Continuous Improvement Strategies in the Management of Social Organizations: The Case of a "Santa Casa da Misericórdia[1]

Estratégias de Melhoria Contínua na Gestão de Organizações Sociais: O Caso de uma Santa Casa da Misericórdia

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ABSTRACT

From the perspective of operating in an increasingly competitive market, where clients are becoming more demanding, Social Economy Organizations (SEOs) have had to adopt new practices and continuous improvement methods. In this article, we analyze the concept of continuous improvement, integrate various quality implementation tools and the Lean philosophy into a Santa Casa da Misericórdia, allowing us to propose changes. For the analysis, we used quality tools such as the Ishikawa diagram and the 5W2H method. The aim of this research is to analyze a third-sector organization and assess how the mentioned tools and instruments are applied within it. The methodology is descriptive, based on documents provided by the organizations' platform and a checklist used on-site for data collection. We found that the application of these management methods is highly beneficial for simplifying the activities carried out within these social organizations.

Keywords: Continuous Improvement, Social Economy Organizations, LEAN, KAIZEN.

RESUMO

Na perspetiva de atuação num mercado cada vez mais competitivo, onde os clientes se tornam mais exigentes, as Organizações da Economia Social (OES) têm sido obrigadas a adotar novas práticas e métodos de melhoria contínua. Neste artigo, analisamos o conceito de melhoria contínua, integrando várias ferramentas de implementação da qualidade e a filosofia Lean numa Santa Casa da Misericórdia, o que nos permite propor alterações. Para a análise, foram utilizadas ferramentas da qualidade como o diagrama de Ishikawa e o método 5W2H. O objetivo desta investigação é analisar uma organização do terceiro setor e avaliar de que forma as ferramentas e instrumentos mencionados são aplicados no seu contexto. A metodologia é descritiva, baseada em documentos disponibilizados pela plataforma da organização e numa checklist utilizada no local para a recolha de dados. Verificou-se que a aplicação destes métodos de gestão é altamente benéfica para simplificar as atividades desenvolvidas no interior destas organizações sociais.

Palavras-Chave: Melhoria Contínua, Organizações da Economia Social, LEAN, KAIZEN.

[1] Portuguese charitable institution focused on providing social and healthcare services

INTRODUCTION

Given the high level of competitiveness among organizations and SEOs, due to the current economic context, this factor has led them to seek increased efficiency and effectiveness, primarily aiming for customer satisfaction by ensuring better conditions. As such, organizations and SEOs are increasingly required to adopt innovative, visionary, and continuous improvement management practices, thereby strengthening and securing their competitive advantage. Organizational quality has become a key element in an organization's management strategy. The integration of LEAN methodologies, along with tools such as Kanban, Kaizen, and Quality Management Systems, can support quality improvement by identifying and eliminating waste in processes and creating value for all stakeholders.

Regarding the structure of this article, it is organized as follows: a literature review, which addresses the most relevant theoretical concepts underlying the research; the methodology section, which presents the research methods, population, data collection techniques, and data analysis techniques; followed by the analysis and discussion of results, based on a descriptive methodology and the use of a checklist. Finally, the conclusion will assess whether the objectives have been achieved.

LITERATURE REVIEW

Continuous improvement in organizations, particularly in Social Economy Organiztions (OES), is related to the ability to solve problems through cycles of change and organizational learning (Fryer, et al., 2013). This process involves understanding improvement concepts, aligning with institutional values, involving employees, setting strategic objectives, and implementing effective actions.

In OES, continuous improvement is considered essential for process management. According to Carvalho (Carvalho & Paladini, 2005), this approach presupposes a focus on the customer, process orientation rather than task orientation, valuing teamwork, intensive use of information technology, and more holistic management. The main goal is to elevate organizational performance in an incremental or innovative manner.

According to Pinto (2009), continuous improvement is a strategic necessity for eliminating waste and creating value. The author highlights that waste refers to any activity that does not add value, defined as everything that justifies the time, attention, and effort spent. Authors like Imai (1997) and Coimbra (2013) reinforce this view, emphasizing the elimination of waste as a priority for achieving organizational excellence.

Tools like the Ishikawa Diagram (2023) and the 5W2H method (Nakagawa, 2014; SNAI, 2025) are widely used to identify causes and propose practical solutions. According to Oakland (1994), the pillars of continuous improvement are: focus on the customer, understanding processes, and the commitment of all to quality.

