

How the Private Long-Term Care Providers Overcome the Resource Disadvantages
through Entrepreneurial Bricolage— A Case Study of Renew Lohas

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Abstract

It is rare to see in the medical treatment sector that an entrepreneur can reach the balance between the operational cost and revenue through effective and efficient resource strategies in the circumstances of resource constraints at the embryonic period of the startup. The study is to employ the perspective of bricolage to examine the responses of the private long-term care institutions when situated in the shortage of resources. The present study applied the case study method to explore the resource strategies of a private long-term care institution. The major findings are as follows. Firstly, the most important factor for the success of the startup is the entrepreneur's abundant experiences of chronic patient caretaking turning into the basis of the resource strategy of the nursing institution. Secondly, the entrepreneur applies the strategy of using resources at hand through utilizing simple daily-life tools to replace the expensive fabricated rehabilitation equipment and the strategy of making do with resources by allowing foreign healthcare givers to stay with the stroke patients at the nursing institution as well as take the free training of long-term care. Lastly, the long-term care provider could make a more sustainable business model that targets on the short-term caretaking and further offers professional training for care providers in the industry.

Introduction

According to the survey conducted by WHO, stroke is the third factor to cause death followed by ischemic heart disease and cancer in the developed countries. Even the stroke patients can avoid being death in the acute period, while the direct and indirect caring cost would result in huge burden for the patient's family as well as the society. In Taiwan, a stroke study indicates that the prevalence rate of stroke to people older than 36 years old is 0.3 % and about 30,000 cases happen per year (Chiu, 2). Having a stroke leads the patients to lose the self-care ability and is the first cause to adult disability and the third contributes to the resource of health insurance. Not only could the stroke patients have the opportunity to recover their self-care ability of daily life, but also the family's caring burden could be lowered down. One study reveals that compared to going back to their home, stroke patients staying at nursing home or rest houses can more sufficiently utilize the medical resources. Thus, the caring institutions actually play a crucial role in the rehabilitation treatment for stroke patients.

Reviewing literature relevant to the medical sector, some scholars interpret how nurses provide their health care services from the bricolage perspective originated from the field of anthropology. As we have known there exists no study exploring how the care service institutions, particularly for new start-ups, employ the bricolage view to overcome their resource-scarcity predicament. Although the existing studies propose that the entrepreneurs can seek for the governmental medical resources to deal with their resource disadvantages, yet they cannot provide a rationale to explain why there are some special health care institutions which successfully survive in the initial stage and prosper in the later stage by turning their resource disadvantages into resource advantages.

The anthropological bricolage view has been applied to a variety of fields in social science such as management and nursing. For example, a native nurse collaborated with a doctor from the United States to implement the hospice and palliative care program in Tanzanian. To solve the problem of insufficient medical staffs for home visits, she adopted the bricolage view and suggested that the pastors and evangelists who work in the church may be the appropriate human resources to do home visits and even can be granted the right by the local government to use morphine for patients. In addition, businesses operating in service industries can also apply bricolage strategies such as using resources at hand, making do with resources and resource combination to initiate service innovation (Baker & Nelson, 2005).

Through bricolage, resource-constrained firms engage in the processes of “recombination” that are core to creating innovative outcomes (Senyard, Baker, Steffens, & Davidsson, 2014). However, previous bricolage studies put more concern on the one single resource utilization and recombination and pay less attention to the possibility of multiple bricolage initiatives repeating in the longitudinal process. To fill the theoretical gap and respond to needs of the industrial practices, this study purposely selects a nursing home that focuses on caring the stroke patients as the research target and discusses how it can successfully overcome the resource-scarcity constraint and prosper in the medical sector dominated by hospitals with the lens of the bricolage view.

Literature Review

Entrepreneurial Bricolage

Bricolage is a term originated from French, which is proposed by the anthropologist Claude Levi-Strauss’s book “The Savage Mind” in 1966. The concept of bricolage has been subsequently used by management scholars, especially in the field of entrepreneurship. In the resource-scarcity environment, entrepreneurs always can make use of resources at hands through assembling the parts into the whole to serve the niche market, which is definitely a representation of bricolage (Baker & Nelson, 2005; Garud & Karne, 2003). Based on various studies, the core of bricolage can be categorized into three important characteristics: using resources at hand, making-do with resources and resource combination, by which it can help delineate how an entrepreneur can create some advantages from the effective usage of the seemingly unrelated resources (Baker and Nelson, 2005).

