Create a Corporate Identity

2

Goals

– What are hospital strategies from the top management?
– Which group of employees damages the hospital deliberately?
– What do employees need to be dedicated to a hospital?
– How can Porter’s value chain be applied to creating a corporate identity for the hospital?

In this chapter we differentiate among corporate identity, corporate design and corporate image. This leads to the question: how can you motivate your coworkers and subordinates? The entire chapter gives you the competence to achieve a competitive advantage.

2.1 Corporate Identity: Bottom–Up Instead of Top–Down

Corporate identity reflects the character of a hospital. Its purpose is to make it unmistakably recognisable both inside and from the outside (Balmer and Greyser 2006). A hospital’s corporate identity comprises a mission statement, the company’s philosophy, operational guidelines and external symbols such as the logo (Stuart 1999). Corporate design (that is the external appearance of the hospital), refers to conduct, communication, philosophy, language and culture, all are part of it too and they are co-ordinated. By comparison, the corporate image is what is seen from the outside, how the hospital is perceived in its community. Ideally, corporate identity and corporate image correspond with one another (Andreassen and Lindestad 1998). However, only a few hospitals ever achieve this. When a private company is a service provider, the success of an enterprise increases through its corporate identity (Gotsi and Wilson 2001). In particular, companies newly on the market that are
innovative and have clear goals, will appeal. They prompt staff, regardless of their rank or income, to be dedicated to the company beyond their working hours and to identify with its goals. Thus, corporate identity is lived by the staff bottom-up; it is not ordered top-down through directives issued by management.

A successful hospital should be run with the same passion, enthusiasm and perfectionism as a five-star hotel. To achieve this, care and attention to detail are given priority: untidy and run-down foyers and over-flowing ashtrays and waste baskets should not be tolerated. When a patient is admitted to a ward or day clinic or outpatient department, the admitting staff should have been previously informed about the patient and the reason for his admission. Hence, a personal welcome with a certain amount of background knowledge is mandatory: for example, the patient, Mr Samuels, 65 years of age, admitted for cardiac arrhythmia, referring physician Dr Bradshaw.

**Case Study**

Mrs Simons is admitted to the ward because of recurring upper abdominal symptoms. She is nervous and unsettled because this is her first time in hospital. After she has been greeted personally and given a brief explanation of what is planned and when her interview with the ward doctor will take place, her anxiety disappears. She consequently relaxes because she has now experienced the pleasant feeling of being in competent hands. She remembers her husband’s stay in hospital some years ago when a sister called across the ward: ‘Here is a Mr Simons. Does anyone know why he has been admitted today?’ As a result, Mrs Simons was not then able to place her trust in the staff.

**Conclusion:** Invest time in the admission process and give guidance and information to the patient and the family. This should include the possible challenges that can occur during the hospital stay. It saves having to deal with complaints later.

In *integrative corporate identity management* various specific measures are conceptually linked, are strategically synchronised, and serve to promote the identification of the employee with the hospital. A corporate identity cannot be prescribed. It must be lived, not just by the staff in direct contact with patients, but also by the hospital management, the directorate, the Hospital Board and, in particular, the administration. The corporate image will reflect how well a hospital is accepted in the community it serves as well as how much appreciation the employees receive from their social contact. Not only should the hospital be proud of its employees, the employees should also be proud of the achievements of the hospital. If an employee and his/her family keep getting negative feedback regarding their employer in the community (‘Oh dear, is that where you are working? I would only go there if there’s no other alternative’), then they may eventually go looking for another job in the long run or give up on the job after a while and mentally resign (Sect. 2.2). On the other hand it is very encouraging for staff to hear from patients that they are satisfied with the treatment and with hospital processes.

Cardinal questions that are always asked include: what is good hospital management? can what is purely management be transformed into leadership? Firstly, it
seems to be important to have a good mix at the management level, thus, there should be no one autocrat who has the say, but rather an executive management team of which all the members have an equal say. Ideally, a supervisory board comprises executive hospital managers, health economists, a person who is in charge of ethical considerations and a patient representative. Preferably, members of the executive hospital management and the hospital board should have their family members treated at this hospital if they are ill – and not only because they will have the advantage of receiving special treatment but because they know that the level of care provided is high.