The Lean management model focuses on creating value for customers while eliminating waste, originating from the Toyota Production System, developed after World War II. Initially applied to manufacturing, the Lean concept has expanded to other organizational areas, aiming to maximize value with minimal resource use. This model seeks perfection by reducing costs, eliminating defects, and minimizing inventory (Womack & Jones, 2003).

Lean principles include defining value, identifying the value stream, creating continuous flow, pull production (driven by customer demand), and the pursuit of perfection. Waste elimination is central to this model, implying the removal of non-value adding activities and performing tasks within set deadlines, thus promoting continuous process improvement (Silva & Lisboa, 2018).

The Lean methodology aims to eliminate waste and reduce process variation. Lean focuses on value-adding activities for the customer and eliminates those that do not add value. Implementing this model can bring significant benefits to organizations, such as reduced production time, decreased rework, increased profits, and improved process understanding. Smalley (2010) identifies seven types of waste: defects, overproduction, excess inventory, waiting, transportation, motion, and overprocessing. Reducing these wastes is essential for organizational efficiency.

To sustain the Lean model, three main components must be integrated: the management system, mindsets and behaviors, and the operating system. The management system includes performance control, capacity building, and continuous improvement infrastructure. Mindsets and behaviors involve leadership, effective communication, and execution focus, while the operating system aims to eliminate waste, design end-to-end processes, and reduce variability (six sigma).

In the context of social economy organizations, applying Lean can result in advantages such as cost reduction, improved work environment, and the creation of a continuous improvement cycle. Additionally, six key strategies can be adopted to enhance processes in organizations, such as avoiding duplicated work, optimizing waiting times, and eliminating overprocessing (Lean Enterprise Institute, 2021).

The PDCA (Plan-Do-Check-Act) Cycle is one of the Lean tools focused on problem-solving and process improvement. This approach involves planning, executing, checking, and acting, creating a continuous improvement loop. Another important tool is 5S, aimed at workspace organization to improve productivity and safety, and Kanban, which controls production and material movement, aligning production with customer demand.

Finally, Kaizen, meaning “continuous improvement,” emphasizes constant change and progressive process development, being an essential part of Lean philosophy. It focuses on small improvements made by all members of the organization, aiming at efficiency and customer satisfaction (Liker, 2013; Smalley, 2010).

METHODOLOGY AND METHODS

This study adopts a descriptive methodological approach to investigate the application of management tools in a Santa Casa da Misericórdia. Data collection was conducted through the triangulation of sources, aiming for an in-depth understanding of the phenomenon under analysis. The data sources include:

- **Documentary Analysis**: Collection and analysis of institutional documents pro-vided by the organization's platform, enabling the acquisition of relevant con-textual and operational information.
- **Direct Observation**: Application of an on-site checklist, allowing for the collection of primary data and the observation of management practices in real-time and within the organization's natural setting.

The combination of these two approaches enabled a richer and more multifaceted analysis, mitigating potential biases associated with a single data source. The descriptive methodology was

selected as appropriate for the objective of characterizing and describing how management tools are applied in the organization under study, thus providing a solid empirical basis for the study's discussion and conclusions. The choice of this methodology does not aim to establish causal relationships or statistical generalizations, but rather to offer detailed insights into the specific context of the studied institution.

RESULTS AND DISCUSSION

The Santa Casa da Misericórdia (SCM) is an organization with a history dating back to August 15, 1683. In its early days, the SCM was mainly dedicated to helping the poorest and carrying out conservation work in the SCM Chapel.

Demonstrating constant concern to respond to the needs of the community, the organization began operating the SCM Hospital in August 1958. This milestone represented a period of significant development for SCM, with the construction of new facilities and the expansion of its social and health support for the population.

After a period of challenges, from 1982 onwards, the SCM embarked on a new phase of expansion in Social Solidarity. Since then, the organization has continuously grown, seeking to meet the diverse needs of the community through the implementation of various social responses, particularly in the areas of Elderly Care, Childhood, Health, Disability, Other Responses and Services, and Culture.

To gain an in-depth understanding of the organization as a Private Institution of Social Solidarity (PISS), information was collected through the application of a checklist and the conduction of interviews with the Technical Directors of the Residential Structure for the Elderly (RSE), the Home Support Service (HSS), and the Day Center (DC) of the institution.

Currently, the SCM offers a diverse range of social responses to the community, including Nursery, Preschool, HSS, RSE, Leisure Time Activities Center, Continuing Care Unit (CCU), Health Medicine and Rehabilitation Unit, Residential Home for the Disabled, Activities and Capacity Building Center for Inclusion, Social Integration In-come, Social Canteen, Operational Program to Support Needy People, and Technical Aids Bank.