1. Using resources at hand

Using resources at hand is one of important elements of the concept of bricolage, which mentions that the bricoleur may easily solve problems with a set of physical artifacts, skills or idea that always come in handy and are available very cheaply or for free, often because others judge them to be useless or substandard. As firms’ capacity to make use of inputs that were at hand varies significantly, implying the socially constructed nature of idiosyncratic firm resource environments and pointing to the context including the specific social and organizational mechanisms facilitating the entrepreneurial creation of something from nothing.

2. Making do with resources

Compared to using resources at hand, making do with resources implies a bias toward action and active engagement with problems or opportunities rather than lingering over questions of whether a workable outcome can be created from what is at hand. Under the pressure of both time and cost, bricoleurs must do their best to wisely make do with limited resources to try out solutions, observe, and deal with the results, hence they may neglect or disregard the limitations of commonly accepted definitions of material inputs, practices, and definitions and standards.

Penrose points that firms vary tremendously in their ability to extract services from physical inputs (Penrose, 1959). The concept of making do with resources helps illustrate how a company may overcome the resource-scarcity constraints by redefining and using resources at hands.

3. Combination of resources for new purposes

A third characteristic of bricolage promoting innovativeness is the recombination of existing elements (Baker & Nelson, 2005). Despite resource constraints, all new firms trying actively to deal with new opportunities and challenges are more likely to generate innovative solutions through engaging in bricolage and attempt to generate creative combinations of resources toward purposes for which they were not originally intended (Senyard et al., 2014). Although scholars have argued that resource combination is an important strategy to create firm's competitive advantage, yet the resources they focus on normally have been proved as the crucial sources of formulating firm's strategies in the early stages. However, the resources that bricoleurs target to combine are often regarded as useless or/and unrelated to the task by other firms, while by the process of resource combination the bricoleurs redefine the new value of preexisting resources. The process of combining resources for new purposes sometimes serves as a mechanism driving the discovery of innovations in the form of new "services" from existing resources.

Encountering the institutional constraints, previous studies propose that small firms can adopt strategies such as compliance, compromise, resistance, manipulation or avoidance to interact with the large firms, however these strategies are relatively static and actually are not the small firms' organizational bricoleur behavior adapting to the environment (Ciborra & Lanzara, 1990; Garud & Karnoe, 2003). The concept of bricolage argues that reusing or obtaining resources is mainly based on the bricoleur's

prior experience or organizational collaborative knowledge to make use of surrounding resources (Baker & Nelson, 2005; Bechky & Okhuysen, 2011). The bricoleur innovation under resource disadvantages does not simply focus on how the bricoleur creates something from nothing or the process of many a little making a mickle, but on the bricoleur how to leverage the existing resources and even by which the bricoleur has the chance to change the power structure. In other words, under the logic of less-design for adversary innovation, resource disadvantages would not cause the firms to become the ones with inferior competitive advantage, instead it might help firms reduce or unload the organizational burden or cost pressure and hence turn the resource disadvantages into advantages. The present study attempts to understand how an entrepreneur firm with scarce resources in a particular context of governmental medial system overcomes the institutional constraints by wisely make use of her personal resources and the external resources embedded in the specific institutions.

Methods

The case study method focuses on understanding the dynamics present within single settings, which typically combines data collection methods such as archives, interviews, questionnaires, and observations (Eisenhardt, 1989). Researchers can apply the case study method according to the following situations: 1. Answering the research questions of how and why 2. The research focus is on the representation of the specific context of a real event, which is not necessary to control relevant factors 3. The research focus is on the current event, allowing the researchers to collect data from participant interviews and observation. This study attempts to analyze how a nursing home with scarce resources uses bricoleur innovation to successfully start its business. The process of bricoleur innovation involves the interaction between the institution with sever resource constraints and critical stakeholders and the dynamics during the period the start-up leverages the resources it possesses. Therefore, it is appropriate to employ the qualitative research method to build the theory (Denzin and Lincoln, 1994).

