The Challenge of Organizational Culture in Quality Assurance Implementation

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Abstract

Organizational culture is identified as a potential barrier to the successful implementation of quality assurance programs in State/Federal Vocational Rehabilitation agencies. Proactive steps need to be taken to engage the local culture and ameliorate potential conflicts that quality assurance could pose. Two models are introduced to provide the basis for understanding organizational culture. The Competing Values Model identifies fundamental cultural values and is used to illustrate the gap between the hierarchical culture of state agencies and the market culture of quality assurance. The Person-Organization Fit Model illustrates the discrepancy between the ideal and real cultures found in agencies. The authors suggest that any quality assurance implementation strategy will have to deal with this internal conflict as well, if the program is to be successful. Steps for maximizing cultural engagement in the implementation plan are discussed.

As the Vocational Rehabilitation (VR) profession attempts to implement Quality Assurance (QA) into its program evaluation strategies, keep in mind that the failure rate for such efforts is 40-68% in the business community (Cameron, 2008). Poor implementation strategies are largely to blame (Cameron, 1997), and one particular troublesome strategic barrier is resistance from organizational culture (Cameron, 1998). Extensive research on the relationship between organizational culture and change (see Cameron, Bright, & Caza, 2004; Cameron, Freeman, & Mishra, 1991) has led Cameron and Quinn (2006) to opine: “Without culture change, there is little hope for enduring improvement in organizational performance” (p.16).

The purpose of this article is to provide a general framework for understanding how the vocational rehabilitation (VR) organizational culture will likely impact quality assurance (QA) implementation, for good or ill. To this end, organizational culture will be defined and two models introduced to articulate it. The Competing Values Model provides a well established empirical basis for characterizing different cultures, and in this instance, highlighting the fundamental differences between the cultural ideals of VR and QA. The Person-Organization Fit Model is used to illustrate the discrepancy between the ideal and the reality of organizational culture as experienced by its constituents. Beyond the global concerns of competing values and the natural inertia of groups at large, implementing QA in each specific instance will have to confront the unique function and dysfunction of the local culture.

Organizational Culture

Organizational culture is a complex pattern of assumptions about the group’s place and function in the world. The values and expectations that direct behavior are learned, based on what has worked for and against its welfare in the past. There are two complimentary survival functions that drive the development of organizational culture (Syvatek & DeShon, 1993). The first survival function is adaptation to external change. Experience in defending the group and advancing its cause in context
creates a worldview. The second survival function is the development and maintenance of an integrated, stable, internal identity (Kwan & Walker, 2004). Organizational culture is created through the pursuit of homeostasis in a changing, sometimes dangerous, world (Gagliardi, 1986). Values, ritual, protocol, structure, language and other artifacts are the products of the group’s efforts to survive and thrive. The lessons of survival are taught to new members through these artifacts and define appropriate ways to perceive, think, feel, and act (Schein, 1985, 1996). Organizational cultures arise within the structure of the workplace (Bate, Khan, & Pye, 2000). They are responsive to formal organizational development (Smith & Vecchio, 2007), but are not directly under management control. They are not monolithic; cultures and subcultures develop where they are needed in the organization (Jermier, Slocum, Fry, & Gaines, 1991) and vary in character from office to office, region to region, and level to level on the organizational chart. They are very resistant to change if the change is not perceived to be in the best interest of the group (Libianca, Gray, & Brass, 2000).