A further question that arises is, how can you set this hospital apart from its competitors? To this end, positive emotionality plays an important part. The staff must be able to have empathy with patients’ concerns and be able to take action. An emotionless work-to-rule attitude is something that patients quickly pick up on. Another important element is the way in which the staff are included and whether employees can develop a sense of: ‘This is my hospital, I am feeling empowered to drive it as I want to contribute to its success. These are our patients for whom we as a team are responsible.’

### 2.2 Work Motivation

Don’t try to flog a dead horse. You cannot succeed. (Author unknown)

Gallup, the US research-based, global consulting company, carries out regular public opinion polls on staff satisfaction in several countries. It has been shown over and over again that a constant proportion of employees work against a company or even actively damage it by their behaviour. This can be reduced by targeted measures even though it can never be eliminated. In a 2014 Gallup poll 31.5% of employees were engaged, whereas 51% were not engaged and 17.5% were actively disengaged. Managers and executives showed the highest level of engagement (38.4%). The proportion of engaged people is responsible for the success of an enterprise (Gallup 2014). The commitment of employees mirrors their emotional attachment to the company. According to Gallup, emotional ties correlate positively with the business indicators, fluctuation, or absenteeism. Dedication not only influences work performance, but also has an impact on patients’ safety. Certain management ‘soft skills’ (Chaps. 5, 9 and 10) influence these key data significantly. Figure 2.1 shows results from the Gallup poll for selected countries.

What drives people to be either dedicated or not? Let us take a closer look at the Gallup questions with regard to the hospital and reverse them. ‘If employees are a company’s best asset, then their care and support should be a priority’.

The degree of agreement with the following 12 statements may reflect employees’ motivation and thus also the success of a hospital:

1. *I know what is expected of me at work.* Only a few employees and even managers really know precisely what their superior expects of them.
2. *I have the necessary equipment to do my work properly.* Often there is not enough space and equipment for the hospital staff to complete the necessary
administrative work. (Negative example: five interns and registrars share one office in which there are two desks and one PC).

3. I have the opportunity to do what I am able to do every day. This is one of the key issues raised by young doctors in particular, such as interns and registrars. In the past, patient consultations and treatments were given priority, whereas currently effectiveness is measured by the number of doctor’s discharge letters and prompt submission of International Classification of Diseases 10 (ICD 10) and diagnosis-related group (DRG) codes. Nowadays, the work is overloaded with administrative tasks. Alienation from the original occupational profile has taken place and can cause demotivation.

4. I have received appreciation or praise for doing a good job during the last 7 days. The motto: ‘No praise means no blame’ no longer applies.

5. My superiors show personal interest in me. Social appreciation in a hospital should be applied at all levels. A departmental head, hospital director or consultant who appreciates the staff and finds time and is interested in his employees personally will, in the long run, only succeed if s/he in turn finds appreciation for his/her work and engagement in the hospital from superiors.

6. There is someone at my workplace who supports my development. Mentoring plays an increasingly greater role. If a new employee joins the hospital staff, a mentor or coach (Glossary) should be assigned who will accompany him/her and support the employee in future training. Targeted continuing professional development programmes, which are quite common these days, should be offered more frequently in health care delivery.

7. My opinion seems to matter at work. How often do you hear the following phrase in your hospitals: ‘I am only a small fly/tiny dog. My opinion doesn’t count.’ Such an attitude has a negative impact on a hospital, for employees such as secretaries, receptionists or security staff often do not feel appreciated, and yet they have first contact with patients – and first impressions count. Hence, you have to focus on the image presented on the patient’s first entrance: if a

Fig. 2.1 Employees worldwide engaged in work (Adapted from Gallup Poll (2014))
secretary or clerk continually puts on the answering machine, at some point patients will stop calling during the specified and often very limited times and look for alternatives. Poor service awareness is often encountered with monopolist institutions such as university hospitals, provincial hospitals and large regional hospitals.

8. **The goals of the hospital make me feel that my work is important.** It is a challenging task for hospital management to reach and talk to all employees. This is only done in successful hospitals.