Research Target

Established in 2014 and located at Taipei, Renew Lohas, a nursing home with 20 employees, provides the training courses particularly for the stroke patients to enhance their self-care ability in daily life. The founder Miss Tan Sherry with a nursing education background has more than twenty years experiences of long- term care,

deeply feeling that there is a lot of room for improvement for the care of stroke patients. She was inspired and spent 9 years to enhance her training in the field of clinical medicine in China. Immediately after that, she united a group of partners with professional certificates and took 18 months to prepare for the establishment of Renew Lohas.

Renew Lohas only receives patients who lose partial control of bodily functions resulting from stroke and provides a series of professional care services including swallowing training, daily care of indwelling NG tube, exercise training, assisted walking, nursing, medicine, nutrition, training and teaching of daily life care. The institution aims at advancing the self-care ability of stroke patients to reduce their family long-term burden through the systematized rehabilitation program. In the past 6 years, more than 60% of inpatients recovered their self-care ability and gone out of Renew Lohas and were back to their family.

Research Findings

Bricoleur entrepreneurship

The first and the most important bricoleur innovation strategy of Renew Lohas starts from its market selection. Renew Lohas exclusively provides its short-term rehabilitation service to stroke patients in the subacute phase. The so-called short-term service means that every three months Renew Lohas will reevaluate the inpatients' rehabilitation improvement for an extended stay, which is quite different from the profitability model of other nursing home requiring patients to sign one-year hospitalization contract. Different from other nursing home, Renew Lohas's short-term stay limitation can motivate stroke patients to proactively participate in the rehabilitation program, making the patients perceiving the hope of "Going back home" could be realized and further encouraging patients' family to send back the patients to receive the subsequent rehabilitation program after seeing the improvement in three months.

Traditional nursing home aims to make full capacity to receive most patients with chronic diseases, while to create more rehabilitation space for the inpatients Renew Lohas only accepts 22 stroke patients at most, about the half of the legal number the patients it can receive.

On the aspect of the interior design, the main theme Renew Lohas is to attempt to shape a home atmosphere instead of a hospital one. Renew Lohas may have a ward layout of 40 bed-units according to the legal regulation, while it reserves half of the space for patients to do recovery trainings. There are some other thoughtful interior designs including no single ward for encouraging patients to share their experiences and feelings, decoration in the public space similar to home design, and the exhibit of the artwork done by the patients and their family on weekends, all of which aim to enhance the effectiveness of rehabilitation treatment in a short period of time by directing the inpatients to remain a positive and warm emotion. In addition, Renew Lohas keeps reminding the inpatients of the award that the inpatients can go back to enjoy family happiness on weekends if they show improvement of their self-care ability.

In terms of profitability, the size of a nursing institution is a real crucial factor, however through limiting the ward space Renew Lohas creates more space of rehabilitation for inpatients compared with the space the larger hospitals provide for each inpatient. The bricoleur innovation of Renew Lohas is successfully turns the resource disadvantages into advantages through offering a larger physical and psychological space for stroke patients. Focusing on the niche market can help Renew Lohas apply more bricoleur innovation strategies as follows.

Using resources at hand

Traditionally, the care for stroke patients is mainly delivered through the rehabilitation program with fabricated medical equipment. Contrastingly, Renew Lohas with scarce resources trains stroke patients mainly by using simple daily-use tools such as chairs, straws and ice packs, by which the medical staffs help the stroke patients proceed with rehabilitation. When the stroke patient obtains the admission to participate in the rehabilitation program, Renew Lohas will further evaluate the patient's physical condition ranging from 10 to 100 points and offer the patient a customized rehabilitation program which utilize a combination of daily-use tools to train the patient. The founder and the medical staffs developed the customized rehabilitation program, which is based on neurology and has evolved from the original twenty actions to eighty-six actions. In fact, using simple daily-life tools to assist stroke patients to proceed with rehabilitation challenges the orthodox treatment of stroke patients and has been challenged by stakeholders in the medical sector. However, the founder thinks the simplest instrument such as daily-life tools is the best one for the treatment of specific damaged part to stroke patients rather than the expensive medical equipment. The

above-mentioned resource strategy has never been applied in the medical sector in Taiwan.

