THE ROLE OF RELATIONAL COMPETENCE IN THE HEALTHCARE SECTOR

Bertrand PAUGET[1], Mathieu CABROL[2]

[1]European Business School, Paris, France, bertrandpauget@ebs-paris.com
[2]Université de Savoie, IAE, Chambéry, France

Abstract: *The role of entrepreneurs is highly regarded in our societies. It is widely recognized that their roles are not limited to the private sector, but can affect all sectors of the economy. In view of this, we focus on entrepreneurs acting in the healthcare sector. We concentrate more particularly on these entrepreneurs' specific competences. We propose to conceptualise the concept of relational competence, defined as the act of building and structuring relationships in order to adapt and innovate in a given environment. The aim of this exploratory study is to better understand why this type of competence is expected on the construction site of a new hospital in France.*

Key words: *Entrepreneur, relational processes, relational competence, hospital, healthcare system*

JEL Classification Codes: L20, L26

INTRODUCTION

Entrepreneurship is no longer limited to the sphere of private enterprise. There are not, on the one hand, private sector entrepreneurs, and, on the other, public sector entrepreneurs (Johnson, 2000), as shown by the emergence of a vast body of literature on social entrepreneurship (Wallace, 1999). Social entrepreneurship appears a specific form of entrepreneurship underpinned by a will to replace the welfare state (Bayad, Boughattas, Schmitt, 2006).

However, social entrepreneurship leaves the question of public sector entrepreneurship and its specificities unresolved. What does it mean to act entrepreneurially when one works in a large public institution?

This question is all the more relevant since the healthcare sector is highly regulated, and the place for entrepreneurship may seem limited, or even non-existent. This may explain the relative paucity of the literature on the topic.

Entrepreneurship is often considered as a career requiring specific competences. The role of the entrepreneur consists in the *"capacity to anticipate changes in the environment in order to act proactively, a capacity for change, which is recognized as a key success factor"* (Davidsson, 1989).

According to Chandler & Jansen (1992), entrepreneurs can be described based on the three main competences they must possess (entrepreneurial, managerial, and technical-functional):

- the ability to detect and capture opportunities,
- the ability to work and master specific tools, especially technological tools,

[1] Professeur de management, Ph.D.
[2] Maître de conferences, Ph.D.

- and the cognitive ability to coordinate the firm's interests and activities, implying the capacity to manage individuals and use a social network.

For Laviolette & Loue (2006), entrepreneurs' competences can be internal (strategic and managerial) as well as external (opportunism, ability to use the best technological tools – when they have not invented them). However, this set of skills is not totally adequate when considering entrepreneurs in the healthcare sector. Indeed, while the social and economic aspects seem to be inherent dimensions of all entrepreneurs' relationships (Johannisson & Monsted, 1997, Smida & Khelil, 2010), we believe that the nature of the relation in itself can be of interest. For Ostgaard & Birley (1994), the entrepreneur's social network is his or her most important resource. We believe it is necessary to go a step further in this approach in the specific context of the healthcare sector. Jobs in healthcare are structured by relations between colleagues and/or patients (Demailly, 2008). Consequently, the distinctive characteristic of healthcare entrepreneurship seems to be its relational dimension, but not only in terms of developing social networks.

With this in mind, we focus more specifically on the entrepreneur's role, and in particular his or her capacity to mobilise relationships. Our premise is that there is such a thing as relational competence, and putting it to good use may partly explain the success or failure of entrepreneurial events in the healthcare sector. We first propose to operationalise a relational competence analysis framework before contributing our early observations of a unique case requiring the deployment of such competences: the building of a new hospital.

1. LITERATURE REVIEW

We will first present the traditional competences required of "relational entrepreneurs", and specifically the ability to use and develop a social network. Then, after defining what we mean by relational competence, we will explain why this construct can help overcome the limitations of the social network approach.

1.1. Why relational competence is more than the capacity to develop social networks: contributions and specificities of relational competence

The importance of social networks in entrepreneurship literature

Initiating and developing entrepreneurial activities is a highly resource-consuming process. In this light, social networks are often viewed as a way to make up for the lack of resources and access specific assets required by organisations (Vesper, 1990). It is also widely admitted that the necessary information to start a new venture is often accessed through a network of friends and acquaintances (Johannisson, 1987). For all these reasons, the notion of network defined by Dubini & Aldrich (1991) as *"patterned relationships between individuals, groups, and organisations"*, is prevalent in the research on entrepreneurial processes.