9. **My colleagues are motivated to work to the highest standard.** It is important which structures new members of staff in particular encounter. How are mistakes and complaints handled? Does a team manage to implement change processes that improve the operational output such as quality in addition to ensuring patient satisfaction? Are the department and executive hospital management teams actively engaged in creating a high work morale? (Chap. 6).

10. **I have an important 'go-to' person in the hospital.** Being grounded and accepted plays an important part in the well-being of employees. On the other hand, people who have mentally cut their ties may jointly work against the hospital.

11. **During the past 6 months someone in the hospital has discussed with me my progress.** It is important to the employee that performance reviews take place regularly, and the employee’s achievements and evaluations are documented. Employee should not experience such interviews as simply routine for their superior. Standardised questionnaires for staff evaluations have already been introduced in hospitals. However, often it is a matter of going through the motions; the forms are simply filed and thus usually fail in their objective of implementing targeted employee development.

12. **I have had the opportunity to learn something new at work and to improve myself over the past year.** Professional development should play an important part for both new and experienced hospital staff. A hospital should ensure in all areas that staff can develop and will not at some point leave to join the competitors because they offer better development opportunities.

### 2.3 Positive Emotionality

The factor of ‘empathy’, that is applied positive emotionality when treating patients, is of crucial importance in order for a patient to feel accepted and well-cared for. Casual remarks such as ‘No idea what Cardiology is thinking of to send you without a prescription’ are quickly made, but stay with a patient for a considerable time and create an image of incompetence and lack of care. Only if everybody works together to achieve the common goal of treating patients at the best level can a health care provider be successfully run. This does not necessarily require more staff, money or other resources. You would have a similar experience with an almost empty coffee shop: although the same number of staff is present, service and attention are occasionally clearly worse than if all places are taken. If instead of one person, three
people do not exactly know what is going on, the patient’s confidence in the treatment is undermined.

When health systems are analysed and compared across the world, different qualities of care are achieved, even when comparable budgets are used (Chap. 1). This can be shown when infant mortality and average life expectancy are compared in different health systems (WHO 2008). Huge amounts of money and resources can be invested in malfunctioning systems without changing for the better.

The website is – to a higher or lower extent – user-friendly and professionally designed. Usually, the most important feature is the mission statement, the self-defined task of the hospital. In most cases patient-centred care is advertised, patients finding themselves apparently in first and central place. Yet, when the patient enters the hospital s/he sometimes cannot get rid of the feeling that everything revolves around the staff’s efficient work routines while the patient’s needs are hardly given consideration.

Hospitals spend large amounts of money on external and internal consultancy contracts to create a corporate identity. Such corporate identity should ensure that the patient feels well-cared for in the hospital, but in fact this happens only in rare cases. Patients notice very quickly the low value placed on them. Why is this the case? The most moving words and well-advertised visions do not help at all if they are not implemented as part of everyday-life. The hospital’s administration and management are frequently referred to in derogatory terms. The management is usually housed in a different building or at the top or ground floor of the hospital and, compared with the rest of the hospital, it is best equipped. The reasons given for this are the representative functions of the hospital, although a patient will only very rarely find him/herself in the CEO’s office. From a kind of helicopter perspective, the top management issues directives while the Corporate Identity has been prescribed top–down. The patient’s point of view is frequently only taken into consideration when a complaint is written to the hospital’s CEO.

2.4 Recognising the Competitive Edge

It is better to be a big fish in a small pond than to be a small fish in a big pond. (South African proverb)

It is important for a hospital to recognise and establish its own core competencies by asking the question: compared with our competition, in which areas do we have the competitive edge? To deal with this question we devote the following chapters to recognising core competencies and the competitive edge.

Anecdote: The Farmer and the Tree Trunk
Han Fei Zi, the Chinese philosopher, born around 280 BCE

A young farmer was working in his field when a hare came running and crashed – head first – into a tree trunk at the edge of the field. The hare died immediately. Delighted, the farmer picked up the hare, took it home and prepared a delicious meal. The next day, the farmer put aside his hoe and crouched next to the tree trunk. He was hoping that another hare would come and run into the tree trunk, but in vain.
And so he sat every day at the edge of his field and waited for a hare. In the meantime his field became covered in weeds.

