

Managers' religious affiliation impacts hospital strategy

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Protestant non-profit hospitals in Germany offer fewer treatment types, but focus more on complex treatments. By contrast, Catholic German hospitals offer more treatment types but focus on less complex treatments. This is the outcome of research on German non-profit hospitals by Jens Prüfer and Lapo Filistrucchi from Tilburg University. "The management's religious affiliation impacts the hospital's strategy", Prüfer says.

The researchers studied to what extent the [religious affiliation](#) of German non-profit hospitals affect their corporate strategy. Prüfer and Filistrucchi are among the first to show that the religious affiliation of managers has an impact on an organization's strategy. Earlier studies showed the effects of political attitudes or nationality. "We often think that religious faith does not play a role in how managers lead a company. However, despite the increasing secularization in Europe, the opposite seems to be the case."

Protestant non-profit hospitals in Germany are smaller than Catholic ones on average. Protestant hospitals opt for a strategy of specialization. They treat fewer patients, but apply relatively more complex treatment procedures. By contrast, Catholic hospitals opt for less specialization. They strive to help as many patients as possible and offer many treatment types, but apply simpler treatments than Protestant hospitals. "Our results are valid both for the entire country and within each state (Bundesland). The difference in strategy is even stronger if the competition between hospitals increases. For instance, a Catholic

hospital with an obstetrics department that is in close proximity to another hospital offering obstetrics will more explicitly use a strategy that we identified as 'typically Catholic', Prüfer explains.

The average Catholic non-profit hospital in Germany generates more turnover than a Protestant one, while the turnover per patient is higher in the average Protestant hospital. The number of departments in a Catholic hospital is larger than in a Protestant one. However, Protestant hospitals deploy more generalist and specialist doctors per patient and more frequently work together with universities and other educational institutions.

The strategies of Protestant and Catholic managers can be traced back to the theological cornerstones of the two religions, Prüfer and Filistrucchi argue on the basis of their literature review. In their opinion, Catholic and Protestant managers get spiritual rewards from altruistic behavior. In the healthcare sector, this results in striving to maximize patient benefits. In Protestantism, the focus is on the individual. This translates into a focus on the best possible care for the individual patient. Catholicism, however, focuses on a believer's community, which can explain why Catholic managers focus on treating many patients.

Despite the different strategies employed by Catholic and Protestant hospitals, Prüfer and Filistrucchi could not identify any persistent differences in quality outcome measures related to hospitals' religious affiliation. It is hence impossible to state that this or that type of religious [hospital](#) delivers "better" medical treatment.

The researchers analyzed quality reports on all German hospitals in 2006 and 2008. Approximately 830 of the 1930 hospitals in Germany operate on a non-profit basis. In this category of hospitals, 40% are Catholic and 23% are Protestant. The remaining 37% of non-profit hospitals were not included in the study.

More information: Access the full version of the research paper Faithful Strategies: How Religion Shapes Nonprofit Management: [papers.ssrn.com/sol3/papers.cfm ... ?abstract_id=2327087](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2327087)

Provided by Tilburg University

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