

# FRONTIERS

OF HEALTH SERVICES MANAGEMENT



Foundation of the  
American College of  
Healthcare Executives  
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## The Baldrige Journey: In Pursuit of Excellence

### *Feature articles by*

Jayne E. Pope, FACHE, Emily Padula, FACHE,  
and Debbye Wallace-Dooley

Warren L. Forgey, FACHE, and Tammy Dye, FACHE

### *Commentaries by*

Kathleen Jennison Goonan

Janet Wagner

C. David Huffstutler and David Thomsen

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*Frontiers of Health Services Management* is committed to providing our readers with compelling, in-depth features and commentaries that are of current importance to the practice of health services management by drawing on the expertise of the best practitioners and scholars.

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# Editorial

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## TRUDY LAND, FACHE

**WITH INCREASING PRESSURE** to transform the healthcare delivery system, organizations face enormous challenges and opportunities to improve quality and decrease costs. The rapidity of change has been accelerated by healthcare reform's directives that hospitals and health systems develop more effective and efficient ways of delivering care. What frameworks or process improvement approaches are being used by hospitals and health systems to transform their organizations and maximize positive outcomes?

The Baldrige Performance Excellence Program provides organizations with one such framework to identify improvement opportunities, develop best practices, and attain and sustain top performance. Hospitals and health systems on the Baldrige journey use “this proven improvement and innovation framework” to assess their functioning and operations in the following key areas: leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; and results (Baldrige Performance Excellence Program 2015).

Many organizations are achieving significant quality, safety, and financial improvements by applying this framework in daily operations. Some have been recipients of the prestigious Malcolm Baldrige National Quality Award, while others have been recognized for best practices or are on the Baldrige journey. According to Truven Health Analytics research, a significant correlation exists between Baldrige Award recipients and 100 Top Hospitals winners, and adoption of Baldrige practices leads to high performance (Chenoweth 2014; Shook and Chenoweth 2012).

The Baldrige journey is a tremendous undertaking. Leadership must drive the process, integrate it into all departments and services, and focus on improvement opportunities in the delivery of patient care. The impact of using the Baldrige Criteria for Performance Excellence can be significant in improving quality, reducing costs, and becoming the market leader. Differentiation through demonstration of top performance is essential for survivability and sustainability.

This issue of *Frontiers* focuses on several organizations that have received the prestigious Malcolm Baldrige National Quality Award and their journeys to continually improve their performance in achieving desired outcomes.

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Trudy Land, FACHE, is editor of *Frontiers of Health Services Management*.



Jayne E. Pope, RN, FACHE, Emily R. Padula, RN, FACHE, and Debbye Wallace-Dooley share the Baldrige story of Hill Country Memorial Hospital in Fredericksburg, Texas. Their inspirational journey “in pursuit of remarkable” is based on the core competencies of relationship building, a values-driven culture, and execution. These key factors differentiate their organization; as the authors note, they are the “footholds in our climb.

Feature authors Warren L. Forgey, CPA, FACHE, and Tammy Dye, RN, FACHE, discuss how Baldrige began as a project at Schneck Medical Center in Seymour, Indiana, but became their business model. They write, “Today, Schneck thinks and operates differently. We have transitioned into a fact-based, results-oriented organization.”

In her commentary, Kathleen Jennison Goonan, MD, describes how recipients of the Baldrige Award achieve transformational change through the use of an effective and systematic approach. She provides a model of key processes and capabilities and a road map to successful organizational change.

In her commentary, Janet Wagner suggests that an engaged leader and team with strategic direction and a willingness to focus and learn can achieve and sustain results and continue to evolve.

St. David’s HealthCare, a regional multihospital system in Austin, Texas, is a 2014 recipient of the Baldrige Award. In their commentary, C. David Huffstutler and David Thomsen note how adopting the Baldrige Framework and using it to achieve the organization’s goals of exceptional care, customer loyalty, and financial strength have resulted in significant positive outcomes.

These recipients of the Baldrige Award exemplify the sterling achievements in quality and cost-effectiveness that can occur in today’s challenging healthcare environment. We congratulate these organizations for their dedication and commitment to improving processes and care for their patients and the communities they serve.

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# Improving Ourselves for the Sake of Others: Our Baldrige Journey

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JAYNE E. POPE, RN, FACHE, EMILY PADULA, RN, FACHE, AND DEBBYE WALLACE-DOOLEY

## SUMMARY

In today's healthcare environment, healthcare organizations are trying to balance one foot in each of two boats: one for traditional fee-for-service reimbursement and one for population health and pay-for-quality reimbursement. The Baldrige Performance Excellence Program and its associated Criteria will help healthcare leaders navigate this changing environment and improve healthcare outcomes for patients while improving financial performance, enhancing the patient experience, and creating a positive work environment. This balanced approach, grounded in behaviors identified in high-performing organizations, provides leaders and their teams with the key to realizing strategic goals and long-term sustainability. The Baldrige Criteria alone will not improve an organization; rather, it is the unique and disciplined application of the Criteria to each organization that makes the difference. A Baldrige journey is not a sprint, but rather a marathon; it requires a long-term commitment to improvement at all levels of the organization.

At Hill Country Memorial (HCM) Hospital in Fredericksburg, Texas, we selected the Baldrige Framework to guide our team as we embarked on a performance excellence climb that would take us from merely average to the national top 10 percent of performance as evaluated on important organizational metrics.

HCM did not achieve overnight success; instead, we achieved year-over-year improvement in finance and growth, patient experience, quality of care, and workforce environment and engagement. The story of our climb is one of perseverance, willingness to learn from our mistakes, pursuit of innovative best practices both inside and outside of healthcare, and a team committed to providing the highest-quality service to our customers—our patients and our community.

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Jayne E. Pope, RN, FACHE, is CEO of Hill Country Memorial (HCM) Hospital in Fredericksburg, Texas. Emily Padula, RN, FACHE, is chief strategy officer at HCM. Debbye Wallace-Dooley is executive director of business intelligence at HCM.

Our climb started when our community worked together, making sacrifices to bring this healthcare system into being more than 30 years ago, and it continues to this day. Critical to our success has been the identification of our strengths and those we still need to develop to be successful for years to come. These strengths became our core competencies, our footholds for the climb: relationship building, values-driven culture, and execution.

Being named a Malcolm Baldrige National Quality Award recipient is not the work of the CEO alone or the CEO along with just the executive team. Achieving the levels of performance and results required to be named a recipient is attainable only when the entire team is engaged and actively pursuing world-class performance. At HCM, employees, physicians, and volunteers developed into a high-performing team and continually improved themselves for the sake of others. Realization of this goal is not the end but rather a milestone on our performance excellence journey.

The decision to embark on a journey, whether it be climbing Mount Everest or moving an organization's performance from mediocre to remarkable, requires a significant level of commitment, perseverance, and willingness to learn from mistakes, as well as the ability to motivate a team toward a vision. Such was the mindset of HCM's board of trustees and executives in 2008 as we began our performance excellence climb. Like leaders in many other hospitals and health systems across the nation striving to improve

the quality and safety of care, the patient experience, and financial performance, HCM's leaders looked to organizations that were consistently outperforming others and found a common element. That element was the adoption of the Baldrige Framework to achieve long-term sustainability. The foresight of those leaders led to our ability to provide world-class healthcare and service to our customers, grow our market base, and maintain financial viability in an ever-changing and increasingly challenging healthcare environment. The journey to achieving our current level of performance and receiving recognition as a Baldrige Award recipient was not easy. The climb was steep, but once we committed to it, we strove to find the best and most efficient path to the summit. Along the way, we learned new skills, innovative approaches, and other lessons to aid us.

## HISTORY

The history of how HCM got its start is the beginning of our climb, the bedrock of our values, and a legacy of the trust our community placed in us to provide a healthcare system designed to serve them for generations to come. It is our stewardship of this legacy that led us to pursue the Baldrige Framework for Performance Excellence. Hospitals are havens for healing and hope, centers for compassion and care. In rural communities like ours, a hospital often provides the town's sturdiest economic and civic foundations. Our interests, successes, and concerns are woven into the fabric of our community because the community's residents created us to take care of their families, friends, and neighbors. People reached into their pockets and filled mason jars with nickels and dimes to fund the hospital at its inception. Ninety-three percent of Gillespie County

*The decision to embark on a journey requires a significant level of commitment, perseverance, and willingness to learn from mistakes, as well as the ability to motivate a team toward a vision.*

households contributed to the building of the hospital, and when the doors of HCM were opened on Valentine's Day 1971, it was the realization of a community's dream.