The entrepreneur's personal network is important throughout the entrepreneurial process: from the entrepreneurial idea to its transformation into a project, within a new or existing organisation. Consequently, some authors consider networks to be the reason why some individuals start new ventures, while others do not (Aldrich & Zimmer, 1986; Johannisson, 1987). Personal networks relate to the personal ties formed by entrepreneurs, which often combine social and business aspects (Johannisson, 1996). This relational perspective of entrepreneurship implies the uniqueness of the set of relationships thus formed, since two persons engaging in a mutually committing relationship bring their own specific history and expectations (Monsted & Johannisson, 1997). The entrepreneur's personal network may thus evolve into a structured set of strong and weak ties, which then become structured between the entrepreneur and his or her network. Entrepreneurs, through interactions with their network, will develop a specific

competence towards the activation and reinforcement of the network ties, that is to say the capacity to develop and maintain relationships in their personal environment. Entrepreneurs can thus develop a form of relational competence within the emergent or existing organisation.

The transformation of personal networks into organisational multi-viewpoint networks

For Johannisson et al. (1994), the separation between interpersonal and inter-organisational exchanges is no longer relevant in entrepreneurship research. In many ways, the entrepreneur *is* the firm, which means that, in practice, he or she must personally integrate the various economic and social dimensions of the network. Accordingly, entrepreneurship research on entrepreneurs' personal networks generally combines the study of both informal and formal ties between individuals as well as ties between individuals and organisations in their environment.

The network approach to entrepreneurship highlights how entrepreneurs are 'embedded' in social contexts, which can be sources of inhibition, guidance, or support, depending on their position in the social networks concerned (Aldrich & Zimmer 1986; Granovetter, 1992). Networking is not the sole doing of the entrepreneurial individual, it can also stem from the members of the organisation. For Dubini & Aldrich (1991), seizing opportunities is not solely down to the entrepreneur, since the firm as a whole can develop an awareness of its environment, thus allowing for a better monitoring of its territory. In the early stages of entrepreneurial activity, there is consequently no need to distinguish between personal and inter-organisational networks, as they merge and enrich one another.

In short, *"an entrepreneur's social capital is the added value provided by his/her social network, or in other words, the set of all the ties, strong and/or weak in the sense of Granovetter, established with his/her environment"* (Paturel et al., 2005). The concept of social network (Lazega, 1994) highlights the capacity of actors to use these relationships. Networks are characterised by intensity (Lemieux, 1999), and direction (Coleman, 1989). However, few works have addressed the contents of the relationship. We therefore intend to explore this aspect in order to better understand how the ability to utilise relationships (and more specifically their contents) can affect the organisation and the entrepreneur.

1.2. Early difficulties in operationalising relational competence: a definitional issue

The notion of relationship can sometimes be regarded as something too obvious, so much so that Clarkson (1995) states *"It is the first condition of being human. It is so obvious that it is frequently taken for granted, and so mysterious that many… have made it a focal point of a lifetime's preoccupying passion"*. Nevertheless, more often than not, the focus is on the processes surrounding relationships, rather than the relationships themselves or how actors use them. Thus, while the field of strategy refers to concepts of coordination and cooperation within the network, anthropology uses the concept of ethos, and sociology that of experience, norms and deviances, or even social ties.

1.3. Definition of relational competence

The term of relational competence has already been used in the literature (Persais, 2004). One stream of research focuses more particularly on key actors' strategies to sustain and develop these relational competences that constitute competitive advantages for the organisation (Froehlicher et al., 2003). Several subsets of competences are identified, such as the relations with the environment in the broadest sense (including end consumers – Abecassis-Moedas & Benghosi, 2004), as used by strategic actors in order to increase the organisation's performance. Organisations can also utilise relational competence to increase their selling capabilities (Geiger & Turley, 2006; Gardès & Maque, 2009).

However, this perspective seems to underestimate the relational game in which actors are involved, as well as the variety of actions that entrepreneurs can initiate (Combes, 2002) in the process of starting a new venture or project. During these phases of the organisation's life cycle, the competence to use and reinforce social interactions can be crucial (Grenier & Pauget, 2006).
Relational competence results from the combination of two terms. Competence is generally regarded as a combination of knowledge, know-how and interpersonal skills (Le Boterf, 1994, p. 175; Tremblay & Sire, 1999). We prefer to view competence as the *"capacity to solve a given problem in a given context"* (Michel & Ledru, 1991). The notion of relationship is understood in its usual sense, as *"an emotional or other connection between people"* (*Random House Dictionary*). For Hatchuel et al. (2000 : 33), the notion of relationship is a form of *"knowledge about what connects people, and a condition bearing on every individual's knowledge"*, it contributes to the creation and maintenance of relational systems between actors, and gives coherence and meaning to the fact of acting together in the organisation.

