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**Linking Systemic Characteristics of a Strategically Aligned High Performance
Organizational Culture to Innovative Performance and Flexibility in a Health Care
Organization**

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ABSTRACT

Linking Systemic Characteristics of a Strategically Aligned High Performance Organizational Culture to Innovative Performance and Flexibility in a Health Care Organization

The main purpose of this inter-disciplinary study was to advance extant knowledge and theory on innovation and competitiveness by examining the effects of high performance organizational culture on innovative performance in a health care organization. More specifically, this study attempted to examine the extent to which a high performance organizational system, as defined by core and complementary sociotechnical, quality management, and learning organization cultural characteristics could serve as a strong predictor of innovation, flexibility, competitiveness, and profitability. The high performance organization (HPO) construct was defined in terms of the following characteristics: change driven culture, technology driven culture, quality driven culture, support for creativity, effective knowledge management, open communications, respect, and integrity. Collectively, the aforementioned attributes represent key characteristics of an optimized sociotechnical entity which is designed to cope with the main strategic trends in the external environment. As shown in Figure 1, HPO was hypothesized to have direct effects on innovation (Hypothesis 1a) and flexibility (Hypothesis 1b), which in turn were expected to be positively related to competitiveness (Hypotheses 2a and 2b). Competitiveness was then anticipated to have a positive effect on profitability (Hypothesis 3).

The data analysis of this study was based on survey responses received from 303 registered nurses working in a mid-western acute care hospital. The structural equation modeling results supported the stated hypotheses and suggested the existence of a strong relationship between the investigated high performance organizational construct and organizational innovation ($\beta=0.74$) as well as flexibility ($\beta=0.78$). Innovation was then found to exhibit a much stronger relationship with competitiveness ($\beta=0.75$) than flexibility ($\beta=0.14$). Competitiveness in turn was found to have strong effects on profitability ($\beta=0.80$). In all, the findings of this study closely paralleled those obtained from the one conducted in a manufacturing setting, thus validating the predictive utility of the investigated framework.

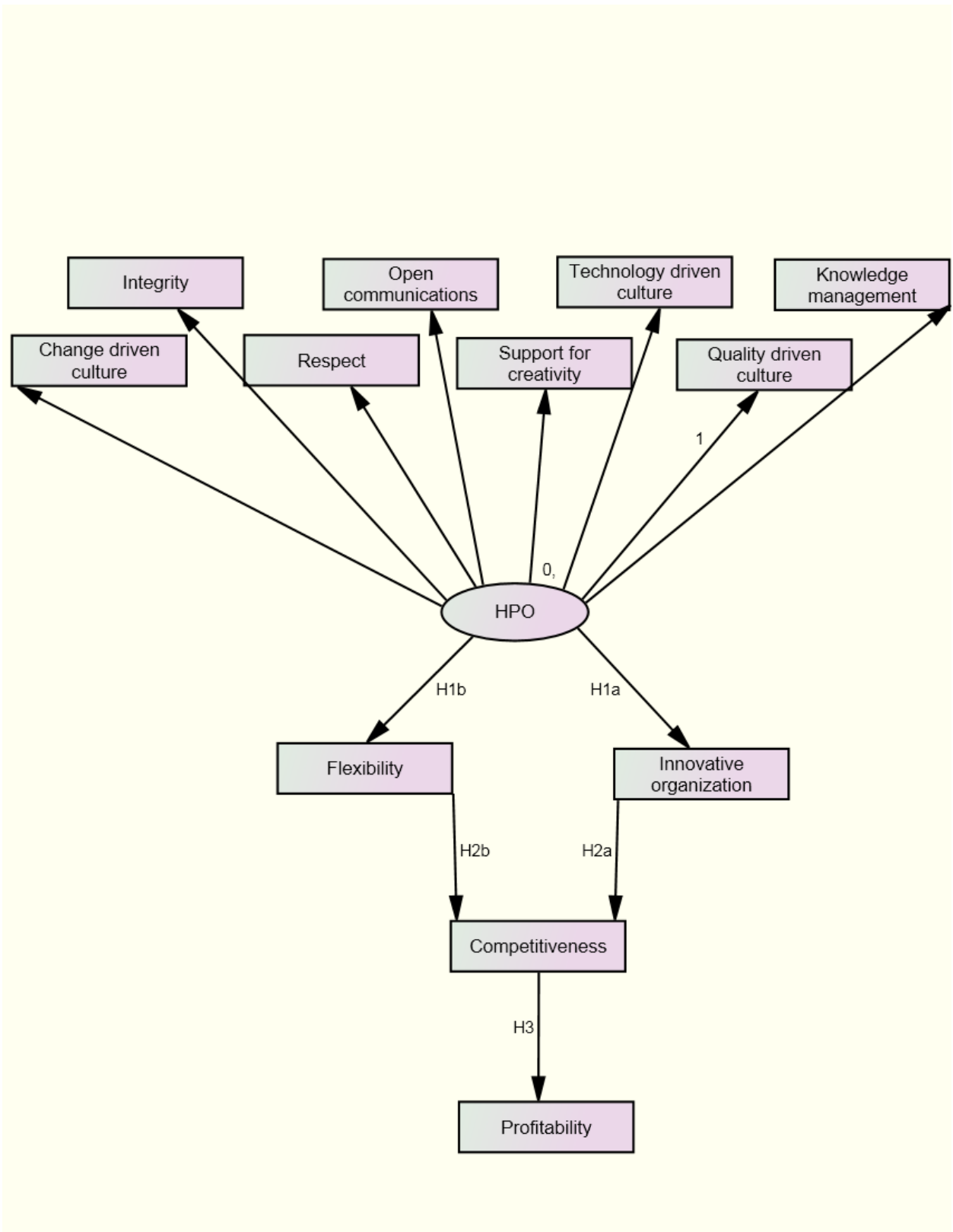


Figure 1. Hypothesized model