### IN PURSUIT OF REMARKABLE

By 2008, HCM leaders were confident in the quality of care and service provided to our patients and the community. In fact, everyone believed it to be outstanding—that is, until we started benchmarking. When we began to compare ourselves with others, we found that, in many areas, we were performing at or below the national median. This reality was difficult to face, and we had to overcome our initial excuses for the performance gaps. You might recognize some of them:

- We are smaller.
- Our patients are sicker.
- We are rural.
- We are in Texas.
- We are just different.

We overcame these excuses by engaging physicians, employees, volunteers, and the community in the discussion. We were transparent with our results and created an open dialogue. Yes, we had pockets of excellence, but nothing as extensive as we thought we had. We all agreed that our mediocre performance was not acceptable. We decided that we had to strive to move from being an average hospital to one that provided world-class quality, safety, and service, as well as a world-class work environment. Our vision was to be the best community hospital anywhere. With this vision in mind, HCM's board of trustees and executives committed to the performance excellence climb. We set our sights on providing remarkable care and

service. At first, *remarkable* was a loosely defined word for us; it meant we wanted to be better. A critical turning point in our journey came when we challenged ourselves to take that word, which we used so commonly, and make it measurable. We defined remarkable as performance in the top 10 percent, according to national databases—not just among small rural and community hospitals, but among all hospitals in the nation.

We were at base camp looking up at the summit: national top 10 percent performance. Although we were committed to improvement, we were not sure how to get there. We began to research successful organizations, both inside and outside healthcare, to gain an understanding of how they achieved such levels of performance. We read *On Becoming Exceptional: SSM Health Care's Journey to Baldrige and Beyond* (Ryan 2007) and *The Baptist Health Care Journey to Excellence: Creating a Culture That WOWs!* (Stubblefield 2005).

The lessons we learned inspired us to research the Baldrige Program. What we found excited our leadership team. The Baldrige Framework is based on core values and concepts that represent beliefs and behaviors found in high-performing organizations:

- Systems perspective
- Visionary leadership
- Patient-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility and community health
- Ethics and transparency
- Delivering value and results



Baldrige ensures a balanced or systematic approach to organizational improvement, with a focus on leadership, strategy, customers, measurement and knowledge management, workforce, operations, and results. The comprehensive approach reassured us; we wanted to be certain that we improved in all areas and were not distracted by chasing trends. We now had a guidebook to aid us on our climb.

### CORE COMPETENCIES

We plan to serve our community for generations and knew we needed to map our path for long-term sustainability. In doing so, we asked ourselves, “What are our greatest strengths as an organization?”

*We leveraged our core competencies to build a culture in which we could benefit from the diverse inputs of all our stakeholders.*

and more important, “Can those strengths carry us into the future?” In Baldrige vocabulary, these are *core competencies*. A defining moment for HCM was determining what our core competencies were and confirming that they

were the right ones to sustain our vision in the long term. We ascertained that our initial core competencies were relationship building and a values-driven culture; furthermore, we identified the need to develop a core competency of execution (Exhibit 1). Today, these three competencies differentiate us in healthcare, and we leverage them to provide our customers with a remarkable experience. The way we live them is uniquely ours and sets us apart both in our market and in our industry. These competencies are the footholds in our climb. They make us who we are, provide a path to long-term sustainability, and ensure that our community receives outstanding healthcare.

Rather than focusing on execution, the largest core competency gap, we elected to

deepen our core competencies of relationship building and values-driven culture. We recognized that strengthening our culture would engage all stakeholders and enable us to build a high level of trust and make a case for change. We worked to create an environment of transparency and listening, one in which it is safe to take intelligent risks that are aligned with our vision. We empowered our employees and physicians because we believe that together we are greater than the sum of our parts. We know that the ideas and work of HCM’s executive team and board of trustees cannot lead us to where we need to go; alone, we are not enough. We leveraged our core competencies to build a culture in which we could benefit from the diverse inputs of all our stakeholders by building meaningful relationships with them.

### RELATIONSHIP BUILDING

Our core competency of relationship building is central to the unique ways we connect and communicate our vision. It is our longest-standing core competency, one that goes back to the day we first opened our doors. The community’s commitment to its hospital has remained unwavering. Often, families that sacrificed their time, money, and talent to see our hospital created come in to check on their investment. Our relationships with these and other stakeholders are strong because we intentionally work to sustain them. Relationship building is the first foothold in our climb. It is key to providing remarkable patient care. The term *relationship building* may sound like a soft skill, not a strategy, but we have honed it over the years so that it is deployed through systematic approaches.

We have learned that informal listening and gathering a few data points are not enough to educate us. To build effective relationships, we have to systematically

## EXHIBIT 1 Hill Country Memorial Hospital Structure



listen to our employees, physicians, volunteers, customers, and the community. We have put in place intentional processes for listening to our stakeholders. We select and evaluate these listening methods to ensure they are useful and relevant, and the data collected can be aggregated into meaningful and actionable information.

### Listening to Patients to Build Relationships

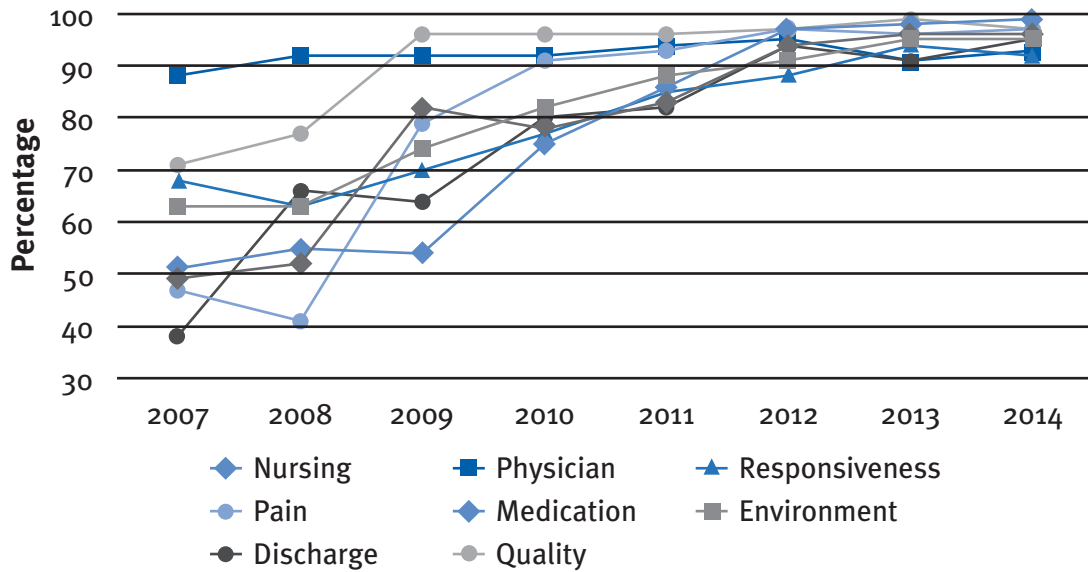
We received our first Baldrige feedback report in 2010. It indicated that we were not really listening; we were deciding what we thought were the expectations of our patients and the community and implementing action plans we thought would address the perceived issues. On the basis of that feedback, we formed a customer-focused improvement team that still functions today. This team found that our listening methods were informal, varied little by customer group, failed to provide actionable information, and were applied inconsistently. Over the past five years, this team

has refined our listening methods to meet the needs of our customers and of HCM. The team researches listening methods from all industries and pilot tests them to determine if they fit our culture. One especially helpful tool developed by this team is a single-page aggregation of data across all listening methods (e.g., patient satisfaction surveys, focus groups, social media feedback) to identify trends and themes.

Through the team's leadership and the work of our remarkable workforce, HCM has achieved and sustained the following:

- Top 10 percent performance on all Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) categories for the past three years (i.e., 2012–2014) (Exhibit 2)
- Top 10 percent performance on overall patient satisfaction—as measured by Press Ganey—for inpatient care, ambulatory surgery, and emergency department experience for the past four years (i.e., 2011–2014)

**EXHIBIT 2** Hill Country Memorial HCAHPS National Percentile Rankings



- Top 2 percent of customer experience scoring in the Centers for Medicare & Medicaid Value-Based Purchasing program

One innovative listening method is the ratings and reviews page on our website ([www.hillcountrymemorial.org](http://www.hillcountrymemorial.org)). Customers can share their comments and rate their hospital experience with one to five stars. The ratings and online comments stay on our website regardless of whether they are positive or negative. All reviewers receive a personal response from our customer experience team, and all postings are e-mailed immediately to the executive team to identify opportunities for reward and recognition or areas needing improvement. We review trends arising from all of our voice-of-the-customer listening methods at our weekly executive and department huddles; at our monthly board, department, and division meetings; and at our quarterly workforce forums and business review meetings and councils.