The "strategic-actor perspective" (Sainsaulieu et al., 1994) focuses on what strategic resources can be mobilised by actors in an organisation. This approach has been acknowledged in Management Science by Rouleau & Mounoud (1998) for whom *"the strategic actor of the 1990s can be occasional, emergent, constrained, threatened. He may also be an interface actor, or a controlling authority, depending on the position held in the global economy's characteristic structural mutations"*. There are social competences capable of going beyond these networks; they require entrepreneurs to know and understand the relational rules, that is to say where exactly to position themselves between actors. For Segal (2005) *"If we perceive 'interpersonal skills' as a particular form of qualification, it is easier to visualize from what social construction process they originate"*.

By combining the insights of these two terms, we define relational competence as the use of a capacity in order to build and structure a relationship so as to adapt (and innovate) with regard to others. We thus concur with the definitions of Munier (2006) and Kokou-Dokou & Gourdont-Cabaret (2006) who note that *"relational competences relate to takeover-entrepreneurs' ability to commit to certain key functions of the firm and construct information and/or collaborative links with the current employees, external partners, and support structures throughout the three main stages of the project: before, during and after the takeover. This ability is what gives entrepreneurs real entrepreneurial skills"*. It really is the takeover-entrepreneur's ability to construct links and develop relations that enables him or her to succeed in the entrepreneurial activity.

1.4. Operationalisation and analysis framework

By summarizing the approaches described above and based on the works of Orlikowski (2002: 257), we consider that relational competence is the competence to build, structure and adapt one's relationships with others.

- *Relationship-building*: individuals possess knowledge-based competences resulting from their practice of building interpersonal relationships. This part is consistent what has been written in the literature on social networks: all entrepreneurs create relationships but what makes them different is their ability to structure and nurture them.

- *Structuring*: the ability to structure a relationship is a two-way phenomenon. On the one hand, it refers to the competence to socialize various actors' to a vision of what the relation should be (Dubet, 2002). On the other hand, it refers to the main actor's ability to institutionalise this vision of the relation through the establishment of organisational rules and norms (Alter, 2003), in order to diffuse it throughout the organisation and maintain it in the long term. Once crystallized, the relationship thus established enables actors to identify with the organisation.

- *Adapting*: relations are always embedded in a specific context (Milburn, 2002). Each protagonist must know his or her particular role. Entrepreneurs who understand the ins and outs of relational alingment can determine the scope of their intervention: they know how to adapt to other actors and so to the environment. Relational competence therefore relates to the way in which actors, through their interactions, can build, structure and modify relationships. It is the combination of these three factors that we will examine as they determine the success or failure of healthcare entrepreneurs.

2. METHOD AND EPISTEMOLOGY

Our method first consisted in locating informants, in the anthropological sense (Laplantine, 1998, Kilani, 2009), that is to say people who could give us access to the entrepreneurial logic of the project and the relational competences required of the various actors. The researchers involved in the project follow the principles of participatory action-research (Lewin, 1956). The research project all started in the context of another intervention in the same hospital, when one of the researchers met the vice director in charge of the project. This person constitutes an informant in the ethnographical sense: he provides contacts and explains the way in which the hospital and the project operate. We are currently collecting data (January 2011) in order to understand the relational issues underpinning the project. This is the prerequisite before conducting one-hour qualitative interviews in the spring with the main actors who possess such relational competences and/or are likely to explain them.

The researchers are working in the context of a one-year (renewable) partnership with the hospital. This research lies within the framework of a more general audit on relational practices in the new hospital (influence of networks, knowledge produced, actor strategies).

3. PRESENTATION OF THE RESEARCH CASE AND RESEARCH PERSPECTIVES: CAN RELATIONAL COMPETENCE BE APPLIED TO THE HEALTHCARE SECTOR?

Our research concerns a unique case, that of a French hospital. In 2009 the construction of new premises began. By 2015 the future hospital will accommodate all the health services that are today provided by two distinct hospitals over six different sites.

The hospital is located in a city of 300,000 inhabitants. With the influx of new inhabitants due to its proximity to Paris and the ageing population, demand for healthcare over the next quarter of a century should increase by more than 30 percent. Contrary to the rest of France, this demand does not only concern gerontology, but also obstetric-gynaecology and surgery among other services.