This short story illustrates a very common attitude. After a chance success every effort is made to repeat that success. In the meantime the real tasks are neglected and actual competencies go unused.

A hospital’s vision must be implemented by using appropriate strategies. Otherwise, both staff and patients will realise that the much vaunted vision on the internet page is simply marketing. This is associated with loss of trust, both inside and outside. Yet, trust is of central importance in medicine. Without trust in a hospital, in its doctors and nurses, patients are unable to commit themselves to a treatment relationship and improve the condition of their health.

A successful hospital will analyse core competencies and competitive advantages and use them as starting points for developing a strategy. The core competencies of a hospital should be documented, thus enabling the processes on which the institution’s competitive edge is based to be highlighted and analysed. The first step in documentation is the so-called process map (Sect. 3.7.1), which visualises the processes in the hospital. Identifying such a value chain illustrates the processes by which the hospital stands out from its competitors to operate economically (Hines et al. 1998).

### 2.4.1 The Competitive Standing of a Hospital

Before a society becomes wealthier, it gets healthier. (Hans Rosling)

How companies or hospitals can achieve the competitive edge is illustrated in *Michael Porter’s concept of a value chain*. Porter developed this concept as Professor of Economics at Harvard Business School and published it in 1985. As a leading economist in the area of strategic management he had already introduced his concept in the 1970s. This approach introduced a fundamental change: whereas in the past many decisions were taken based on gut feeling, more recently process orientation and optimisation have developed to offer an essential approach to working in a competitive and profit-orientated way. Only if the hospital works economically will it be in a position to make the capital investments needed for its future development. This applies not only to private hospitals, but also to public hospitals.

**Definition**

A *process* is defined as a temporal sequence of activities. For value creation a process must be both efficiently and effectively structured. Efficiency means that the result has to be better than the investment of factors. Flawed processes resulting in poor quality imply that the treatment costs are too high and the service quality is unsatisfactory for the patients and the referring doctors.

Compared with business processes in other companies, hospitals are repeatedly facing problems in the three major hospital areas: administration and management, medical departments, and nursing. Furthermore, the architectural structures of hospitals often counteract integrated processes and hence value creation. For example,
obstetrics, the neonatal unit, and the nursery may be situated in different buildings. The coordination of treatment and interdisciplinary communication is seldom direct and spontaneous, but has to take place via telephone and joint visits where not all the staff involved can be present. Private hospital groups overcome this obstacle by conceiving completely new hospital buildings with economically aligned care structures.

The current situation must be ascertained and documented, focused on the essential parameters, depending on the processes that need to be analysed. This is helpful in setting up a value chain and in recognising competitive advantages.

The following five forces influence the profitability of a business and determine its appeal:

1. Negotiating power of clients
2. Negotiating power of suppliers
3. Threat from alternative products
4. Threat from potential competitors
5. Competition within the branch of business

In the following, Porter’s value chain is aligned to a health care centre by applying the five forces model.

- New competitors: new competitors require competition-orientated responses that inevitably deplete a hospital’s own resources and thus reduce its profit margin.
- New products, alternative products and services: if genuine alternatives to hospital services are offered elsewhere on the market or by a competitor, the scope of one’s own pricing becomes constrained. In health systems that have to apply DRGs, pricing outside of the budget is already very limited. The hospital may apply alternatives by engaging in additional contracts outside of the budget. For example, private patients could be offered individualised health services and hence increase the attractiveness of the health care provider.
- Negotiating power of clients: if clients can negotiate, they will do so. However, this can reduce profits and as a result the profitability of the hospital. If services are offered more cheaply in other health care centres or day clinics, this reduces the competitiveness of the hospital.
- Negotiating power of suppliers: if suppliers are limited and can enforce their power (e.g., medical technology companies, pharmaceutical companies, and medical supply stores) they will be able to increase prices and thus reduce profitability.
- Competition within the branch of business: competitive pressure, raises the necessity of investing in marketing, research, and development or of reducing prices – both consequently reducing profits. Depending on the particular specialist area, many inpatient services will be rendered mainly in outpatient facilities within the next decade; thus, the range of services offered by hospitals is going to change.
2.4.2 Competitive Advantages