**Listening to Our Workforce to Build Relationships**

As described earlier, we hardwired our processes for listening to our patients before we did so for our workforce. As a leadership team, we continue to refine these listening methods on the basis of formal and informal feedback. We implemented daily department huddles during which employees share issues, and solutions are developed according to a best practice learned from a visit to Baldrige Award recipient K&N Management in Austin, Texas. In 2014, a team of employees at HCM refined the process by which employees can submit ideas for improvement. This process, developed on the basis of feedback from peers, includes real-time e-mail notifications of the status of their ideas. Our employee engagement scores have improved year over year for the past five years and currently are at the ninetieth percentile, as measured by Press Ganey. We also implemented a “just culture,” one in which people are not judged by the outcome of their behavior but by the

quality of their decisions. Our goal was to encourage the team to share their mistakes and the lessons learned so we could all improve together. We developed a council structure across the entire organization, empowering frontline employees, volunteers, and physicians with tools to find, develop, and implement best practices.

Physicians occupy a unique space as stakeholders at HCM. They are part of our workforce but also are customers of our hospital services. They are partners and suppliers and, in some cases, our competitors. Maintaining good relationships with this group of stakeholders is essential to our long-term sustainability. When looking at our communication approaches with providers during our Baldrige process, we found that we did not really have systematic processes for two-way communication. Of course, we had physician engagement surveys, a physician liaison, and informal meetings in the hallways, but no systematic mechanisms for senior leaders to engage in ongoing two-way communication with providers. We began to ask, “Where and how can we connect with providers in ways that work for them?” We found that traditional approaches weren’t the answer. So we started going to them—not to speak, just to listen and make ourselves available. Doing so led to more opportunities for connecting with providers, which we made a requirement for leadership. Each leader comes back to the executive huddle with new insights. We are working continuously to create an inclusive environment that encourages dialogue with providers, one that welcomes their diverse perspectives and opinions.

### **Listening to Our Community to Build Relationships**

Listening to our community is vital to our long-term sustainability as a hospital. Without effective listening methods,

we risk losing relationships with our key stakeholder. We need the input of members of the community to provide the right services in the right way, and we need their loyalty and the philanthropic support they give so generously to our foundation. Each week in huddle, executives review a list of upcoming community events and ensure that an HCM representative will be in attendance at most of them to connect with the community. Executives then report to the team on what they heard at the previous week’s community events. Before entering a new market, we spent a full year engaging in this type of systematic listening to gain a sense of how we could best serve that community. Because of these relationships, our market share continues to be strong and HCM is outperforming our nearest competitor in the region. In addition, philanthropic support is increasing year over year; in 2014, the foundation raised more than \$3 million to attain a cumulative 20-year total of \$36 million.

### **Engaging Stakeholders**

Listening alone is not enough. We are committed to building empowering relationships with our workforce, our community, and our patients, and an empowering relationship means acting on what we hear. At HCM, we engage patients, employees, physicians, volunteers, and community members on improvement teams to help us ensure that our action plans are responsive to their expectations. We have engaged patients on teams to improve the discharge process, implement quiet time on the inpatient units, improve the family waiting experience, and define our values, and we have formed a patient and family advisory council. We also have well-defined organizational and department-level processes to develop action plans



that are responsive to the feedback given on the annual employee, provider, and volunteer partnership surveys. We analyze our approaches at least annually to determine if we have been effective at hearing and responding to stakeholder inputs, and many improvements and innovations have resulted from this systematic review.

### VALUES-DRIVEN CULTURE

Our second foothold on our performance excellence climb is our values-driven culture. The Baldrige Program recognized the strength of this core competency in 2013 by awarding HCM a Best Practice Award in leadership related to the broad deployment and deep integration

*We worked with our team to develop a set of core values that were deeply meaningful to us.*

of our mission, vision, and values. Although our organization is replete with people who want to do the right thing, we found several years ago that our values had simply become words on the wall. They were not core to our culture, and we strongly believe that our success depends on having an organizational culture that our community can trust. We worked with our team, which included physicians, employees, volunteers, and patients, to develop a set of core values that were deeply meaningful to us. We developed the following definitions of each value and expected behaviors, along with icons (Exhibit 1) to help us remember their true meaning:

- Others First: Commit to remarkable care with each life we touch.
- Compassion: Care for others with a kind heart.
- Innovation: Integrate new ideas with courage.
- Accountability: Responsibility for our actions.

- Stewardship: Uphold our responsibility for lives and resources.

However, developing a list of values is only the first step. Ingraining our values into who we are as an organization and what we choose to do every day is the greater challenge. We have built a focus on doing the right thing into organizational processes. For example, using a values-behaviors interview tool, we systematically screen every team member, volunteer, and physician candidate as a first step in our selection process. As CEO, Jayne Pope uses this tool to “values screen” every potential physician partner. Every quarter, team members’ behaviors are rated for alignment with our values, and we develop action plans for improvement as necessary. Physicians and volunteers are evaluated similarly. We integrated our values into reward and recognition programs, such as daily “Living Our Values” cards (Exhibit 3) that offer peer-to-peer or patient recognition, quarterly awards for exemplary demonstration of values, and annual True North Values Awards for employees, volunteers, and providers. For business decisions—whether it be entering a new market, developing a new partnership, or selecting a vendor—we have built a values check into our decision matrices. Our values-driven culture is pervasive in presentations, conversations, and recognition program and is even reflected in icons posted around the facilities. Few days go by when the question “How does this align with our values?” does not come up in conversation. This steadfast and systematic focus on “doing the right thing” is the foundation of our culture of Remarkable Always. Our employee satisfaction scores on the question pertaining to “values are evident” have improved every year, and

### EXHIBIT 3 HCM “Living Our Values” Card

Team Member: \_\_\_\_\_  
*First & Last Name*

From: *Chaplain* \_\_\_\_\_

You are Remarkable because: *Night or day – distance no matter! Thank you for sitting on the floor alongside our patient and his mom so that you could connect with them in the way they needed it the most! You are one who is called to do and be exactly what God has gifted you for.*

Please circle the Value that this team member has demonstrated:



OTHERS FIRST



COMPASSION



INNOVATION



ACCOUNTABILITY



STEWARDSHIP

in 2014, we achieved the national ninety-sixth percentile.

#### EXECUTION: THE MORE COMPLEX IT GETS, THE SIMPLER WE SHOULD GET

In 2012, we looked back at how far we had come on our climb. We had experienced significant progress on many of our initial goals. We celebrated with our team and were in a position to give our employees their first-ever performance bonus as recognition for their accomplishments. However, we knew we could not linger at this outcropping on the mountain and turned our sights higher. What we saw was daunting, to say the least: The higher you get, the steeper the climb, and we knew we needed additional skills to navigate the next leg of our ascent.

During the past four years, as we honed our cultural core competencies of relationship building and values-driven culture, our leadership team also was building the framework for a culture of execution. We took to heart a statement made by one of

our board members: “The more complex it gets, the simpler we should get.” We realized that integration of all we do was key to our ability to execute. The concept of an “always culture” emerged: a culture that integrates our vision, mission, strategy, and values into our daily work. We divided our strategy map into four “always goals”—strategic objectives that serve as broad definitions of our planned future. Two of these objectives are “Reshape Healthcare for Remarkable Outcomes” and “Be a Team of Champions.” Our department goals follow the same pattern, and individual goals on each employee’s quarterly coaching plan are mapped to the four always goals, as well as to that year’s specific, strategic measurable goals in the always goal. This helps us stay focused on what is most important and understand how we each contribute to achieving the organization’s strategic goals. Our values are also part of our always culture; we hold ourselves and each other accountable for our behavior, which will *always* align with our shared values. Finally, and perhaps

most important, our always culture represents how we live our mission and vision.

### Mission and Vision

Our neighbors deserve nothing but the best from us. To convey this conviction, we redefined our mission in two words: *Remarkable Always*. This short statement is a clear demonstration of our core competency of execution. Rather than adopt an increasingly complex mission in these increasingly complex times, we chose a clear and powerful message. Our core competency of execution

***Our vision means building Hill Country Memorial into a network of health services that always empowers patients, families, and workforce members to live holistically healthy lives with optimal community health outcomes.***

denotes a process. We first choose a high standard; then ask ourselves, “What will we monitor to know that we are on the path to achieving our standard?”

We develop goals and measures to serve as milestones on our journey, and then we stay the course by continually evaluating whether we are meeting our milestones and making course corrections

as necessary. Our simple but powerful mission—Remarkable Always—enables us to focus our attention on achieving what matters to us, and we have met our mission in almost every measure.