Competing Values Model

Considerable research has gone into understanding organizational culture because of the enormous potential it has to facilitate or disrupt strategic change (Hatch, 2004). The Competing Values Model, first introduced by Quinn and Rohrbaugh (1983), has proven to be a useful heuristic and has been researched extensively across settings, processes, and instruments (see Cameron, 1997; Cameron & Quinn, 2006; Campbell, White, & Johnson, 2003; Coomer, 2007; Dastmalchian, Lee, & Ng, 2000; Deshpande & Farley, 2004; Kalliath, Bluedorn, & Gillespie, 1999; Kwan & Walker, 2004; Lawrence, Lenk, & Quinn, 2009; Panayotopoulou, Bourantas, & Papalexandris, 2003; Ulrich & Brockbank, 2005; van Vuuren, Veldkamp, deJong, & Seydel, 2007, 2008). The Competing Values Model defines organizational culture along two value dimensions: (a) internal (people) vs. external (organization) focus, and (b) stability (control) vs. flexibility (change), creating four cultural archetypes:

1) **Hierarchical culture** (high internal focus/high value for control) describes highly structured, multi-layered organizations with highly formalized procedures. Decision making and authority is centralized. Information is disseminated down the chain of command through meetings and memos without discussion. Management focuses on coordination, organizing, efficiency, and compliance to rules.

2) **Market culture or rational culture** (high external focus/high value for control) describes formally structured organizations designed to compete aggressively in some form of market. Decision making is based on data analysis. Information travels through formal structures (staff meetings, email, etc.), but flows throughout the organization, depending upon need. Communication is two way and the expectation is for accuracy and openness. Management is results oriented, competitive, and strategic.

3) **Adhocracy or developmental culture** (high external focus/high value for flexibility) describes fluid organizations that adapt structure to take advantage of opportunity. Decision making is decentralized. Information flows up the chain of command. Teams form around and communicate about projects. Management emphasizes entrepreneurial risk taking, innovation, and building partnerships with external stakeholders.

4) **Group or Clan Culture** (high internal focus/high value for flexibility) describes familial structure formed to provide support for its members. Decision making is democratic or by consensus. Information is largely social and its dissemination is informal. Management emphasis is on mentoring, nurturing, trust, sharing, and development of human resources.
These are descriptive anchors rather than categories. Organizational cultures vary along both dimensions in unlimited possible blends and expressions. There is no universally superior placement on the grid; all four values can positively affect organizational function, depending on the situation (Denison & Mishra, 1995).

Competing values in Vocational Rehabilitation. Of the four archetypes, the state/federal VR program is strongly aligned with the hierarchical culture. State rehabilitation agencies are classic bureaucracies. They were legislated into being, articulated through amendments, and sustained through state/federal match. Their mandate is to insure that tax payer money is lawfully spent in an economical fashion toward the purposes to which it has been granted. To this end, the Rehabilitation Services Administration (RSA) holds state agencies accountable to minimal performance standards and indicators defined by regulation (see Table 1). Sanctions under the regulations enforce standards through oversight and in the case of non-compliance include the mandatory implementation of a remedial program improvement plan, biannual review, increased documentation, closer oversight, and ultimately the threat of funding reduction.

Table 1

DSU Performance Standards and Indicators

Standard 1: Employment Outcomes

Performance Indicators for Standard 1:

1.1 – The number of individuals exiting the VR program who achieved and employment outcome during the current performance period compared to the number of individuals who exit the VR program after achieving an employment outcome during the previous performance period.

1.2 – Of all individuals who exit the VR program after receiving services, the percentage who are determined to have achieved an employment outcome.

1.3 – Of all individuals determined to have achieved an employment outcome, the percentage who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least minimum wage.

1.4 – Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the percentage who are individuals with significant disabilities.

1.5 – The average hourly earnings of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings levels equivalent to at least the minimum wage as a ratio to the State’s average hourly earnings for all individuals in the State who are employed (as derived from the Bureau of Labor Statistics report “State Average Annual Pay” for the most recent available year).

1.6 – Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the difference between the percentage who report their own income as the largest single source of economic support at the time they exit the VR program and the percentage who report their own income as the largest single source of support at the time they apply for VR services.