The competitive advantage is the result of establishing a profitable position together with all the strengths offered by the hospital. In analysing competitive advantages the following questions should be asked:

- How can our hospital create competitive advantages and maintain them?
- What is the underlying reason why other hospitals and hospital groups are being more successful than us?
- Which competitive strategies should be followed with regard to our position and our expertise? The competitive position of a hospital is determined by the additional activities in innovative medicine, efficient treatment, marketing, waiting times and the interaction with referring doctors (doctors in private practice, health centres and other hospitals).

All activities contributing to the hospital’s relative cost situation form the basis for being different from its competitors. For instance, a cost advantage can arise because of the following:

- Reduction to what is necessary and sensible in diagnostic processes (‘lean health care’).
- Efficient treatment processes (reducing levels of care from ‘intensive’ to ‘high care’ to ‘low care’ with a reduced ratio of nurses and doctors per patient).
- Continued treatment within the hospital group’s outpatient centres.
- Cooperation with colleagues in private practice where services or support can be offered by the hospital (e.g., support with administration, direct access with electronic interface to make appointments for patients).

According to Porter (1985) the competitive advantage grows fundamentally out of the value a company is able to create for its buyers, value that exceeds the firm’s cost of creating it. Meeting the competitive edge can be related to the following:

- Purchasing medicines, equipment, and material at favourable prices.
- Faster treatment with short waiting times.
- Excellent reputation and high patient satisfaction.
- Professional and organisational competence.

2.4.3 Role of the Value Chain

The value chain is a tool for systematically examining all processes in a hospital. It clarifies how activities are related and the role they play in the competitive advantage.

The value-added chain divides the hospital into strategically relevant activities, so as to analyse the costing and to understand the potential for differentiation (Fig. 2.2). Your hospital achieves a competitive advantage by performing one or
several strategically important activities more economically or better than your fellow competitors. Applied to a hospital, this could be described as follows:

- A hospital’s value chain is part of a value creation system.
- Suppliers who manufacture the products they purchase have a value chain and deliver them with the relevant features (e.g., remedies, medicines, medical technology).
- The client (patient, referring doctor/hospital) defines the requirements for the hospital.
- Achieving and maintaining a competitive advantage relates to the overall environment you are working in (e.g., establishing a health centre if there is already another one in existence).

### 2.4.4 Competitive Strategies

In Section 2.4.2 we explained how a hospital can achieve a competitive advantage by being more cost efficient as well as more innovative than competitors. According to Porter, the following strategies for achieving cost advantage exist:

- **Differentiation**: a competitive strategy for creating customer loyalty by developing new services.
- **Focussed differentiation**: a competitive strategy for developing and occupying new market niches for specialised services.
- **Cost leadership**: a competitive strategy with the goal of becoming the most reasonably priced service provider on the market. To accomplish this, all possibilities of achieving cost advantages must be identified, balanced and then utilised (e.g., ‘high/medium/low care’, day clinics, separate facilities for outpatient services and specialised ambulances).
- **Efficient consumer feedback**: this includes the entire hospital. Inefficiencies along the value creation chain are eliminated by taking into account the user

![Porter's value chain (Adapted for hospitals)](image-url)
requirements and a maximum client satisfaction level. The actions are related to vision, strategy, and the pooling of technical procedures within the cooperation that exists among patients, referring doctors and the hospital. This facilitates advantages that could not be obtained single-handedly. Examples are private hospital groups, private day clinics offering medical check-ups together with wellness and optimisation of the personal lifestyle or specialised medical groups for various diseases (fertility clinic, endocrinology and diabetes mellitus, lifestyle diseases, cardiovascular diseases, etc.).

Compared with other business processes, there is little scope for pricing in health care provision, in particular in public health care. Regulation is provided by the legal framework, DRGs, budgeting and the prescribed scale of charges and fees.