Our vision also is aspirational and concise: *Empower Others. Create Healthy*. This vision grew alongside our performance excellence journey. When we started, we had a vision of being a great community hospital. Implementing the Baldrige Framework allowed us to dream bigger: being one of the best hospitals in the nation. When we engaged our stakeholders in envisioning the future, the innovative and proactive attitude of our founders and our community shaped our vision into something colossal: *Empower Others. Create Healthy*.

Our vision means building HCM into a network of health services that *always* empowers patients, families, and workforce members to live holistically healthy lives with optimal community health outcomes. Create Healthy inspires us for our future and as something we live every day. We are creating a healthy work environment, creating healthy balance sheets, creating healthy experiences for our patients, and creating healthier community members. Create Healthy also is the summit we strive to reach: a thriving healthcare system, partnering to create a community of people enjoying their highest level of health.

### Alignment

We have always had a strategic plan, but through our journey we learned it was not necessarily responsive to the needs of our stakeholders, and our workforce did not understand their role in achieving the goals. Today, our strategy map, posted throughout our organization and on our website, is simple, clear, and aligned directly with our vision, mission, and values. The always goals support long-term sustainability and are responsive to the healthcare needs of the communities we serve. Our performance targets are all benchmarked and support the mission of Remarkable Always, meaning they are in the top 10 percent of performance nationally. We frequently reference our strategy map during workforce forums and other meetings to ensure that we are all focusing on the most important goals of our organization.

We have worked to build systematic ways to empower others. We have councils across the entire organization, made up of frontline staff members from every department, who are empowered to make

key decisions about how we do our work. In addition, each department leader meets annually with his or her executive to review the organization's strategic goals and determine how the department can help move us toward those goals. These goals are then shared with the team and patients via the departmental alignment boards, which are posted publicly in every department. The boards display the department's goals and how they align with the always goals. The boards also show how well the department is currently performing on a specific goal. The department leader then repeats this process with employees, helping them set measurable personal goals that are aligned with the department and organizational goals. These quarterly coaching conversations help to maintain our alignment across the entire organization.

### **Accountability Systems**

These methods of alignment are incomplete without accountability, and we are accountable through transparency. We analyze our key data and benchmark them against data from the best-performing organizations in the nation. We then publicly share our results and how we measure up in comparison with others. We post our strategic targets and our performance in the lobby of the hospital and on our intranet, and we review them in detail at our quarterly workforce forums. Several pages of our public website are devoted to presentation of our benchmarked performance data, and our ratings and reviews page shows the public on a daily basis how we are doing with regard to customer experience. Department goals, action plans, and results are displayed on alignment boards in each department. Our value of accountability drives us to transparency.

We believe our patients and community members deserve to know where we are strong and where we have opportunity to grow.

Although we were committed to transparency before the Baldrige journey, we found some logistical hurdles to overcome. An effective accountability system requires data that are accessible, user friendly, and relevant. Over time, we have increased our investment in data management to meet the needs of our organization. While we value the informal insights of our team, we also do our best to support key assumptions with data. We have been surprised often enough that we began to seek out more and more data. Eventually, we found ourselves in data overload. Going back to our always goals, we honed our information management system to make readily available and user friendly those key data points that were critical to achieving our strategy. Those who are interested in diving more deeply into the data have the opportunity to do so, but we were able to define for our team the specific data points that were most important to us and the frequency with which each should be monitored.

This process, which we call our performance review cycle, ensures that all key metrics, including performance, target, and benchmark comparisons, are aligned with our always goals and reviewed at appropriate intervals, and action plans are implemented when indicated. All measures affecting our always goals are reviewed at prescribed intervals and in predetermined settings, including quarterly business reviews, monthly leadership meetings, and weekly huddles. This cycle also supports agility. Such was the case in the first quarter of 2014 when we experienced a negative trend in key HCAHPS



categories. We had fallen below the ninetyth percentile (our definition of Remarkable Always) in nursing communication and responsiveness of staff. We quickly formed a performance improvement team, prioritized potential action plans, and implemented a specific cascading goal and action plan in all inpatient departments around responsiveness of staff. By the third quarter, our performance had improved to the ninety-ninth percentile and we ended the year above the ninetyth

***Moving from a culture of informal knowledge and data overload to a standard performance review cycle process promotes fact-based decision making.***

percentile in all HCAHPS categories. Moving from a culture of informal knowledge and data overload to a standard performance review cycle process promotes fact-based decision making, drives a culture that supports achievement of remarkable, encourages organizational and individual learning, and is inclusive of all stakeholders.

Alignment and transparency allowed us to make huge strides in our performance, but we found that we needed a complementary strategy to achieve our interdepartmental goals.

### **Strategic Breakthrough Initiatives**

Late in 2011, we recognized that, though achieving our strategic goals was crucial to our continued success as an organization, we regularly saw fewer than half of our strategic goals realized. An analysis of the problem made it clear that, while we were achieving goals that centered on specific departments or work groups, we were not achieving our cross-silo strategic goals as frequently. With this in mind, we researched best practices. Inspired by the 2010 American Hospital

Association—McKesson Quest for Quality Prize winner McLeod Regional Medical Center in Florence, South Carolina, we chose to implement a process that would help us take small steps each quarter to “move the big dots” of our three-year strategic objectives. We call this our Strategic Breakthrough Initiative (SBI) process. Each year, we look at our strategic goals and determine the action plans necessary to reach those goals. We then evaluate whether those goals can best be achieved via the cascading department goals or the SBI process. We review the list of potential SBIs each quarter to determine if they remain the right action plans, the SBIs are still the right format for achieving goals, and the timing of the SBIs is still accurate. Often, we have had to add a different SBI as a result of unexpected issues arising. This agility helps us to respond strategically and quickly each quarter. One example of an SBI is our work toward eliminating preventable harm caused by catheter-acquired urinary tract infections.

The SBI process starts with the assignment of initiative leaders, who lead a small team of staff who focus intensively for one quarter on implementation of the initiative. The teams meet weekly and use a standardized set of documents to guide them through the process, including charts, timelines, and tools for process mapping; stakeholder analysis; and identification of best practices. Each week, team members present project status reports to each other and the executive team and post their documents on a bulletin board. They discuss any barriers or other issues they face in weekly huddle-type sessions with the executive team. This process has become a key way to identify and develop future leaders of the organization, as well

as to ensure a highly focused method of reaching our objectives. To date, we have implemented 50 SBIs, and almost one-half of our 650-person workforce has been on an SBI team.

### Process Management

Although SBIs and strategic alignment have resulted in systematic process improvement and accountability methodology, they do not focus specifically on the day-to-day work of documenting and managing processes. In 2012, senior leaders identified ongoing process management as a strategic challenge, and they set out to develop organizational competency in this skill. We recognized that our ability to execute remarkable quality and service must be sustained through a focus on designing, managing, improving, and innovating work processes at multiple levels of the organization. In doing so, we create value for the customer by providing high-quality care and service at a reasonable cost. Benchmarking the best practice of 2011 Baldrige recipient Schneck Medical Center in Seymour, Indiana, we developed and deployed the HCM Enterprise Process Model as the framework to take the organization to the next level of performance on our journey. We use this model to organize our processes within our always goals, to identify key processes, and to identify process owners. Process owners document customer requirements for the process, track in-process and outcome measures, report results by means of the performance review cycle, and initiate improvements.

Our ability to effectively execute our processes is evident in our results. We have performed in the top 5 percent of hospitals across the nation in the Centers

for Medicare & Medicaid Value-Based Purchasing Program for the past three years, achieved top 2 percent performance on 30-day readmission, and attained top 1 percent performance on hospital-acquired conditions.

### Simple Tools Support Execution

Our process management and process improvement tools include Plan-Do-Check-Act, Six Sigma, Lean, and other advanced performance improvement methodologies. We found that only a few team members were truly proficient in use of these tools; consequently, at times, process management and improvement were bottlenecked while we waited for a subject matter expert to facilitate the process. Like many other organizations, HCM had invested in classroom training for most of our staff, but we found that people often forgot what they learned because they were not applying the knowledge daily. To overcome this challenge, we developed simple process management and improvement tools that guide team members through the process, similar to the way a facilitator might. Team members use everyday language to discuss process management issues. For example, rather than asking for “customer requirements,” the tool states, “Write down who will benefit from this process.” It asks, “What do they want from the process?” and “How do you know that’s what they want?” The process management and improvement tools also include hypothetical examples of how to answer each question. This hands-on approach to learning process management has been far more educational and effective for our team than have classroom courses, and it has engaged people at all levels in process leadership.

Organizationally, we have seen substantial improvement in our ability to manage and improve processes, with correspondingly higher results in outcome measures.

