Why Performance Excellence in Healthcare?

November 20, 2015
Program Agenda

• Healthcare History
• Excellence Framework
• Paths to Begin
• Questions
Baldrige…*the leading edge of validated leadership and performance practice.*
Lower Health Care Costs, Improved Quality

Baldrige hospitals:

- Faster five-year performance improvement than peers
- 83% more likely to be among Thomson Reuters’ 100 Top Hospitals®
- Outperformed non-Baldrige hospitals on 6 of 7 100 Top Hospitals measures

Health Care: Adoption of Baldrige Practices

• 100 Top Hospitals winners extensively use Baldrige practices (80%)
• Highest formal use: Teaching hospitals (nearly 70%)

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The Baldrige Framework

• Comprehensive, management framework that focuses on two goals:
  • *Value to stakeholders*
  • *Operational performance*

• Built upon 11 core values and a framework of 7 categories
11 Core Values:

- Visionary **Leadership**
- **Customer-Driven** Excellence
- Organizational and Personal **Learning**
- Valuing Employees and Partners
- **Agility**
- Focus on the **Future**
- Managing for **Innovation**
- Management by Fact
- Social **Responsibility**
- Focus on **Results** and Creating Value
- **Systems** Perspective
The Role of Core Values and Concepts

The Baldrige Health Care Criteria build on core values and concepts...

which are embedded in systematic processes...
(Criteria categories 1–6)

yielding performance results
(Criteria category 7).
Steps toward Mature Processes

Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

Reacting to Problems (0–25%)
Operations are characterized by repeatable processes that are regularly evaluated for improvement. Learnings are shared, and there is coordination among organizational units. Processes address key strategies and goals.

Early Systematic Approaches (30–45%)
Operations are characterized by repeatable processes that are regularly evaluated for change and improvement in collaboration with other affected units. The organization seeks and achieves efficiencies across units through analysis, innovation, and the sharing of information and knowledge. Processes and measures track progress on key strategic and operational goals.

Aligned Approaches (50–65%)

Integrated Approaches (70–100%)
What Are the Criteria?

- A set of expectations or requirements
- A structured approach to performance improvement
- A framework for a systems view of performance management
1.2 Governance and Societal Responsibilities: How do you govern your organization and fulfill your societal responsibilities? (50 pts.)

In your response, include answers to the following questions:

a. Organizational GOVERNANCE

(1) GOVERNANCE System  HOW does your organization ensure responsible GOVERNANCE?  How do you review and achieve the following KEY aspects of your GOVERNANCE system?

- Accountability for SENIOR LEADERS’ actions
- Accountability for strategic plans
- Fiscal accountability
- Transparency in operations
- Selection of GOVERNANCE board members and disclosure policies for them, as appropriate
- Independence and EFFECTIVENESS of internal and external audits
- Protection of STAKEHOLDER and stockholder interests, as appropriate
- Succession planning for SENIOR LEADERS

(2) PERFORMANCE Evaluation  HOW do you evaluate the PERFORMANCE of your SENIOR LEADERS, including the chief executive, and your GOVERNANCE board?  How do you use PERFORMANCE evaluations in determining executive compensation?  How do your SENIOR LEADERS and GOVERNANCE board use these PERFORMANCE evaluations to advance their development and improve both their own EFFECTIVENESS as leaders and that of your board and LEADERSHIP SYSTEM, as appropriate?
Figure 7.1-3 Beta-Blocker Use

- Hospital A
- Hospital B
- Hospital C
- Overall organization
- Best competitor
- Benchmark from national hospital association

Year:
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015 (proj.)
- 2016 (proj.)

AMI beta blocker use (%):
- 60
- 65
- 70
- 75
- 80
- 85
- 90

↑ Good
From Fighting Fires to Innovation: An Analogy for Learning

1. Reacting to the problem (0–5%)
   Run with the hose and put out the fire.

2. General improvement orientation (10–25%)
   Install more fire hoses to get to the fires quickly and reduce their impact.

3. Systematic evaluation and improvement (30–45%)
   Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.

4. Learning and strategic improvement (50–65%)
   Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.

5. Organizational analysis and innovation (70–100%)
   Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection.
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Performance Excellence Is the Goal

- Ever-improving value to customers and stakeholders, which contributes to sustainability
- Improved overall effectiveness and capability
- Organizational learning
- Personal learning
Many Paths…

ISO 9000 → Baldrige → CQI → Shingo → Six Sigma → LEAN
Method of Assessment

All performance evaluated in terms of the level of maturity:

Feedback addresses:

- Opportunities for Improvement
- Organizational Strengths
Paths To Begin

Decide to Improve - “Are we making progress?”

WI Challenge Profile

WI Fast Forward

WI Forward Award

Jan - July
Step 1: Self Assessment

Are we making Progress?

Are we making Progress as Leaders?

Early Stage

Free!
Step 2 - Challenger Profile

Organizational Profile

Key Results

Feedback Report!

• Early Stage

• $300
Step 3 - WI Fast Forward

Organizational Profile

15-20 Page Narrative

- Early to Mid Stages
- <$2,000

Feedback Report!
Wisconsin Forward Award

Organizational Profile
Criteria responses to Process Items
Criteria responses to Results Items

50 page narrative

• Feedback Report!

• Mid to Mature Stages
The Baldrige Criteria Help...

- Align your resources
- Identify strengths and opportunities for improvement
- Improve communication, productivity, and effectiveness
- Achieve your strategic goals
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<th>Balanced Scorecard Stretch Goal (Purple)</th>
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Red = poor performance, Yellow = limited improvement, Green= BSC GOAL (good performance), Blue=excellent performance, Purple=Remarkable performance

Figure 7.4-23 2013 Balanced Scorecard Measures
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Questions?

- www.wisquality.org
- www.pursuit-excellence.com
Why Baldrige?