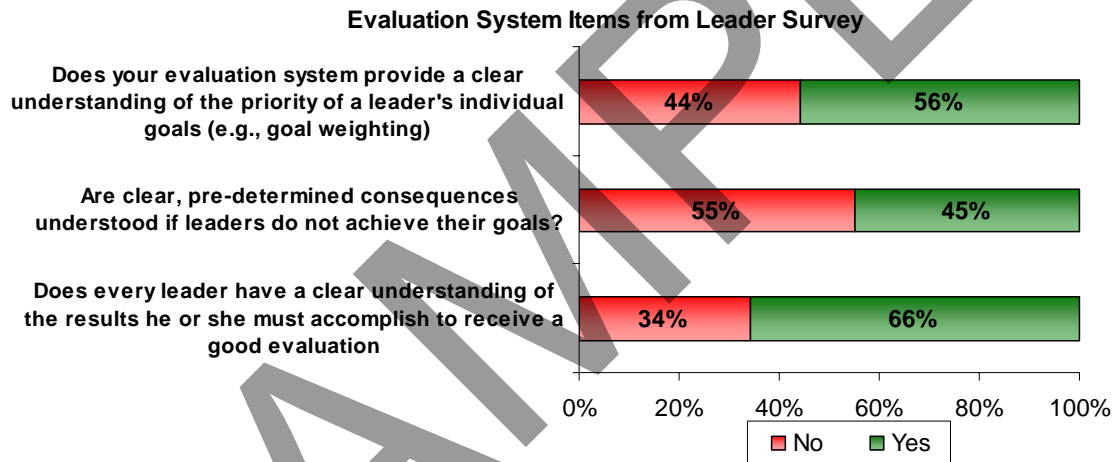


# Evaluating Goals and Performance Management

## Introduction

Research shows the most effective way for an organization to hardwire organizational excellence is through the adoption of a leader performance evaluation system designed to focus on outcomes, not processes. Baptist Leadership Group (BLG) along with the 2003 Malcolm Baldrige recipient, Baptist Hospital, Inc., is a firm proponent that individual leader goals must be consistent with the mission, vision, values and objectives of the organization and are demonstrated in every day decisions, behaviors and actions. Accordingly, BLG reviewed {Hospital's} annual goals and leader evaluation system.

The Leader Survey asked several questions to gauge an understanding of the {Hospital's} evaluation system. Responses are below:



## Detailed Observations

### Annual Goals

Annual goals are associated with {Hospital's} strategic initiatives Quality, Service, High Performance, and Stewardship and are provided under a balanced approach.

### Quality

- Safety: Very good metrics and goal targets. Recommend selecting 1-3 key areas {Hospital} wants to isolate and focus this year from an organizational perspective and cascade others to the individual leaders necessary for achieving targets throughout the facility (e.g., rolling up CMS measures into the CMS bundle score).
- Capacity Management has some very strong measurable metrics in ED LWOBs, LOS and Inpatient LOS. However, it may be appropriate for {Hospital's} to strive more aggressively to edge closer to national best practice for wait time.

- Recommendations:
  - IT project is not a goal, but rather a project. It is important to identify milestones or determine why {Hospital} is implementing the project and measure the outcomes from introduction.
  - Regulatory job components are part of the job and should be integrated into the standards of performance section of the evaluation.
  - As a cautionary note, it may be more appropriate for {Hospital} to measure the outcome of implementing the bundles (e.g., reducing VAP, reducing decubiti, and reducing falls) instead measuring compliance with the key quality bundles.

### Superior Service

- Patient Perception goal is an overall increase of 10 percentile points across the board. This is a constructive goal as there is a focus on patient perception and it is measurable.
- Recommendations:
  - Provide an organizational metric (e.g., what a 10 percentile point increase equals for the organization) for all to see.
  - Set departmental and unit leader goals based off of previous baselines and not an across the board increase of 10 percentile points.
  - Set the goal more aggressively.

### High Performance

- Contribute to development of high performance strategy goals are outlined nicely with how they will be measured, such as turnover and employee satisfaction. The goal to reduce turnover from 26 to 24 could be more aggressive. Recommend a targeted metric for employee satisfaction.
- Recommendations:
  - Strategies should be shifted to measurable outcome-focused goals.
  - Conducting employee appraisals on time should be a component of keeping ones job as a leader and not an evaluation component unless integrated into the standards of performance.
- Questions:
  - How will {Hospital} measure 'building relationships with medical leadership'? Will it be physician satisfaction, retention of docs, fewer splitters, etc?
  - How will improved departmental communication be measured? Recommendation would be interdepartmental survey rollout.

### Stewardship

- Good Budget goals.
- The goals for improving supply chain management are all tactics and should be measurable goals.

## Individual Performance Appraisals

Given the “newness” of {Hospital’s} 2009 leader evaluations, BLG made several preliminary observations and recommendations to ensure the highest degree of effectiveness and objectivity:

- Having VP and Director level appraisals based 50% on leadership competencies is too generous. BLG recommends 80% on measurable goals and 20% on clearly defined observable behaviors.
- In reviewing the SMART goal section in detail, outcomes for each goal should be measured by predetermined metric ranges based on individual leader performance instead of subjectively by a rater.
- Competencies listed are not clearly defined which will lead to a subjective review of performance and leader variance.
- Managers are rated differently than Directors and VPs. BLG recommends a leader and staff system where Managers are classified as leaders and placed on the same objective system used by VPs and Directors.

## Performance Management

In order to create an infrastructure to support a culture of excellence at {Hospital}, establishing and prioritizing goals will be vital at the organizational level. Only, then will leaders be positioned for success in establishing their own goals. The Baptist Leadership Group recommends in our own Leader Performance System that organizations integrate:

- Annual Evaluations,
- 90-Day Action Plans,
- Report Cards and
- Observable Behavioral Standards

With the above infrastructure in place, an organization creates a clear understanding of leader expectations, prioritize leader focus through weighting, align day-to-day behaviors to values and establish accountability and consequences for achieving/missing goals.