## CONCLUSION

Today's healthcare environment is one of constant change. As healthcare leaders, we are still finding our footing in the quest to achieve long-term sustainability in this new environment. We must constantly ask ourselves, "How can we achieve the level of performance that we will need to be successful into the future?" At HCM, we found the Baldrige Framework to be the field guide we needed to navigate the steep and often-obscured ascent to world-class performance. We found our core competencies—relationship building, values-based culture, and execution—to be

the footholds we need to support us in our climb. Being named a 2014 Malcolm Baldrige National Quality Award recipient is an honor and a milestone on our journey. We celebrate reaching this particular summit; however, we know that we cannot linger. New challenges await and our vision still lies ahead, so even as we celebrate our success, we turn our sights to the next summit on our climb.

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# Small-Town Touch, Big-City Innovation, World-Class Aspirations

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WARREN L. FORGEY, FACHE,  
AND TAMMY DYE, FACHE

## SUMMARY

The healthcare system in the United States is at a critical crossroads. Costs are rising, measures of healthcare quality are well below those of other industrialized nations, and public and regulatory scrutiny is increasing. Healthcare leaders are searching for more effective, efficient, and sustainable operational models to address the mounting challenges they face.

We at Schneck Medical Center in Seymour, Indiana, chose the Baldrige Excellence Framework to guide our organization, to accelerate our performance improvement journey, and to create sustainable results in our core services. The Baldrige Framework uses a systematic approach to innovation and improvement in seven key management areas. These seven areas were leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; and results (Baldrige Performance Excellence Program 2015).

In this article, we describe our Baldrige journey. We address why we chose to use the Framework, how we engaged our key stakeholders, and what challenges we faced and lessons we learned along the way. In addition, we detail how Schneck's focus on performance improvement has resulted in significant returns to the organization.

Throughout the article, we refer to our pursuit of performance excellence as a "journey," and it is indeed just that. Quality improvement takes time, because it is a transformation with many steps. World-class performance is attainable only with years of work and constant refinement.

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Hospitals are facing a whole new set of challenges and will need different tools and competencies to remain viable into the future. How do we balance lower census and higher acuity with decreasing reimbursement? How do we ensure that the supply of nurses and physicians will meet the demand for services? How do we

**Baldrige offers an overall system framework, focusing on results in all areas of an organization.**

address the demand for transparency from both regulatory agencies and the general public? How can we remain independent in an age of mergers and acquisitions? And what im-

impact will the move from a pay-for-service model to a pay-for-performance model have on hospitals?

These were the questions Schneck Medical Center faced when deciding to embark on the Baldrige journey.

### THE BALDRIGE TOOL BELT

The challenges we faced were numerous—from ensuring that excellent quality of care was not compromised, to providing access to care for all the patients we served in the manner they deserved, to maintaining a competent and engaged workforce and medical staff, to remaining financially viable. We soon determined that a systematic process to address the ever-increasing challenges in healthcare was essential. There was little room for error as we planned for the future, and maintaining the status quo was not an option.

As Jack Welch, former chairman and CEO of General Electric, has been quoted as saying, “If the rate of change on the outside of a company exceeds the rate of change on the inside, the end is near.” Schneck was experiencing a significant rate of change outside our organization. We needed to develop processes that

would allow us to *change* the business while continuing to *run* the business.

As we explored alternative models for sustaining the organization’s long-term viability, we found that the Baldrige Criteria provided a structure conducive to our culture. In general terms, the Baldrige Criteria are not prescriptive; in fact, they are nearly the opposite. They are focused on results, and they encouraged us to take steps to make our results exceptional. The Criteria challenged us to identify and document our processes, demonstrate how those processes advanced our mission, validate data from all stakeholders, and ensure we were making logical and data-driven decisions. They drove us to develop processes that were often unique and always tailored to our own organization’s needs.

Baldrige offers an overall system framework, focusing on results in all areas of an organization. The approach is strategic and includes organizational and personal learning, knowledge sharing, corporate governance, ethics, societal responsibility, and sustainability.

Accomplishing organizational excellence requires a variety of tools depending on the situation and circumstances. We say that Baldrige is the “tool belt” that holds all the tools we may need. The Baldrige Award was not the end of our journey, but only a milestone on the path we are taking. We continue to use these tools for excellence every day, with every patient we serve.

### DRIVING ORGANIZATIONAL EXCELLENCE

Building engagement and alignment among key stakeholders is a critical step on the performance excellence journey. It is not something that happens by chance; it involves a great deal of effort and thought.

## Leadership Sets the Tone

Schneck's pursuit of organizational excellence has been driven from the top. Our commitment to the Baldrige journey began with our former president and CEO Gary A. Meyer. His leadership was essential in establishing that our performance excellence journey is to be owned by the entire management team.

Meyer's strategy actively involved key stakeholders, including the board of trustees, medical staff, and hospital personnel. This inclusion has been critical in achieving Schneck's high performance and progressing toward our vision of being a healthcare organization of excellence—every person, every time.

## Build the Culture

Schneck is a healthcare organization with strong workplace practices rooted in respect, teamwork, and good communication. Our Patient First culture has resulted in numerous advances in clinical outcomes, patient safety enhancements, and organizational and customer service improvements. Whether you are a patient, family member, vendor, supplier, partner, physician, volunteer, or employee, our organizational culture is our sustainable point of difference.

Employees thrive when their opinions are valued. Their input helps drive decision making regarding the care of our patients. Our organization approaches issues with open minds and innovative thinking. We train and educate to encourage teamwork and communication. We have developed a Hiring for Excellence program that mirrors our mission, vision, and values.

To align and engage frontline staff in the journey, we ensure that our employees understand the Schneck mission—to

provide quality healthcare to all we serve. All our employees can recite our mission, and they see it and live it each day. We define our culture so that employees know the expectations to which they are being held accountable, and we hold them accountable.

## A Shared Vision

A shared vision, shared knowledge, and shared understanding set the stage for successful change. It is said that every organization is designed to produce the results it gets. Schneck's leadership owns this message. If we do not like our customer service or quality scores, we recognize that we designed the system and that we need to correct it. Such efforts involve thinking differently and innovating to solve problems.

## Focus

Jim Collins, author of *Good to Great* (2001), stated, "The real path to greatness, it turns out, requires simplicity and diligence. It requires clarity, not instant illumination. It demands each of us to focus on what is vital—and to eliminate all of the extraneous distractions."

Schneck's management philosophy focuses on a few key priorities rather than an unmanageable variety of initiatives. Addressing too many projects at once can become overwhelming, and it can result in a failure to devote sufficient time to specific tasks. Prioritizing efforts in strategic areas of performance allows leadership and frontline employees to truly engage in the initiative and drive better, faster improvement efforts.

## Link People and Their Work

Employees at all levels must understand that the Baldrige journey is not about

adding to people's daily work; instead, it is about making daily work easier and providing better care to patients. It is about actively incorporating performance excellence into people's work instead of just talking about it. Schneck uses dashboards at the department, service line, and organizational levels to link employees, results, plans, and processes so people can see the results and the impact of their efforts.

### WINNING VERSUS IMPROVING

One early challenge we faced in adopting the Baldrige Framework was moving away from a focus on trying to win the Baldrige Award. Instead, we had to focus on improving organizational results in our defined pillars of excellence—Quality of Care, Fiscal and Operations, Customer Service, and Human Resources.

*Schneck uses dashboards at the department, service line, and organizational levels to link employees, results, plans, and processes so people can see the results and the impact of their efforts.*

Our initial approach was to document, through the Baldrige Criteria, our results and level of success. We expected our results to show that we were worthy of the Baldrige Award. However, our first feedback reports indicated that we were not. The feedback forced us to ask ourselves some tough questions:

How did we know the needs of our stakeholders and whether or not we were meeting them? What were our key processes, and how did we know if they were delivering "excellent" results? How were we to improve our processes? How were we to sustain performance excellence? Not only did answers vary among the members of our leadership team, but in some cases we had no answers.

It was at this point that we realized we needed to focus on processes, process

improvements, and methods to validate data and opinions. We needed to make data-driven decisions and, ultimately, improve results and outcomes until they reached the defined level of excellence.

Do not misunderstand: Receiving the Baldrige Award is wonderful, but our drive did not come from chasing it. Instead, it came from improving the value we provide to our patients, their families, and our workforce. Our results were getting better, our capabilities were expanding, and our practices were becoming sustainable and repeatable. We were thinking and behaving differently.

### THE PROOF IS IN THE RESULTS

Every organization has its journey. The story of our small-town, not-for-profit, independent hospital is not something we take for granted. When we received the 2011 Baldrige Award, we achieved the nation's highest honor. But, although we are proud of our crystal, the real prize has been the transformation of our organization. The impact has been pivotal in our ability to adapt to the changing dynamics in healthcare.

