

Current Trends in Performance Management: A Study of Healthcare Industry

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Abstract

Every hospital wants to be on top in various terms such as financial ,quality of care and latest technological advancements. Across the world, the main responsibility of hospitals is to ensure the effective treatment of patients and provided them with finest quality care during their stay in hospitals.As health facilities are not in proportion to the numbers needing health care, there is pressure on limited human and infra-structural resources. This is a challenge faced by the health administration and health service managers.Despite these challenges, the efforts are to be made to meet the demand through efficient performance management (PM) of hospitals. In hospitals, performance management helps management in identifying the areas for performance improvements(KPIs), planning systematic performance improvement initiatives, setting targets and continuously tracking metrics.This paper provides a review of performance management in hospital organizations, cycle of PM in healthcare and its integration into organizational system. This paper mainly highlights the current trends in performance management and their benefits to healthcare organization in terms of patient-centric care, accountability, quality care and technological advancements for long-term sustainability.

Keywords- Healthcare, Performance management, Hospital, , Quality care, Challenges, Trends

1.Introduction

Organizational performance has gained significant interest in recent times , since it can create and sustain competitive advantages for corporations and improve their sustainability and future prospects. Performance management was earlier developed for profit organizations , but later it was adopted by several not-for-profit organizations including public organizations such as municipalities, hospitals, universities, and other forms of public organizations.

In healthcare organizations, performance management is structured by multiple dimensions such as efficiency, economy , effectiveness because of many stakeholders like doctors, entrepreneurs and trusts with conflicting or overlapping interests. There is a paradigm shift in the priorities of managing a hospital—from focussing not only on the growth & expansion but also more on the performance of the hospital on

various terms such as clinical, operational and financial parameters. Increased competition, pressure on margins, departmental costs and profitability, etc. are some of the challenges faced by hospitals in today's global economy. Due to these challenges, the healthcare industry has to implement aggressive measures to boost efficiency and management of funds while ensuring superior quality of care and patient satisfaction. The performance of a hospital has to be measured and managed efficiently to achieve the desired outcome.

1.1 Definitions

Performance must be defined in relation to explicit goals reflecting the values of various stakeholders (such as patients, professionals, insurers, regulators). But very few performance measurement systems focus on health outcomes valued by customers in reality. At the system level, improvement in various areas such as health priority setting, system planning, financing and resource allocation, professional recognition and overall quality management often become important aims of health reforms. **(WHO, 2003)**

Performance management can be described as the policies, strategies and techniques intended to direct managers and employees attention towards the improvement of an organization's performance. **(Andrews,2014)**

Performance management includes the gathering of performance data and utilizing that data to lead formal and casual change endeavors. It is used as a device for assessing and enhancing singular performance, and to evaluate the achievement of other human resource capacities. Generally, Performance Mangemant System is made up of two important differet system- first is performance acceleration and the other one is performance measurement system.**(Fried 2002)**

1.2 Performance Management in the Context of Health Care

In terms of hospital performance, it may be defined according to the achievement of specified targets, either clinical or administrative. Ultimate goal of health care is better health, but there are many intermediate measures of both process and outcome. **(WHO, 2003)**

In healthcare industry, the objectives of medical services and associations are not characterized and the estimation of social insurance benefit conveyance is hard to dispense, so performance management tends to utilize the three E's - economy, efficiency, and effectiveness -to characterize performance for the non-revenue driven settings. Performance, in this way, must be seen as a multidimensional wonder where the money related point of view (economy) is just a single measurement of the entirety. It is additionally important to consider understanding related perspectives (viability) and procedural and learning related viewpoints (proficiency).

Potential zones where performance in medical services can be estimated are:

- **Economical** : Revenue streamlining, efficiency changes, streamlining claims handling, waste and cost control, movement based costing.
- **Economy**: Partner management and estimating, joint effort openings, readiness change, working capital and resource management.
- **Proficiency**: Provider encounter estimation, supplier dependability and the voice of the supplier investigation, learning and development measures, advancement, learning, culture and esteem investigation.
- **Adequacy** : Including quiet understanding, engagement, pleasure, devotion and relationship estimation, and also the most vital of all - estimating and following the voice of the patient.
- **Viability**: Measuring and building up the developmental significance of social insurance marking, maturity and confidence in management, quiet/client division, quiet productivity and patient lifetime esteem.

At the key level, key performance indicators (KPI) for forming the economy, effectiveness, and viability of administration conveyance must be characterized (strategize) and process overhaul and process operationalization must be started (design). While at the operational level, the focus must be on the estimation and detailing of performance (screen and dissect) and on advancing and changing procedures. By linking key and operational level, performance management provides criticism in light of specifics instead of speculations.