The new hospital will be spread over 205,000m2 with over 1100 beds and 3900 staff. It has been certified as a High Environmental Quality building (*Haute Qualité Environmentale – HQE*). In concrete terms, during construction the hospital is committed to limiting its environmental impact (limiting noise pollution, installing a waste recycling centre, producing its own concrete on site in order to reduce pointless transport of materials, etc.). *In fine*, this certification guarantees that the new buildings will be more economical in terms of energy consumption. The directors have made the conscious and explicit choice of creating a new architectural design that does not currently exist in France. The most recently built large hospitals date back to the 1970s.

The design decisions at the time were not concerned with ecological considerations but with how to treat the largest number of patients under the same roof in order to rationalize the buildings (for example the *Mondor* hospital on the outskirts of Paris is emblematic of this period).

The creation of this construction site has forced the hospital to formalize sooner than expected the establishment's medical development plan. The creation of new premises made it necessary

to rethink the hitherto organisation of space as well as organisational and functional priorities: which services should be privileged? Following what principles?

As a whole, this case can be considered entrepreneurial. Indeed, the construction site is managed following a project-based approach, with a dedicated and multi-skilled team, working jointly at the development of a new activity and the construction of the new hospital. The reorganisation of the buildings, the rethinking of the hospital's medical development plan and the integration of new actors (construction engineers, city hall, etc.) are all undertaken conjointly.

The decision-making teams have benefited from a great freedom to act and make entrepreneurial decisions. There was a will on behalf of the hospital to innovate regarding the rethinking of services and of the links between them by creating new functions dedicated to the construction of the new building.

The new hospital is currently under construction. The first bricks were laid mid-2010. At the time of writing, the first phase of construction is underway. The entrepreneurial project is evolving with the ups and downs of the construction, with more than 1,000 people working simultaneously on the site. This is the beginning of a five-year project. The simultaneous presence of extremely different professions to those involved in healthcare has caused several relational problems when trying to understand one another, trying to speak the same language as it were. This constitutes an initial requirement for competences in order to understand one another and cooperate. This is the first relational competence that must be operationalised.

Beyond the construction aspect of the case, which may well modify our findings, it seems that there really is a relational competence that is specific to the medical sector. Indeed, as is underlined in much of the literature (Demailly, 2008), the healthcare sector is very much centred on relational practices: the core activity of healthcare professions consists in dealing with people. Furthermore, socio-cultural patterns have led to a strategic construction of relations in this sector. There is a strategic challenge in how relations are established in the sense of Crozier and Friedberg (1977), which determines the orientation given to relational competence.

So far, two entrepreneurial figures have been identified. One is the former director of the hospital who retired at the beginning of 2010. He was the instigator of the new hospital. The other is the vice director in charge of the project: his role must combine both the hospital organisational logic and the management of the construction site, and as a result, he has played an important role in the decision to embark on the high environmental quality certification process.

We are currently collecting data. It appears that the "relationship-building" competence has quickly given way to the "structuring" competence. This structuring dimension seems to go beyond the traditional process in which the social network is first constructed and then institutionalised. On the contrary, from what we have been able to observe, the core of the relational competence in this particular case seems to be its capacity to structure.

Perhaps we can see in this the will to create new types of relationships. Kervadoué (2003) stated that the healthcare sector was in crisis. Our work rather suggests that there is a will to reinvent the professions and services in the healthcare sector, but that these innovations are not formally managed. The entrepreneurial approach may lead to a certain recognition for these initiatives, by using and developing relational competence as a means to achieve this aim. Is relational competence explicit? How do actors use it to create an entrepreneurial spirit in the healthcare sector?

CONCLUSION

This research paper proposes an analysis in its preliminary phase. However, we felt it important to lay the theoretical foundations of our project. Indeed, while the concept of relational competence is often used in the literature, there have been few attempts to define it.

Our research contribution was to give an overview of the situation before proposing an operational analysis framework, with a view to addressing the following research questions:

- How is relational competence linked to a project-oriented logic?
- How is relational competence linked to hospitals?
- How does it evolve over time?

Indeed, we have noted that few articles propose longitudinal studies (Yin, 1994) on this subject. In addition, the idea of entrepreneurship in the healthcare sector is still relatively new in France.

As a conclusion we hope to further our research by examining the roles of key actors and the explicit competences deployed. This requires a longitudinal study in order to understand which actors decide to act entrepreneurially, during the various phases of the project.

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