A number of our key investments garnered huge returns. We benefited greatly by obtaining and acting on customer feedback through cross-functional collaborative teams, building world-class employee engagement, implementing a strategic planning process integrated with key customer requirements and Lean Six Sigma process enhancements, and committing to best-practice sharing.

An exact return on investment for the time and money devoted to the Baldrige process is difficult to determine. But the return on investment can be indirectly measured by, and attributed to, the improvement in performance across

the seven Baldrige categories: leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; and results.

### Patient First Culture

At the forefront of Schneck's commitment to excellence is our Patient First culture. This culture is woven throughout the recruitment, development, evaluation, and retention of all our employees. Each employee is a vital link in providing outstanding service, and each employee must maintain the values set forth by the organization. The philosophy of placing patients first is evident in our patient-satisfaction surveys, most of which have reached the ninetieth percentile nationally. Surveys that have not yet reached that level have improved significantly and are typically above the seventy-fifth percentile.

### Financial Wellness Yields Quality Healthcare

Schneck demonstrates excellence in measures of its operating margin, cash flow, and cash position. Specific financial improvements achieved during the Baldrige journey include

- annual operating margins typically exceeding 5 to 6 percent,
- an increase in days of cash on hand to more than 400,
- a reduction in the debt-to-capitalization ratio to 14 percent,
- an increase in the debt-service coverage ratio to 5.7, and
- a reduction in the average age of plant to 9 years.

All of these measures meet or exceed the benchmarks for Standard & Poor's and

Fitch's "AA"-rated hospitals. In fact, over the past seven years, Standard & Poor's increased Schneck's credit rating from "A-" to "A," while Fitch increased our credit rating from "A-" to "A+." These results facilitate Schneck's long-term financial viability.

Schneck further demonstrated growth in gross revenue in focus areas tied to strategic objectives. These areas include our cancer center, joint replacement services, cardiac and vascular services, bariatric surgery, and women's services. Additionally, Schneck's market share increased in our secondary service areas for inpatient and outpatient surgeries, addressing one of our strategic challenges related to expanding services to our outlying markets. These results support Schneck's principal success factor of a strong financial foundation.

### An Empowered and Involved Workforce

Schneck has a strong commitment to its employees, volunteers, and physicians. This commitment is demonstrated by the establishment, operation, and continuous improvement of workforce-focused programs, projects, and policies based on survey feedback from various groups. In the two most recent surveys, employee engagement has ranked higher than 90 percent nationally. Even more compelling is that only 1.6 percent of Schneck employees were categorized as disengaged. Key drivers of the high level of engagement include the following survey findings:

- The actions of executives at Schneck reflect our mission and values—82.4 percent versus a national benchmark of 63.7 percent.
- Executives at Schneck respect the contributions of employees and departments—73.3 percent versus a national benchmark of 56.3 percent.

- Schneck recognizes employees for excellent work—70.2 percent versus a national benchmark of 55.4 percent.
- Schneck helps employees deal with stress and burnout—55.3 percent versus a national benchmark of 39.9 percent.

In 2013, Schneck was awarded The Advisory Board Company's Excellence in Engagement Award. The award recognized Schneck's commitment to creating a best-in-class work environment for its employees.

### High Performance in Quality of Care

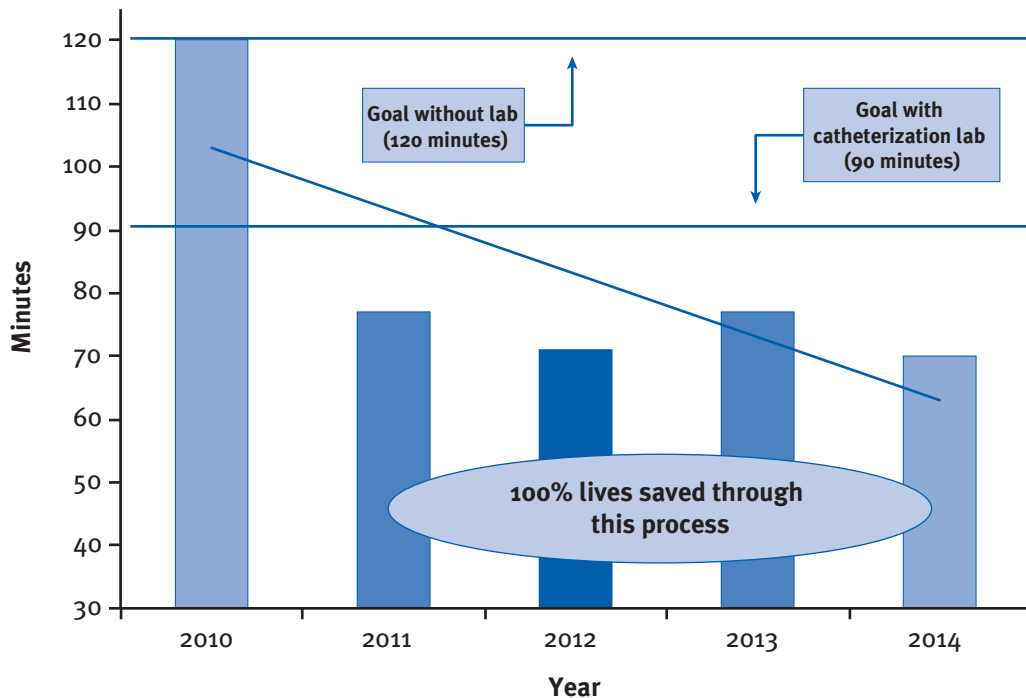
Schneck's Patient First culture has resulted in numerous advances in clinical outcomes and patient safety enhancements.

In the treatment of a patient who has had a heart attack, "door-to-balloon" time represents the critical period for assessing and diagnosing a heart attack and

delivering the needed intervention. The gold standard for door-to-balloon time is less than 90 minutes. To address limited treatment options for myocardial infarctions, Schneck partnered with its largest competitor, located 25 miles away, to create a collaborative initiative for the coordinated handoff of patients needing emergency cardiac catheterizations. Through this effort, door-to-balloon times have been reduced from 120 minutes to as low as 43 minutes (which includes transport of more than 25 miles) (Exhibit 1). To date, we have had zero lives lost under this partnership.

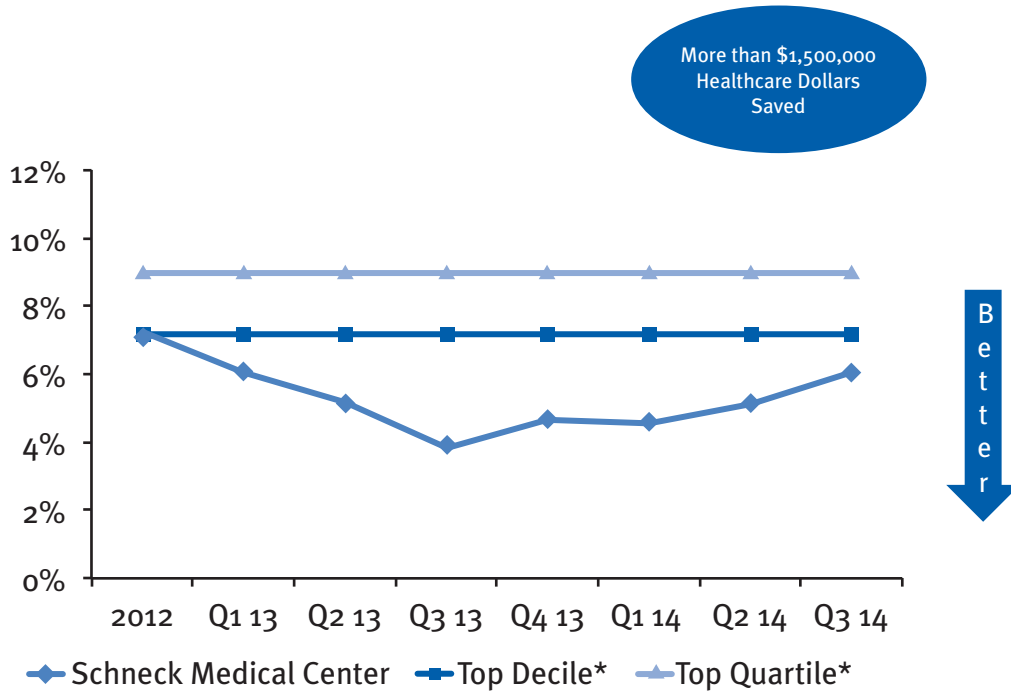
Reducing readmissions is a focus for healthcare across the country. Our success comes from analyzing data, determining the causes of readmissions, and putting processes in place to address those challenges (Exhibit 2). Our improvement processes have included the following:

**EXHIBIT 1** Door-to-Balloon Times





**EXHIBIT 2** Schneck Medical Center Overall Readmissions



\* Based on University HealthSystem Consortium (2014) Clinical Data Base (fourth quarter 2013 to third quarter 2014).