Through conducting the interviews with the technical directors, the SWOT analysis (Table 1) was carried out, in which we observed the weaknesses of the Institution, which require the implementation of continuous improvement tools.

Table 1 - SWOT analysis

Strengths	The Residential Structure for the Elderly social response is physically autonomous with proximity services Existence of diverse and quality services Good accessibility Diverse and qualified multidisciplinary team Formal and informal partnerships Visibility in the Community Continuous training of employees Cooperation agreements with the Institute of Social Security Available multidisciplinary team, with intervention capacity and good coordination.
Weaknesses	Social response not certified (Home Support Service and Day Center) Physical structure with architectural barriers Aging infrastructure (Home Support Service and Day Center) Human resources resistant to change;
Opportunities	Aging population/need for social responses

	Experience and dynamism of the Social Response Training of employees Strategic geographical location to cover needs Unique social response in the municipality Application for projects Candidates on the waiting list
Threats	Unemployment Low pensions of the elderly Families with limited resources to ensure family co-payment State budgetary constraints (Home Support Service and Day Center) Excessive bureaucracy Difficulty in recruiting qualified HR with a driving license to provide care/support to the elderly Global Socioeconomic Policies (Home Support Service and Day Center)

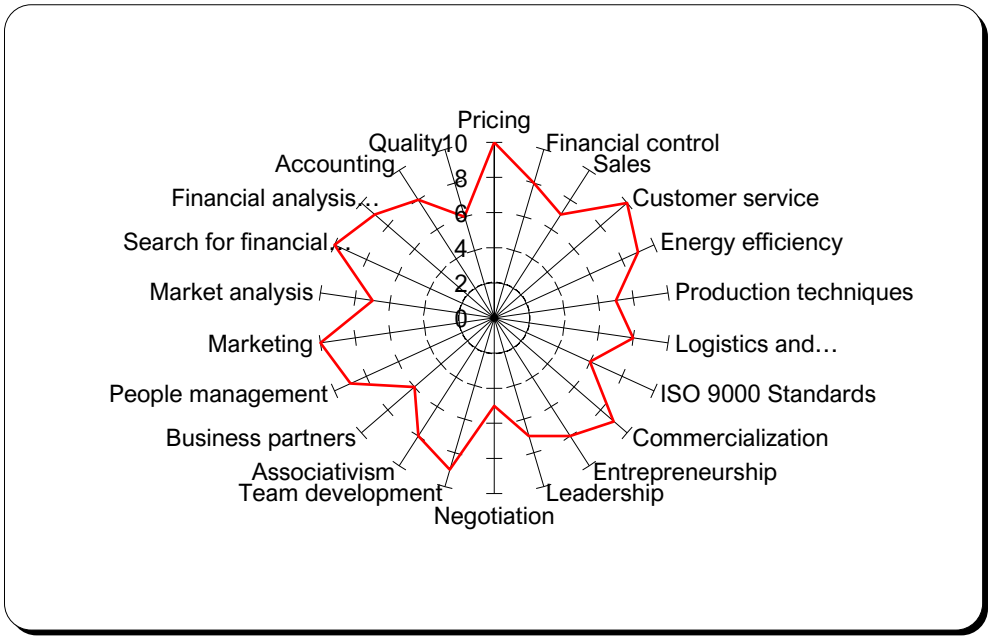
After analyzing Table 1, particularly the weaknesses in the SWOT analysis, the competency map was created using a simulator in the Excel spreadsheet (Figure 1 and Figure 2).

Figure 1 - Skills Map for Organization Management

Operational sector: *Strategic* Date

Competencies	Notes	Observations
Pricing	10	Cover descriptions of the competencies required for efficient business management. Scoring from 0 (minimum) to 10 (maximum)
Financial control	8	
Sales	7	
Customer service	10	
Energy efficiency	9	
Production techniques	7	
Logistics and distribution	8	
ISO 9000 Standards	6	
Commercialization	9	
Entrepreneurship	8	
Leadership	7	
Negotiation	5	
Team development	9	
Associativism	8	
Business partners	6	
People management	9	
Marketing	10	
Market analysis	7	
Search for financial resources	10	
Financial analysis and planning	9	
Accounting	8	
Quality	6	

Figure 2 - Spider chart



Through the application of a checklist and the conduction of interviews with the Technical Directors of RSE, HSS, and DC of the Santa Casa da Misericórdia, it was possible to gather relevant information about the PISS. This information allowed us to understand how to analyze the key concepts and the various quality implementation tools, as well as the Lean philosophy, at the Santa Casa da Misericórdia, thus enabling us to develop proposals for change.