Standard 2: Equal Access to Services

Performance Indicators for Standard 2:

2.1 – The service rate for all individuals with disabilities from minority backgrounds as a ratio to the service rate for all non-minority individuals with disabilities.
In keeping with the values of hierarchy, authority within the VR system is centralized in both state and federal levels. Policy is knowledge and it is disseminated primarily from the top down, through formal channels and with close vetting. There are multiple organizational levels between the executive and the counselor with clearly defined roles throughout. Counselors activities are closely monitored and documented. Formality and control create a stable, dependable, and efficient service delivery system.

**Competing values in Quality Assurance.** Quality, on the other hand, is an artifact of the quality movement in manufacturing and carries with it the values associated with developmental and market driven cultures. With nearly diametrically opposed values, conflicts are unavoidable and readily apparent.

The ultimate outcome under QA is the delight of the customer (Laffel & Blumenthal, 1989). The customer is both the consumer and purchaser of service in the marketplace, free to choose from competing service providers. The ultimate outcome in the vocational rehabilitation program is a 26 closure. There is no delighting the customer because there is no customer, and there is no choice. There is a client, defined in regulation, with whom the counselor has a fiduciary relationship to provide quality service. There is the funding source that enforces minimal quality standards through oversight. In the context of government-sponsored service with limited resources, order of selection, and waiting lists, quality is defined by the greatest number adequately served, not the delight of a few.

Quality assurance is a systematic means to identify, analyze and eliminate process variation. In the manufacturing context, discrete steps can be mapped out for any input-throughput-output process that is repeated endlessly on inanimate objects. It is more difficult to identify and standardize the processes of counseling and case management. Any attempt to do so is likely to engender resistance from counselors who perceive the core of their professional identity reduced to a set of “cookie cutter” tasks.

Continuous improvement in QA assumes that the workers are the experts of process. They are given the responsibility and authority to explore potential improvements, implement new processes, and work in teams to solve problems. Empowering counselors in this way would disrupt established roles along the chain of command. Counselors could also perceive this new responsibility as an added burden and further distraction from their core function (see Victor, Boynton, & Stephens-Jahng, 2000).

Quality assurance assumes that continuously improving process leads to excellent outcomes. VR assumes that continuously increasing outcomes leads to excellent process. QA finds fault in the process, not the employee when outcomes are unacceptable. This would be a struggle to accept in a system accustomed to using sanctions as a primary motivator.

**Person-Organization Fit**

The health of an organizational culture is predicated on the perceived person-organizational fit of its members. Person-Organization fit is the “compatibility between people and organizations that occurs when at least (a) one entity provides what the other needs, (b) they share similar fundamental characteristics, or (c) both” (Kristof, 1996, pp. 4-5). While the nature and importance of the values that define cultural fit vary across organizations (van Vuuren, Veldkamp, de Jong, & Seydel, 2007), the perception of fit within the organization, however defined, has shown strong and consistent correlations with stress, work satisfaction, intention to leave (Newton & Jimmieson, 2009), and actual turnover (O’Reilly, Chatman, & Caldwell, 1991; Vandenberghe, 1999).

The importance of person-organization fit at the individual level is obvious, but what is of value to the study of culture and culture change is the effect of person-organization fit in the aggregate. In a study of staff at a rehabilitation facility (Hatton et al., 1999), authors found nine dimensions that described the local work culture and used them to compare the espoused values in the ideal culture with
the real values as experienced by the workforce. In this study, worker’s perceptions of the real and ideal cultures were fairly consistent across job titles and agencies. Significant discrepancies were reported by the workforce as a whole on every dimension and consistently the experience of the real culture was deficient to the aspirations of the ideal. The workforce saw the agency as less tolerant, less achievement oriented, less innovative, less analytical, less socially supportive, less rewarding, less stable, less able to deal with conflict, and more demanding than professed. The key cultural concern is not turnover, although intention to leave was positively correlated with the perceived discrepancies. The key concern is with those who intended to stay, but felt trapped and burdened. What is the impact of this chronic lack of fit on the behavior of the workforce?