- Partnering with local long-term care facilities to provide a physician and nurse practitioner to improve the continuum of care
- Providing a complimentary visit through our home services department when requested by the case manager
- Telemonitoring for appropriate patients
- Providing a medication assistance program for patients who are unable to fill their prescriptions (and then working with drug companies' patient assistance programs to ensure long-term solutions)
- Capturing information—including standardized follow-up and root cause analysis—to continually tweak processes while keeping our patients safe

Schneck's continuous improvement efforts have resulted in the following quality outcomes and processes:

- A 26 percent increase in adverse event reporting by employees, which supports our Just Culture and High Reliability journey
- A mortality index of 0.48, which is well below the University HealthSystem Consortium (UHC) database top decile of 0.64
- A 25 percent reduction in safety index score, from 1.10 percent in 2012 to 0.82 percent in 2014, which is approaching the top decile (Truven Health Analytics 2014)
- Immediate distribution of daily safety-huddle minutes to all leadership, registered nurses, safety committee members, and key stakeholders
- Participation of a board member and hospital executive on our patient and family advisory council
- Nine certified Six Sigma Black Belts to facilitate and drive improvement

- Systematic variance-reporting process for fiscal, customer service, and quality metrics
- Tracking and monitoring by process owners who provide oversight and accountability

## SUSTAINING WORLD-CLASS RESULTS

At Schneck, we believe there is a difference between being an organization with a vision statement and being a truly visionary organization. The difference

*The Baldrige Framework has helped us integrate our processes throughout the organization to achieve and maintain world-class results.*

is in the ability to create alignment to maintain an organization's core values, to reinforce its purpose, and to encourage continued progress toward its objectives. When your organization is aligned, any individual who comes

into your hospital can articulate what your organization stands for without having to read it on paper.

A set of core values and a relentless drive for progress are keys to organizational success, but the most important element is the ability to translate these concepts into concrete methods and processes. The Baldrige Framework has helped us to do just that—to integrate our processes throughout the organization to achieve and maintain world-class results.

### Know Your Strengths, Recognize Your Opportunities

Through use of the Baldrige Criteria, we have come to know our strengths and are better at recognizing our opportunities. These benefits apply regardless of your industry, the size of your organization, or your location. The key to success is understanding your strengths and capitalizing

on them, while at the same time identifying your weaknesses and doing everything possible to minimize their impact on your future.

### Change-the-Business Initiatives

Today, Schneck thinks and operates differently. We have transitioned into a fact-based, results-oriented organization. Before we incorporated the Baldrige Criteria, we made some decisions based on anecdotal information. Today, data and facts drive our outcomes. We ask those critical questions that we did not know to ask before our journey.

Our senior executives now operate in a strategic environment instead of an operational one. As leaders, we previously spent about 80 percent of our time on operational issues, or “running the business,” and only 20 percent on strategic initiatives, or “changing the business.” We all had agendas to make our areas of responsibility successful. By using the Baldrige Framework, we discovered that we needed to focus on the success of the organization and determine how each of our divisions would support the organization's goals. As we progressed on our journey, we began to see our outcomes improve. The executive team now focuses on moving the entire organization forward and positioning Schneck for success in today's rapidly changing healthcare environment.

### Clear Definition of Excellence

Our leadership team today is aligned and focused and has a shared vision. We were not that way at first, although we thought we were. When we first sat down as a leadership team to complete our organization profile, we saw very quickly how mistaken we had been. We stated that we wanted to be an organization of excellence, yet when

our senior executives discussed this topic, we each had our own definition of what we perceived excellence to be. When the senior leaders are not aligned and focused, you can imagine how disjointed the improvement efforts become by the time they reach the frontline staff.

Schneck now has a clear definition of excellence for each of our four pillars—Quality of Care, Fiscal and Operations, Customer Service, and Human Resources. We have aligned the definitions and expectations to our dashboards, divisional goals, leadership incentives, and employee evaluations in ways that link daily work to the overall success of the organization. This integration provides a clear linkage and line of sight visible throughout Schneck.

### **Manage Processes and Lead People**

Schneck now manages processes and leads people. Before using the Baldrige Framework, we had really good people doing some really good things, but many of our processes were isolated and not systematic throughout the organization. To improve, we had to become process literate. We had to design system-wide standards, expectations, and measurements for the areas we identified as key to delivering our product of healthcare.

Once a process is designed, a key process owner has the ultimate responsibility for the outcomes, regardless of whether the owner performs a role in the process. For example, Schneck's director of pharmacy owns the medication safety process throughout the organization, yet a pharmacist never administers a drug. It is the director's responsibility to measure and monitor outcomes, and if a problem arises, he pulls the key people together to develop an action plan to correct or improve the situation. Having a key process

owner allows for systematic alignment and ensures that the process is completed in the same manner every time, regardless of the department or the caregiver.

### **Invest in Leadership**

Simply having performance excellence goals does not constitute change. Mentalities and attitudes must be altered for the better for beliefs to take hold and thrive in an organization. Schneck's leaders are change agents who are not afraid of challenges created by improvements.

Leaders are not born with the set of skills needed to motivate a team, to build relationships and partnerships, and to transform a vision into reality. Schneck recognizes the importance of investing in our leadership and providing leaders with all the tools they need. At the forefront of our investment in leadership is the Schneck Leaders Institute, developed in partnership with Indiana University. The institute provides a core foundation of language and knowledge and prepares Schneck managers for a future of change and opportunity. Participation is a requirement for all leadership, from frontline managers to the CEO.

### **LESSONS LEARNED ON THE JOURNEY**

The Baldrige process can sometimes be frustrating, and thus it is not a journey embraced by every organization. It forces organizations to take an introspective view and ask pointed and challenging questions. At Schneck, these questions were at times viewed with a degree of indignation, given the level of experience and expertise in our organization. We felt we knew the needs of our stakeholders, perhaps even more so than the stakeholders themselves did. However, by working through the process, we learned several important lessons.

## Identify and Understand Key Stakeholders

One of the lessons we learned early on was that we had not identified a complete list of stakeholders—that is, all of the individuals and groups that could significantly affect the operations and future sustainability of Schneck. And when we forced ourselves to validate our stakeholders' needs and viewpoints, we found we did not completely

*We ensure that our decisions are driven by data and that those data are validated, timely, and accurate.*

understand those needs and viewpoints. Validation of data through independent and unbiased sources was critical. As a result of the Baldrige process, we no longer rely so heavily on our own opinions and points of view. Instead, we ensure that our decisions are driven by data and that those data are validated, timely, and accurate.

## Get on Board

You must be willing to jump in and get started, even though you may not know exactly where you are going. Early in the journey, we thought we were close to our destination; in reality, we did not realize the importance of the organization profile. Did anyone know what the feedback report meant? We wanted a quick process of “just tell us what we did wrong and how to fix it,” but we were not even far enough along to understand the verbiage. Such experiences are a normal part of the learning curve, but they were challenging at the time.

## Just Do It

Baldrige is a tool to help you get to a destination, and you must commit to submitting an application every year. We at Schneck were used to looking at evidence-based tools, such as Magnet and specialty accreditations, that made it clear when you should apply to

validate your achievements. Baldrige is different. The feedback report and assessments take your organization to the next level. In the beginning, we faced a lot of questions about why we were applying when we knew we were not yet at the world-class level. It took time for people to understand the rhythm of the tool and realize that you are never “there.” Baldrige recognition is simply a validation of how far you have come on your journey to excellence; it does not state that you have reached your destination.

## Aim for Excellence

Looking at past data, we found that on many occasions we had compared our performance to the median performance level. But if we were striving for excellence, why were we benchmarking against average? Now we set our goals at the top decile of performance in the nation. It does not matter if we compare ourselves to a tertiary care center or a small community hospital. Who is the best of the best? What are they achieving? If we are willing to put time and resources into improving, then we ought to aim for excellence.

## Apply, Apply, Apply

Get involved with local, state, or regional quality programs. Our home state of Indiana did not have a state program when we started our journey. One of the pivotal points in our journey was when the Ohio Partnership for Excellence allowed us to apply to its state program. We were not eligible for an award because we were out of state, but Ohio's program did conduct a site visit. The questions asked by the examiner team helped us understand what Baldrige is all about.

