



## Award-Winning Performance in Health Care:

*Using performance management to push your healthcare organization to new heights.*

By Michael M. Grant, Ph.D.

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In Hollywood, the winners walk away with Oscars. In the health care industry, the winners are the patients who get great care and the provider organizations whose key personnel don't walk away for better opportunities.

In the United States, nursing turnover rates run as high as 30 percent each year, and other important patient-facing staff sometimes aren't far behind. Instead of rolling out the red carpet for top talent and keeping them in the winner's circle providing terrific care, too many health care organizations continue to treat star players as dispensable extras.

So why are health care workers leaving their jobs in such alarming proportions? Lack of meaningful work, few chances for advancement, and compensation issues rank among the usual responses. But in many cases, departing employees can't even name one of the more common reasons—poor performance management, or all too often, no performance management. These staff members do not have a clear sense of expectations or a clear understanding of how what they do on a daily basis aligns with organizational priorities.

Poor performance management in health care resembles something like this: Imagine an annual review, where an employee listens as patiently as possible for a supervisor to give him or her the thumbs up or thumbs down signal—and reveal the next year's merit increase. Interaction is brief, and the employee remains a mostly silent and frustrated participant without any control over the process. Pile on enough of these excruciating experiences—or just one “bad” review—and employees often start looking for new jobs. It's not much better for the manager, either. Everybody hates it and everybody, including the patient, loses in this pointless game. Poor performance management can demoralize and erode a health care organization's staff. Yet, a well-planned, well-executed program that engages employees in a significant way can lead to long-lasting improvements—and literally win awards.

### A SMART Start

Meaningful employee involvement is the key to a successful performance management system. In fact, the best systems are those where the employees claim ownership. From the start, staff and supervisors work together to establish goals that are clearly linked to improving patient care and driving the health care organization's success. Yes, there will be give and take—and sometimes plenty of it. But that compromise will lead to a set of realistic targets for employees to set their sights on and they will see not only how *what* they do—but also *how* they do it—makes a difference.

Before each side sits down, they need to understand that a winning system starts with reasonable and reachable goals. One set of guidelines, known as SMART, is particularly helpful in building a logical framework. Let's take a moment to decode the approach:

#### Specific:

Spell it out. Whether it's new procedures in patient care, reduction of falls, medication errors, or employee development, clearly defined goals produce clear-cut results. Vague, poorly defined aims create confusion and lead to mediocre performance.

#### Measurable:

Get out the yardstick right away. Agree on pre-set benchmarks and metrics for gauging progress and success. Without these, employees may feel that their efforts will never measure up and . . . just give up.

#### Attainable:

Keep the desired results within reach. Even the most ambitious and talented staff member has limits. By placing goals beyond someone's reach, he or she is guaranteed to fail and failure only leads to frustration, disappointment, and attempts to abandon improved performance or clinical service goals.

#### Realistic:

Don't expect miracles. Time, skills, budgets, the upcoming JCAHO review, and lots of other variables can derail even the most



determined and dedicated staff. Break larger goals into realistic steps and agree to improved performance one step at a time until the staff member achieves success. Unrealistic demands create disillusionment for supervisors and staff, and they just quit trying.

#### Time bound:

Start the clock now. Work out a mutually agreeable schedule for reaching goals—and stick to it. Agree on “how much by when” when you are setting performance objectives and write it all down. Working without a timetable leads to procrastination and lukewarm results. Then meet to review according to a schedule. Celebrate successes, and support staff if they are having trouble meeting their goals.

Successful performance management wins awards on multiple fronts: it advances organizational goals, increases staff satisfaction, improves patient care, and puts ownership for behavior where it belongs: in the hands of the individual staff member. It sets you up for the kind of performance that wins awards, both internally and externally! So, what health care organization has done this well? Let’s take a look.

### Big Changes At Children’s



At Children’s Health System (CHS), in Birmingham, Alabama, the evaluation process was a piecemeal system, at best. As Director of Human Resource Development, Terrie Monroe explains:

“We didn’t have a consistent, system-wide method to accurately and fairly evaluate people. Adding to the problem, we primarily evaluated what people did, but did nothing to determine whether they were working toward corporate values. In the end, even what we did evaluate really wasn’t measurable.” To help remedy the situation, CHS implemented a performance management system three years ago. Within the first year, the early adopters began to notice changes.

“We’re absolutely seeing results,” says Monroe. “Our yearly employee evaluation survey shows that people are more satisfied with the new process. They like being able to participate in establishing their own goals and plans for improvement. They also appreciate participating in the evaluation process.” One important milestone of progress is the degree of consensus between employee and supervisor evaluations. In one department, 30 of 33 staff members’ self-evaluations exactly matched their supervisor’s rankings. Why is this important? It means that staff and their managers are aligned around expectations and perceptions of performance.

Even before implementing performance management, CHS enjoyed a tenured workforce, many boasting 20-plus years. While that loyalty contributed to the organization’s success, in some instances, long tenures created a feeling of complacency. “The new performance management system really helped us put some solid objectives in place, leading to higher levels of performance,” says Monroe. CHS began to see internal rewards for managing performance well. So what about external awards . . . did anyone outside CHS notice? Yes they did. Recently three organizations have recognized CHS as a premier employer. *Birmingham Parent Magazine* named CHS one of “Birmingham’s Best Companies for Working Families,” the *Birmingham Business Journal* awarded it the “Best Employer in Healthcare in 2004,” and the AARP designated it one of the “Best Employers for Employees Over 50.”

While these honors—as well as the type of national recognition that comes with achieving Magnet designation or winning the Baldrige Award—validate an organization’s performance management system, they also play an important role in helping the organization attract—and retain—top new talent.

### Are You Ready To Win?

Many health care organizations are losing invaluable personnel or allowing staff to perform poorly, but all the while, expecting to succeed as a provider of choice. Can you afford to do nothing as your best people walk away, while you are left with mediocre performers and a less-than-desirable performance management system? To learn more about leveraging performance management to develop and retain a high-performing workforce, contact Dr. Michael Grant at his email address below.

### About the Author

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