Hospitals, day clinics, and private practices are limited in the measures they can use to reduce costs. In the health care system the staff is the main expense. Therefore, savings opportunities are implemented here first, and consequently, staff will then be dismissed or reduced. In turn, this affects the quality of care and the working environment. If this is implemented too harshly, then the hospital may quickly find itself in a downward spiral. Specifically, well-qualified employees leave the ship first, because they have found another, more attractive field of work with a competitor.

2.4.5 Core Competencies

As part of the development of competitive strategies, core competencies play an important part. These are derived from the competitive abilities of a hospital that have resulted from the pooling and linking of available resources.

When the business processes of a hospital represent core competencies or contribute significantly to the development and expansion of the core competencies, they are defined as core processes. Accordingly, core competencies are relevant in increasing competitiveness and success. If your hospital performs core processes better than the competitors, the hospital achieves a competitive advantage. Core processes are characterised as follows:

- They are based on specific knowledge and expertise.
- They are not available on the market or are hard to imitate or replace.
- They produce new services or procedures.
- They generate an influx of new patients.
- They create benefits for referring doctors and patients.

As a rule, core competencies cannot be introduced instantly, but a hospital can use its competency and expertise as competitive advantages. This is why recognising core competencies is of strategic importance. Consequently, the following questions regarding processes and core processes must be asked:

- High benefits for referring doctors and patients: can added value based on the core processes be produced for referring doctors and patients?
– Protection from imitation: is the process exclusive to the hospital or can the process be easily imitated by competitors?
– Differentiation: does the core process result in a sustainable advantage over competing hospitals?
– Diversification: does the core process disclose new markets?

Even if core competencies cannot be introduced instantly, there are a number of activities and skills that help to develop them:

– Identifying patients’ and referring doctors’ requirements early
– Being innovative
– Efficiently offering services with a high degree of client benefit
– Offering treatments with new and superior technologies
– Satisfying patients and referring doctors quicker than the competitors
– Reacting quickly to changes in the market.

As part of the planning process of a hospital’s strategy, it must be specified how core competencies and business processes are interconnected. Besides, it is necessary to define the business processes assigned to the development or support of core competencies and how the implementation of core competencies is controlled and preserved.

An overall picture of value creation is drawn based on Porter’s value creation cycle (Fig. 2.3). Core and control processes, in addition to supporting and resource-developing processes, belong to the process landscape of the value chain.
2.5 Summary

Corporate identity cannot be prescribed top–down, but should be lived as a bottom–up approach at all levels, throughout the entire hospital. It is not enough and sustainable simply to place the hospital logo on all brochures, letterheads and notices. Corporate identity is linked to coordinated communication, behaviour and appearance and reflects the entire ‘personality’ of a hospital. Some private hospitals and hospital groups demonstrate leadership in this field. For this purpose, business processes must be identified and, where necessary, changed. Porter’s value chain constitutes an approach to optimising the core and business processes and to aligning the strategies to that purpose, enabling a corporate identity to be established. Different tools, such as the five-forces model and recognising core competencies are available for improving the alignment of the hospital with the market and generating the desired competitive edge. In this way, corporate identity and processes are synchronised. The various tools should be systematically applied and goals need be communicated to the hospital employees. These measures contribute significantly to developing a corporate identity together with the staff, by creating the feeling of being part of the business processes and of playing an important role in the hospital, irrespective of individual responsibility. It would be ideal if corporate identity and corporate image were to align with each other.

2.6 Five Reflective Questions for Practical Application

1. What corporate identity do you have in your hospital? In what aspects is your hospital better compared with the other hospitals in your community? What would you mention to friends and acquaintances?
2. Which business processes can you identify in your hospital? How do you rate their improvement potential?
3. How can you use Porter’s value added chain to facilitate the alignment of corporate identity and corporate processes?
4. How can you convey the corporate identity to your staff so that they will feel part of the business processes and realise the important role they play in the hospital?
5. Do corporate identity and corporate image correspond in the case of your hospital? Where do they conform, where do they differ?

References and Further Reading

High Performance in Hospital Management
A Guideline for Developing and Developed Countries
Weimann, E.; Weimann, P.
2017, XIX, 219 p. 65 illus., 57 illus. in color., Hardcover
ISBN: 978-3-662-49658-9