**Sandbagging and the real culture.** There has been no research into VR counselor perception of person-organization fit or the discrepancies between the real and ideal values of the VR culture, but the challenges faced by the profession suggest that such a line of research would be fruitful. The compliance model that undergirds current program evaluation pits the aspirational values of maximizing client inclusion against the organizational desire to avoid sanctions. There is systemic pressure to meet, but not exceed, minimal standards and outcomes. The lack of consideration of economic volatility in the judgment of employment outcomes holds the state agency accountable for processes beyond their control. With flat-lined budgets and expanding caseloads, the constant and increasing demand to do more with less has the potential to distort agency response to compliance (Cochran, 1978) in an effort to preserve the mission.

A case in point is the universally recognized but rarely documented process of “sandbagging” closures at the end of the performance rating period. The purpose of sandbagging is to adjust the report numbers to meet minimal standards in a way that protects the individual from negative reviews and protects the agency from sanctions. The phenomenon is pervasive. Its practice is common knowledge. Its existence is diagnostic of the cultural discrepancy between the ideal and the real. The fact that it is not recognized as a problem in the literature is diagnostic of a professional state of denial. Sandbagging is a covert process. It is not formally recognized and can never be a best practice. It is a function of organizational culture rather than formal policy. It is a reflection of the underlying expectations and values that have grown around the compliance model. The fact that it is not officially recognized does not diminish its potential to negatively impact QA implementation.

**Changing Culture**

Management cannot impose cultural change on the organization. Management is not in control of the real organizational culture, even in high control hierarchies. Culture evolves in response to management action – in ways that serve the group. Management can assess the culture that exists. They can study the desired direction they would like the culture to move. But they can only change their behavior towards the workforce and shape their behavior in ways that elicit the desired response. For example, at some point VR management will have to address sandbagging because covert practices are not acceptable in a hierarchical system. Writing and enforcing policy against it is the preferred response in a hierarchical system. This approach would only increase the discrepancy perceived by the workforce, push good workers out of the organization, and create new ways to game the system. The only way to combat sandbagging is to create a structure in which it is not necessary. That requires change in management first, workforce second.

Cameron and Quinn (2006, 2008) suggested an eight-step process for creating cultural change (see the body of research referenced earlier for instruments and models). Keeping in mind that the focus is on primary change in management, it provides a framework for maximizing the cultural fit between VR and QA.
Assess the current culture and determine direction. As a rule, the closer QA values are to the values of the culture, the greater the opportunity for successful implementation. Each agency will need to engage in an honest self appraisal of formal and informal structures to find out where the points of conflict and consensus will be between QA and the current program evaluation system. This will require an engaged dialog between management and workforce. The act of engaging in constructive dialog is, in effect, the first cultural change required on the part of management seeking to implement QA.

Clarify meaning. Once the direction of preferred organizational cultural shift has been determined, it will be important to clarify what this change will mean. There is only so far a hierarchical system can accommodate new values. These negotiations flow from fundamental questions about the meaning of change:

What characteristics should dominate the new culture? What attributes should be reduced or abandoned in the move away from a particular quadrant? What characteristics will be preserved? What continues to be important about this culture type even though there will be an emphasis on another culture type? What are the most important tradeoffs? (Cameron, 2008, p. 437)

Identify Stories. Identify, nurture, and celebrate those aspects of the current culture that point the way to the desired end. Stories that relate actual positive movement in the agency or larger community of agencies become the history of the culture and serve to remind and educate its members. An example in the QA initiative is the emergence of a QA community of practice started by a volunteer consortium of state agencies and TACE centers that has grown into a national resource. This group, called the Summit, sponsors live training events, yearly conferences, an archive of resources, and a means of social networking and support. This new community of practice was encouraged by state agencies managers, but authority has remained in the hands of the workforce. It is the type of story that demonstrates the kind of relationship within and among agencies required for QA success.

