

Quality/Baldrige Strategy and Implementation for Healthcare Organizations

The Baldrige Award is given by the President of the United States to businesses and to education, health care, and nonprofit organizations that apply and are judged to be outstanding in seven areas of performance excellence. The Baldrige framework is based on core values and concepts that represent beliefs and behaviors found in high-performing organizations.

Baldrige has a simple purpose. The purpose of the Baldrige framework is simply to help your organization improve by answering three questions: Is your organization doing as well as it could? How do you know? What and how should your organization improve or change?

Hospitals and Health Systems familiar with the Institute for Healthcare Improvement's (IHI) "Model for Improvement" will notice the similarities to Baldrige. Both organizations were influenced by Dr. W. Edwards Deming, the statistician who was sent to Japan after World War II to develop a census of the people left after the devastation. This statistician ended up building strong collaborative relationships with these people and as a result was successful in leading them towards a culture of building quality products and services. He was the primary influence who led Japan from being a country that was known for producing poor quality to one revered for their excellence.

Like Baldrige, IHI's Model for Improvement asks three primary questions: What are we trying to accomplish? (Purpose/Mission); What changes can we make that will result in improvement? (Process changes based upon the needs of those we serve); and How will we know? (Measurement). IHI adds to their model the PDSA cycle for continual improvement that Deming was so well known for.

Cherye Morgan LLC and team have over thirty years of experience in helping organizations improve their performance. Studying under Dr. W. Edwards Deming from 1988 – 1993 and presenting healthcare applications with him at Deming conferences across the country, Cherye Morgan acquired a deep level of knowledge in these areas. She helps clients in healthcare and other industries apply these core concepts whether the organization is interested in pursuing the Baldrige path, or is simply interested in using the framework as a foundation for the pursuit of organizational excellence. She helps organizations challenge themselves with the questions that make up the Health Care Criteria for Performance Excellence. The questions (divided into six interrelated process categories and a results category) represent seven critical aspects of managing and performing as an organization:

1. Leadership
2. Strategy
3. Customers
4. Measurement, analysis, and knowledge management
5. Workforce
6. Operations
7. Results

Baldrige promotes a systems perspective which came from the foundation of Deming's teaching. A systems perspective means managing all the components of your organization as a unified whole to achieve ongoing success. The system's building blocks and integrating mechanism are the core values and concepts, the seven interrelated Health Care Criteria categories, and the scoring guidelines.

The focus on core values and concepts means that Baldrige is based on a set of beliefs and behaviors. The core values and concepts are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action, feedback, and ongoing success.

Baldrige helps organizations focus on processes which are the methods your organization uses to accomplish its work. The Baldrige framework helps you assess and improve your processes along four dimensions:

- **Approach:** How do you accomplish your organization's work? How effective are your key approaches?
- **Deployment:** How consistently are your key approaches used in relevant parts of your organization?
- **Learning:** How well have you evaluated and improved your key approaches? How well have improvements been shared within your organization? Has new knowledge led to innovation?
- **Integration:** How well do your approaches align with your current and future organizational needs? How well do your measures, information, and improvement systems complement each other across processes and work units? How well are processes and operations harmonized across your organization to achieve key organization-wide goals?

Baldrige helps organizations focus on results the correct way. The Baldrige framework leads you to examine your results from three viewpoints:

- **From an external perspective;** How do your patients, other customers, and other stakeholders view you?
- **From an internal perspective;** How efficient and effective are your operations?
- **From a future view;** Is your organization learning and growing?

For Baldrige, results include all areas of importance to your organization. This composite of measures ensures that your strategies are balanced, that they do not inappropriately trade off among important stakeholders, objectives, or short and longer-term goals. The Baldrige framework helps you evaluate your results along four dimensions:

- **Levels:** What is your current performance on a meaningful measurement scale?
- **Trends:** Are the results improving, staying the same, or getting worse?
- **Comparisons:** How does your performance compare with that of other organizations and competitors, or with benchmarks or industry leaders?
- **Integration:** Are you tracking results that are important to your organization and that consider the expectations and needs of your key stakeholders? Are you using the results in decision making?

Baldrige focus on linkages. The linkages among the Health Care Criteria categories are an essential element of the systems perspective provided by the Baldrige framework. Some examples of these linkages are:

- *The connections between your processes and the results you achieve;*
- *The need for data in the strategic planning process and for improving operations;*
- *The connection between workforce planning and strategic planning;*
- *The need for patient, other customer, and market knowledge in establishing your strategy and action plans; and*
- *The connection between your action plans and any changes needed in your work systems.*

Baldrige focuses on improvement. The Baldrige framework helps you understand and assess how well you are accomplishing what is important to your organization: how mature and how well deployed your processes are, how good your results are, whether your organization is learning and improving, and how

well your approaches address your organization's needs. The Baldrige scoring guidelines are based on the process and results dimensions described above.

As organizations respond to the Health Care Criteria questions and gauge their responses against the scoring guidelines, they begin to identify strengths and gaps, first within the Health Care Criteria categories and then among them. The coordination of key processes, and feedback between processes and results, leads to cycles of improvement. As organizations continue to use the framework, they learn more and more about their organization and begin to define the best ways to build on strengths, close gaps, and innovate to meet the needs of those they serve.

The 100 Top Hospitals methodology of Truven Health Analytics is a recognized statistical approach to assessing key aspects of performance in hospitals and health systems. Truven researchers have analyzed the relationship between organizations that have achieved recognition through the Baldrige Performance Excellence Program (BPEP) and those that have achieved the highest performance (top 3 percent of all hospitals) on the balanced scorecard of the 100 Top Hospitals (Foster and Chenoweth 2011). They defined Baldrige-recognized organizations as those that had received national site visits or awards. Baldrige hospitals were significantly more likely than their peers to display faster five-year performance improvement.

Baldrige hospitals, as a group, were 83 percent more likely than non-Baldrige hospitals of similar size and teaching status to be recognized among the 100 Top Hospitals in balanced organization-wide performance for quality, patient experience, and financial success. They outperformed non-Baldrige hospitals on nearly all the individual measures of performance used in the 100 Top Hospitals composite score.

Healthcare organizations are operating in an environment that has become more competitive and demands accountability. Expectations of healthcare leaders increasingly include explicit goals for performance and consequences for nonperformance. Effective use of the Baldrige Framework and process for organizational performance evaluation and learning offers a robust approach to addressing these challenges.