Making do with resources

Healthcare staffs are important human resources to take care of and assist stroke patients proceed with rehabilitation program. Compared with hospitals, a typical private nursing home possesses less sufficient healthcare staff, but it still highly relies on them to run the business. The present research target, Renew Lohas, develops a particular customized rehabilitation program centered on the usage of simple daily-life tools, requiring healthcare staffs to assist patients to do rehabilitation exercises and hence causing Renew Lohas to become a more labor-intensive nursing home relative to its peers. In fact, the labor cost of Renew Lohas makes up the largest operating expense category among others. Due to the lack of financial resource from the government and venture capital, Renew Lohas must deliberately control the labor cost and make use of all available in-house and out-of-house human resources. The founder improvises a creative idea that she encourages the patient family to apply a foreign caregiver to take of the stroke patient and allows the foreign caregiver to accompany the stroke patient to stay at the nursing home. By the way, Renew Lohas is the only one nursing institution, providing the free training to the foreign caregivers to assist the stroke patients to do the rehabilitation exercises.

Based on the founder's experience on the clinical rehabilitation, she found that although many outpatients do the same rehabilitation exercises as they did at the nursing home, yet the improvement progress is not good or even worse as before. One of the important reasons is the foreign caregiver is not a medical professional and some of them never have the experience of taking care a stroke patient. The foreign caregivers cannot use correct rehabilitation actions to help recover the function of the stroke patient's damaged part, and they may also have occupational injury due to their incorrect rehabilitation posture. If the outpatients cannot keep doing rehabilitation exercises at home, which may influence the patients' recovery progress in the rehabilitation period, especially in the first six months and may have a negative effect on the nursing institution's reputation. The founder found there exists no institution training the foreign caregivers how to assist stroke patients to perform the self-training rehabilitation program at home.

The founder permits the foreign caregivers following the stroke patients to stay at the nursing home in order to make sure that they can earnestly implement the

rehabilitation treatment to rebuild the self-care ability of the stroke patients through simple daily-life exercises gradually. Aside from the benefit of smoothly bridging the future rehabilitation treatment at home, more importantly introducing the foreign caregivers into the nursing institution can alleviate the predicament of the shortage of healthcare takers. Accordingly, the labor cost, the largest part of operating expense, can be well controlled.

Combination of resources for new purposes

As a nursing institution, the founder proactively integrate the internal and external resources such as welcoming the outpatients coming back and being a volunteer for inpatients, accepting the academic visits relevant to physical therapy, and arranging outside groups to help do rehabilitation exercises. Renew Lohas has accumulated much experience of rehabilitation cases of stroke patients and develops a variety of standard training programs and sells the respective self-developed rehabilitation equipment to the outpatients and health takers. Starting from being a pure healthcare provider, Renew Lohas is looking forward to being a value-added knowledge provider targeting on the rehabilitation program for stroke patients.

Conclusions

New start-ups not only have the lack of resources as well as the difficulty to obtain resources, but also they are encountering the structural constraints. The research target establishing a nursing home focusing on the rehabilitation program of stroke patients is the only service provider in the medical industry. The institution develops a unique business model by a bricoleur innovation strategy, which applies simple daily-life tools at hand, leverages human resources (making-do) to offer customized rehabilitation program to stroke patients, and combines various resources to transform into a knowledge provider. There are managerial implications for the stakeholders relevant to stroke patients as follows.

1. For governments: To reduce the expenditure of healthcare resources, the government can formulate the long-term care policy incorporating the Renew Lohas experience and encourage existing and new nursing home to replicate the healthcare model by releasing more medical resources.

2. For the institution: The largest revenue of Renew Lohas is from the internal developed customized rehabilitation program. The institution can grant the license to other nursing institutions to use the rehabilitation program and train their healthcare takers.
3. For the family of stroke patients: According to the clinical experience, incorrect rehabilitation exercises would result in the second injury to the stroke patients. Therefore, encouraging the major healthcare takers to take the rehabilitation program course would enhance the rehabilitation training effect on the stroke patients in the recovery period.

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