Determine strategic initiatives. “Strategic initiatives involve the activities that will be started, stopped, and enhanced” (Cameron, 2008, p. 438). Agencies need to question the value of each process and system in terms of the new direction. Such an examination needs to be done with the oversight requirements in mind, but should also recognize that the current processes, systems, policies, and procedures were developed in the context of their time, but are not necessarily optimal for new growth. Program evaluation procedures will be influenced by the modalities associated with quality assurance. But QA will also be adapted to the realities of hierarchical oversight. There are aspects of QA that will translate well (e.g. the process forms, focus on data collection), aspects that have a good chance of being interpreted into the structure (continuous improvement), aspects that may be challenging (counselor empowerment), and aspects that probably won’t survive the transition (dropping all outcome evaluations). In the end, what passes for quality monitoring in public vocational rehabilitation programs will be considerably different than its ideal form in manufacturing settings (see Swiss, 1992).

Identify small wins. Incremental change, small steps, and early success sets the stage for taking on greater challenges. By engaging small projects that have a high probability for success, employees have a chance to incorporate the idea of change into their concept of the organizational culture, learn the necessary skills to adapt to change, and witness the consistent dedication of the agency leadership to the change process. In quality monitoring, the integrated nature of the process of continuous improvement makes it difficult to deconstruct. Instead, a better approach would be to implement continuous improvement in a small, specialized, service arm of the agency. The specialized service becomes a laboratory for working out how QA can be implemented. Once a positive outcome is
found, the story is shared, becoming a model for others. This can be replicated at the national level as well.

Create metrics, measures, and milestones. Once movement has been established through small initiatives, and employees are acclimated to the process of change, the agency is ready to operationalize the larger scale changes that need to occur. During this process, key indicators of success are identified (beyond what is required under standards and practices), timelines are set, and a system of evaluating progress is put in place. This becomes a prototypical continuous improvement process. Lack of progress is not interpreted as failure, but an opportunity to learn. Patience, resolve, and empathy will be important management skills to develop to keep measurement from becoming the enemy.

Communicating and creating symbols. Culture is translated through its symbols. As “QA” becomes assimilated into the culture it will bring a new language, and conversely the new language paves the way for assimilation. Listen for and replicate the memes of quality assurance. For example, in the first summit conference on QA there was a presentation by a program evaluation specialist who talked about the concept of “removing burnt toast”. Burnt toast referred to the predicament counselors found themselves in when they would rush through the initial client needs assessment, implement a plan, only to find that they missed an important fact that led to client failure. The counselor and client would have to start over and resources were wasted. The idea captured by QA is to avoid “burning the toast” in the first place; i.e., take the time to do a thorough evaluation on the front end. Potentially, it could catch on in the organization and counselors would remind themselves not to burn the toast, and thus quality slips into the vernacular. This is an organic process; one cannot force new symbols on a culture, but one can be aware of emergence of new symbols and encourage their adoption.

Developing Leadership. Finally, management must embrace a change in values. Implementing an organizational culture change requires individuals to take ownership of the process and champion the cause. The intent to implement QA must be matched by rhetoric that reinforces it, and actions that demonstrate it. To insure the longevity of the quality movement in VR, the new models, stories, symbols, must be inculcated into succession planning as the new wave of leaders supplant the retiring old guard (Schultz & Millington, 2007).

Conclusion
The current climate within rehabilitation, particularly within the public sector, is highly focused on the issue of QA. Agency administrators are facing pressure from the federal government to move in this direction, and are required to do so with limited preparation and resources to accomplish the task. The implication that we need to study our organizational cultures in advance of QA implementation may seem like an added burden on limited resources. The reality is that it may be more costly to ignore culture than to deal with it.

We have no research base on organizational culture. With the implementation of QA, perhaps now is the time to start. There is an established body of literature on the subject that has moved from philosophy to applied science. There are models, instruments, and research designs that we can co-opt. The extension of the Person-Organization model posited herein provides a point of departure for investigation. Our success in implementing QA may depend on the professions’ response to the challenge.

References


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