2. Performance Management Cycle in Healthcare

Performance management comprises the complete management cycle, from planning to executing, measuring to analyzing, and then re-planning. It mainly includes cross-functional use of information, and usage that encompassed plans, reports, dashboards, and metrics. **(Cognos 2008)**

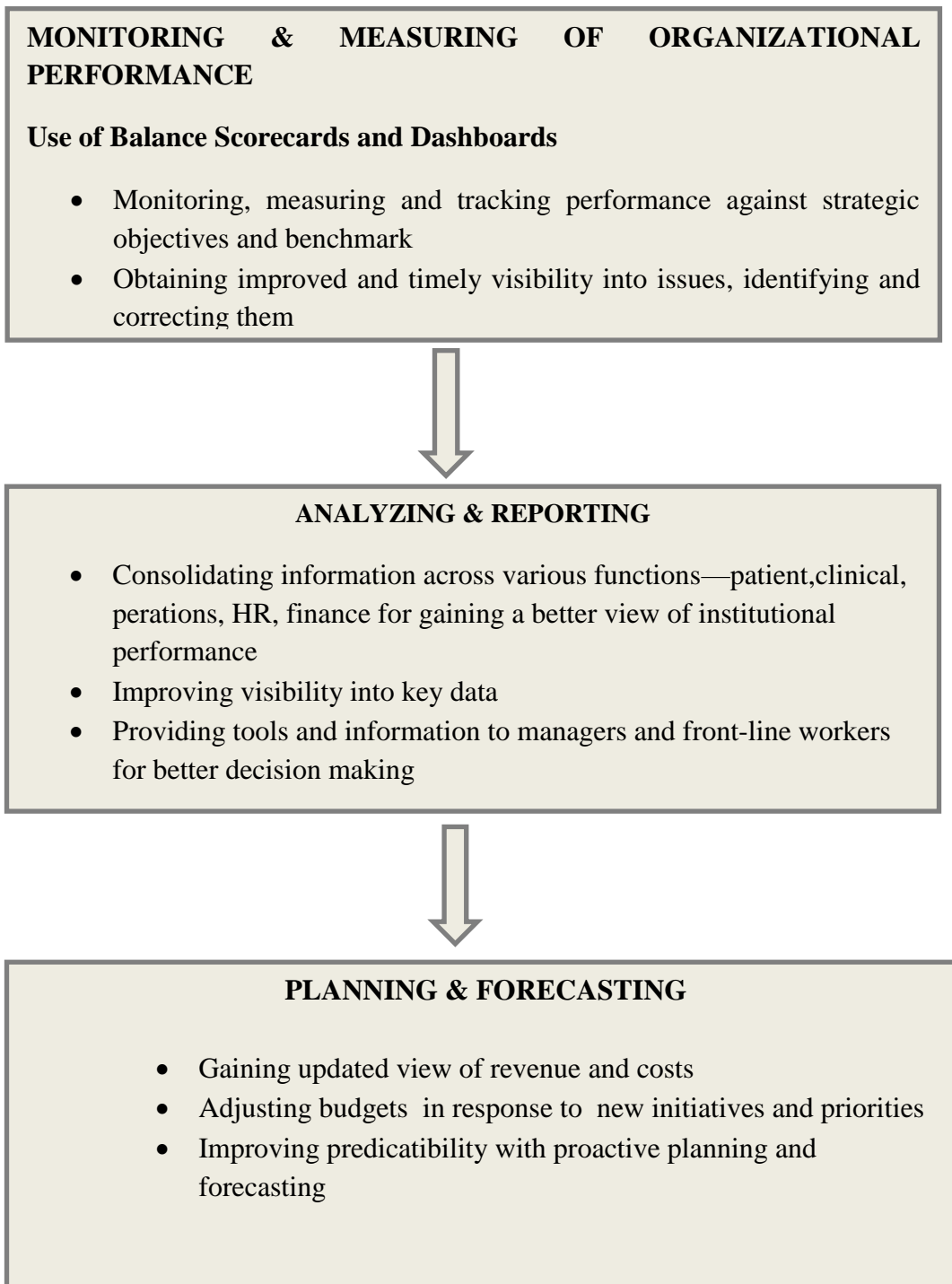


Figure 1: Healthcare Performance Management Cycle

2.1 Integration of Performance Management in Healthcare Organisations

The concept of performance management is mainly the formalization of good management practices among the healthcare organizations. Integrated set of tool and techniques supports the existing processes of performance management so that-

- All levels of management can communicate about plans, analyses, and results.