As previously mentioned, the focus will be exclusively on the social responses directed at the elderly, namely RSE, HSS, and DC.

Each social response has several clients who currently benefit from the service and a specific number of contracted places, established through agreements with the Institute of Social Security.

Currently, RSE has a maximum capacity of 60 clients and is fully occupied, with 48 clients contracted by the Institute of Social Security (ISS). HSS has a maximum capacity of 58 clients, with 33 clients using the service, of which 30 are contracted with the ISS. Finally, DC has a maximum capacity of 30 clients, with 11 places filled and 16 places contracted by the ISS.

In each social response, there is a qualified technical director to perform their duties with maximum competence, efficiency, and effectiveness. The RSE social response has a technical director with a degree in Social Work, and the HSS and DC social responses have a technical director with a degree in Gerontology.

Regarding the percentage of allocation, the technical director of RSE is 100% allocated to that social response. The technical director of DC and HSS is assigned 50% to each department, totaling 100%.

In previous years, the Santa Casa da Misericórdia developed two funding applications through the Recovery and Resilience Program (PRR). The submitted applications were approved, falling under the following programs: 1) Light Commercial Electric Vehicle Transformation for HSS, with funding

of €25,000.00, of which €17,500.00 has already been transferred; 2) Support for the creation of stable employment, with funding of €8,100.00, of which €4,900.00 has already been transferred.

Currently, Santa Casa da Misericórdia does not have any funding applications pending approval.

Concerning the necessary improvements for the RSE, HSS, and DC social responses, identified in the checklist, it was found that these are common to all departments: an increase in co-financing agreements with the ISS, an increase in the overall value of co-financing, and the acquisition of more qualified human resources. RSE and DC also share the common goal of improving and renovating facilities, to obtain HACCP certification. It is observed that the Institution promotes continuous training appropriate to the needs of its human resources, aiming at their qualification, which represents continuous lifelong learning improvement.

Regarding the characterization of human resources, RSE consists of 61 employees and HSS and DC of 32 employees. Most employees are women with permanent employment contracts (open-ended contract – article 147 of the Labor Code), representing about 99%. The PISS has a small number of volunteers, mainly of religious origin.

Concerning academic qualifications, most employees have education up to the 9th grade, with some having completed the 12th grade. The bachelor's degree is present only in the technical staff, representing an average percentage of between 5% and 10% of human resources.

The age of human resources ranges from 20 to 60 years, with a higher incidence between 41 and 50 years.

In conclusion of the checklist analysis, all PISSs are guided by a vision and mission, defined by each institution according to its purpose in the community. The institution also has strategic objectives, goals to achieve, and a budget plan approved in 2022, but does not have a formal marketing/communication plan, with only one employee responsible for informally publicizing the institution's news and activities on its website.

The vision and mission of the PISS are considered adequate. However, regarding the values, there is agreement with most points, except for point #1 “Solidarity and Christian Values: as emanating from the founding principles of the Institution”. According to articles 1, 2, and 18 of the Universal Declaration of Human Rights, citizens have the right to freedom of choice of religion. Although the institution does not restrict this choice, it only refers to Christian values. Acknowledging its foundation in these values, it is suggested that, considering the current religious diversity, only social solidarity values could be mentioned in this point (Universal Declaration of Human Rights, 1948).

CONCLUSIONS

This study, conducted at the Santa Casa da Misericórdia, highlighted the relevance of management tools in the context of the third sector. The main conclusions arising from the research are as follows:

Organizational sustainability and success are intrinsically linked to the organization's ability, regardless of its for-profit or nonprofit nature, to adapt to the constant changes imposed by the competitive market. The current environment, characterized by high competitiveness and increasing customer demands, requires organizations to urgently adopt innovative practices and

waste elimination methodologies in the short term, integrated into a paradigm of continuous improvement, to ensure their successful trajectory.

Promoting continuous improvement and achieving organizational success requires the effective implementation of various tools and methodologies. In this context, quality instruments, such as the Ishikawa diagram and the 5W2H technique, stand out, along with the Lean philosophy, which includes the PDCA cycle, the 5S, Kanban, and Kaizen.

The results of this study suggest that the integrated application of these approaches has a positive impact on organizational success, both in organizations in general and in Social Economy Organizations (OES). This integration enhances productivity, stakeholder satisfaction – employees, leaders, and customers – and the effective reduction of waste.

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ETHICAL PROCEDURES

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