principles to evaluate healthcare delivery systems but Mayo has long been known for its culture of innovation and the extension of that culture of innovation to healthcare delivery was the cultural change underway. It brought changes certainly- it rewarded a culture of collaboration that improved patient outcomes and it empowered patients throughout the process. The cultural changes that Mayo implemented complemented its culture of innovation.

Extending the philosophy of patients first as a core value of the Mayo Clinic to healthcare delivery was entirely consistent with Mayo's overall mission. Evaluating the changes in terms of patient outcomes was also consistent with Mayo's values. In short, Mayo was able to articulate its vision, it was consistent with its mission statement, it was introduced in a few areas with high impact, and it was measured in a manner consistent with the intervention.

XII. Conclusion

Both Wegmans' abiding focus on the creation of an innovative work culture and the Mayo Clinic's deep commitment to embedding innovation across organizational levels reflect a deep understanding of the importance of organizational culture in ensuring organizational success. While each organization operates in a very different industry, they both share not only a focus on organizational culture but also commit resources to development of their organizational cultures. In sum, they do not turn to organizational culture once and then simply forget about it. Their commitment is long-term and evident to their employees.

Wegmans is not only an industry leader in a crowded retail grocery space but it is known for its emphasis on employees and their well-being. This investment in its workforce is a key defining element of who they are. Their organizational culture and emphasis on employees itself is its competitive advantage. This is important to note because Wegmans understands that an emphasis on organizational culture does not take time and resources away from its strategic goals but rather as a strategic goal it buttresses and supports corporate strategy.

In the same way, Mayo Clinic has recognized that their culture of medical innovation can be extended to their service delivery and in so doing, they have become a leader in health care management systems. Identifying innovation as a core organizational value allowed Mayo to move beyond a focus on innovation in treatments to becoming an industry leader in innovation in health care. Their example demonstrates clearly that by focusing on innovation and by focusing on small manageable projects initially to prove the value of the idea of embedding a culture of innovation across the organization and not just in the medical research, they were able to show the way in which that focus would buttress their medical research as well. Innovation in research that was delivered in antiquated ways impacted negatively service delivery and ultimately the

medical innovation itself. The Mayo Clinic example is a nice example of how unexpected synergies can be created and that cultural innovation identified gaps in innovation in research implementation.

Both organizations have a reputation for, and commitment to, developing and emphasizing cultural due diligence. While much has been written about both organizations questioning whether their cultures can be duplicated, the comparison of these very different organizations should make clear that cultural due diligence does not mean that an organizational culture is something to be duplicated. By using the tools provided by the models under investigation in this paper, it is clear that culture is not a static entity that can be layered on top of an organizational structure but is instead something organic that must be developed and nurtured.

What is important about Wegmans and Mayo in terms of organizational culture is their recognition of this approach. Cultural due diligence is a process that impacts all areas of the organization. The models for cultural due diligence give organizations tools for paying attention to this process and for initiating an examination of the ways in which organizational cultural can support and inform overall strategic corporate goals.

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