- Informational data can be drawn from various sources and is consistent across the organization, presenting a 'single version of truth'.
- Informational data can be available in real time as quickly as possible for better decision-making.

3. Current Trends in Performance Management In Healthcare

Now-a-days major healthcare organizations are discovering the power of a performance management approach for better decision-making driven by latest technological developments such as Business Intelligence Software. Effective hospital performance management focuses on achieving results at faster rate and changing behaviour, rather than working on complicated planning process and data management exercises. Based on current scenario, following trends has been observed in healthcare industry-

Better Patient -Centric Care- Patient-centered approach encompasses collaboration and communication among all healthcare service providers throughout a person's care. It not only engages patients but their families too in decision-making, thus giving them greater responsibility for their own health. Latest modes of delivery and information tools are now responding to this challenge. Current performance management approaches are in step with patient-centric care resulting in better patient outcomes, and providing the knowledge to effectively run the organizations.

For example, integrating overall healthcare strategies through scorecards or strategy maps with the appropriate underlying reports allows healthcare service providers to understand what drives better patient care, and helps administrators to see what drives the bottom line. It also keeps both financial and quality care objectives in balance.

Healthcare Accountability- Accountability and transparency are topping healthcare agendas for several reasons as it is the key to discussions on transforming modern healthcare. For a more regulatory and participatory healthcare environment, incorporation of sound business and financial management practices has become essential for individual hospitals all over the world. Hospitals must be accountable to government health agencies, patients and staff, as well as to their boards of directors, taxpayers, and to other funding sources.

In order to monitor the quality and consistency of care, the information required through managing key indicators has much to do with operational as well as financial performance to support this level of accountability. This means information from different parts of the healthcare process and institution must be seen together.

Improved Quality Care- Aging population is a global phenomenon with major implications for health. As people age, they require more care and longer hospital stays. Hospitals need to be prepared for the increasing number of seniors who will depend on the system today and tomorrow. Along with the aging population of patients, the workforce in hospitals is also aging, with retirement resulting in shortages of nurses, physicians, and specialists.

One of major issues for health systems are management of chronic diseases such as diabetes, heart disease and asthma. Better prevention strategies, new technological advancements and new drug treatments are the need of time.

Technological Advancements- In healthcare organizations, various facilities collect a large quantity of data and store the key information in disparate and siloed systems, at various points of data entry and collection. But the major task is to correlate this data and ensure its accuracy. Reporting can be slow and labor-intensive, drawing on data from various spreadsheets, applications, and even paper documents.

New technology such as Business intelligence software allows managers to draw information from relational databases to view and analyze specific data relevant to their department within minutes for better decision-making. For example - Reducing waiting lines is major focus around the world apart from other issues in healthcare organisations.. Business intelligence provides critical, real-time information on wait lists to the hospital's managers so they can adjust staffing levels and resources accordingly to meet the current demand.

Technological support can improve efficiency and quality of patient care through better access to evidence-based information for improved clinical outcomes; management of waiting list through tracking patient through-put, and establishing wait-time alerts. It can also further improve capacity management, better allocation of resources and result in improved predictability.

Real-time dashboards , alerts and dynamic reports built on a consolidated source of data are best mechanism to make everyone in the hospital focused on better performance management.

4. Conclusion

The impact of a well-implemented performance management system in healthcare industry can be enormous as hospital's managers can quickly see how effectively their strategies are carried out, and can react and fine-tune as and when required. Middle-level managers, individual contributors, executives and managers can more easily work together and ensure they are properly aligned. The end result is a rich definition of performance management. Advancement in technology and analytical methods have made the use of large-scale information systems for performance assessment and improvement increasingly feasible, coupled with changing public and professional attitudes.

As health systems are in an early stage of performance measurement, major steps can still be taken to improve the effectiveness of measurement systems. Though advances in technology are likely to increase this potential further, and the increasing public demands for accountability and information will reinforce current trends.

With the increase in demand for performance measurement, policy-makers should consider what makes performance indicators effective in improving system performance and accountability. Organizations deploying healthcare scorecards and strategy maps are great examples of the power of performance management. By defining metrics and outcomes and relating each one with another, healthcare institutions underline the need to look at the system holistically, and define all of its activities in the context of others. Performance management embraces a new way of thinking and operating, but well suited to healthcare professionals and institutions. Managers and executives make the transition from decisions based on intuition and experience, to fact-based, analytic management. The organisation as a whole should view transparent and consistent access to information as a valuable asset for efficient healthcare delivery.

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