## Become a Baldrige Examiner

Becoming a Baldrige examiner is an outstanding professional development

tool. It is the fastest way to understand the Criteria questions, and it provides opportunities to meet and learn from some of the nation's best leaders. Understanding the Criteria and trying to link concepts together can be difficult at first, but serving as an examiner accelerates the learning process. You must first learn your numbers before you can progress to addition, multiplication, and finally calculus.

### **Use a Coach**

If you are having trouble gaining momentum, consider using a tutor, consultant, or coach. We found that outside help enabled us to accelerate our organizational improvement. In the beginning, we needed help understanding the Criteria and learning the Framework. But along the journey, our needs changed. Our coach's focus quickly evolved into pushing us beyond our comfort zone. We learned to challenge our peers, identify and acknowledge our gaps, and then roll up our sleeves and work together to close those gaps.

### **Learn from Outside Your Industry**

Look outside your industry for innovation, ideas, and breakthrough improvement. Early on, we were mentored by PRO-TEC, a coated-sheet steel company that received the Baldrige Award in 2007. PRO-TEC invited our leadership team to observe the ways their organization functions, the processes they put into place, and the outcomes they achieved. They explained their systematic processes and the lessons learned along their journey, sharing knowledge that we still use today.

### **Think as a System**

The drive for performance excellence is an evolution, not a revolution. The ebb and flow of "running the business" priorities

and "changing the business" initiatives creates a constant balancing act that changes as the organization moves forward. Baldrige started off as a project, but it evolved into our way of doing business. Today, we think as a system and break down organizational silos.

### **Be Patient**

Those who are leading the Baldrige journey must be patient. Baldrige is not a quick fix; it is a systematic process that involves changing the organizational culture. Situations may arise where you need to slow down, wait, or let something go and move on. Doing what is right for the organization at the wrong time will fail just as not doing what is right will. Confusion and discomfort are normal and to be expected. Focus first on a few strong leaders to help move you forward. Education on the process and the Framework takes time, but acceptance and understanding will eventually happen.

### **Determine Your Journey**

Everyone's journey will be different. Some organizations use category teams, some use performance improvement teams, and some have oversight committees. What worked at Schneck might not work for everyone. One of our keys to success has been taking what others learned and then tweaking it for our culture and environment before implementation.

### **Find Your Seat**

One common theme across Baldrige organizations is that senior leaders support the journey and are visibly "on board the plane." Our senior leadership team had to establish positions—or seats on the plane—for the movement to really gain traction and momentum throughout



the organization. The plane needed to have an owner, and Schneck's was our CEO. Ultimately, the exact role of the CEO—whether it be a pilot, mechanic, or copilot—does not matter as long as the CEO owns the plane. At Schneck, when it became clear that the plane was loaded and all senior leaders had found a seat, the message was clear: We were moving forward, and if you wanted to be a part of the journey, you needed to be on board.

### EXCELLENCE IS THE DIFFERENTIATOR

A specific return on investment for the time and money committed to the

*One common theme across Baldrige organizations is that senior leaders support the journey and are visibly "on board the plane."*

Baldrige process is difficult to calculate. Similarly, the degree to which winning the Baldrige Award has been a market differentiator for Schneck cannot be stated definitively. However, the Baldrige process had meaningful indirect results that led to market differentiation.

Physician recruitment is an ongoing strategic initiative at Schneck. Being able to fill medical specialty positions, including those in primary care, leads directly to an increase in market share and an improved ability to serve a large population base. Many physician candidates are familiar with the Baldrige Award and its recognition of an organization's performance excellence, and the award draws those candidates to Schneck. Some of these candidates may have overlooked Schneck in the past as just another small-town hospital, but as a Baldrige Award winner, we have their attention. Being a Baldrige Award winner has also led to increased credibility among peers. Again, no

longer just a small-town hospital, Schneck is rightfully recognized as an innovator and a leader in healthcare.

### EXCELLENCE IS THE GOAL

For the first two years of our Baldrige journey, many of our leaders were completely committed to winning the award. Schneck had generally demonstrated high performance in our identified pillars of excellence, and we believed ourselves to be a Baldrige-caliber organization. We dedicated a significant amount of our executive and leadership time to demonstrating our worthiness of the award. We set out to let the Baldrige examiners and the rest of the world know that we were a high-performing organization.

This approach was a costly and time-consuming part of our journey, filled with frustrations of trying to sell ourselves as a Baldrige Award winner. In reality, we did not even complete simple Baldrige-focused exercises to identify excellence; we had no way of measuring excellence and no way of knowing when we had achieved it. We soon realized that we had lost sight of why we adopted the Baldrige process in the first place. The purpose was not, and never should have been, to win the Baldrige Award. Rather, the aim was to ensure our sustainability and to accomplish our mission of providing quality healthcare to all we serve.

At this realization, we knew we had to refocus and redirect our efforts. If we truly achieved excellence in our four pillars, we would be a successful organization and meet our stated mission. If we were to be recognized for our efforts with an award, that would be a bonus. But ultimately, our Patient First philosophy and our commitment to top-quality healthcare had to be first and foremost in our minds.

## CONCLUSION

No single person, or even department, can drive performance excellence. The entire organization—from the bottom to the top—must be engaged in the Baldrige journey. When performance improvement becomes a part of your culture, your team of employees will propel the organization forward.

As we noted at the beginning, the Baldrige Award is not the end of our journey; it is only a milestone. We continue our journey every day, with every patient we serve. The Baldrige Criteria and our unwavering commitment to quality, satisfaction, and continuous improvement have helped us

toward our vision of being an organization of excellence—every person, every time.

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# Can Baldrige Build Learning Organizations?

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KATHLEEN JENNISON GOONAN

**RECOGNIZING THE ENORMOUS** magnitude of change urgently required of American healthcare over the next several years, the Institute of Medicine (IOM) convened the Committee on the Learning Health Care System in America to identify potential strategies to accelerate healthcare organizations' capabilities for continuous learning and improvement. In its final report, *Best Care at Lower Cost: The Path to Continuously Learning Health Care in America* the committee concluded, "Health care can lag behind many other sectors [of the economy] with respect to its ability to . . . adapt, to improve—in short, to learn" (IOM 2013, 6). Indeed, the task of fundamentally changing any organization's capacity to learn and adapt to shifting customer needs and requirements, in any sector of the economy, has long challenged renowned business leaders and thinkers. As Harvard Business School's Clay Christensen concluded, "It's not that managers in big companies can't see disruptive changes coming. Usually they can. . . . What managers lack is a habit of thinking about their organization's capabilities as carefully as they think about individual people's capabilities" (Christensen and Overdorf 2000, 66).

Having spent 30 years as a healthcare and insurance executive starting with managed care in the mid-1980s, I share the IOM committee's conclusion about the limitations on capability for learning and change in the healthcare sector. Pick any major topic challenging healthcare today—population health, disparities, safety, or cost control—and we find a plethora of articles lamenting the lack of progress (Berwick, Nolan, and Whittington 2008; Chassin and Loeb 2013; Kindig and Isham 2014; Siegel 2014). Yet transformational change based in agility and true organizational learning is possible. As a member of the panel of judges for the Malcolm Baldrige National Quality Award (MBNQA) from 1999 to 2002, with the responsibility and privilege of evaluating the

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applications and final examination reports of approximately 30 superior organizations from all industries, I studied organizations that had demonstrated a capacity for learning. The MBNQA judges determine which of the site-visited finalists deserve to be named a role-model organization by the president of the United States. Through this effort, I came to appreciate that profound change is indeed possible with an effective and systematic approach. Many of these organizations started out as rather mediocre, so understanding exactly what they did to lead transformational change is beneficial.

### START WITH THE RESULTS

The feature articles in this issue of *Frontiers of Health Services Management* represent two such organizations that have been recognized as national role models in learning and improvement. In both cases, the evidence is compelling with regard to their comprehensive and significant performance improvement, and their capabilities are noteworthy. Both articles refer to a systematic process or journey, highlighted by words such as “perseverance,” “transparency” regarding their true comparative performance, and “execution,” or the capability to move from aspirations to measurable results. Pope, Padula, and Wallace-Dooley describe how Hill Country Memorial went from average to the national top 10 percent in performance on a broad set of organizational metrics, such as patient experience, quality, and financial performance. Forgey and Dye offer an impressive array of financial, workforce engagement, and quality metrics at high levels of performance. For readers interested in the details of these or any MBNQA recipients’ results, their applications are available to the public ([\[patapasco.nist.gov/Award\\\_Recipients/index.cfm\]\(http://patapasco.nist.gov/Award\_Recipients/index.cfm\)\). Although recipients have the opportunity to remove proprietary or confidential information, their application summaries generally include 80–100 graphs and charts of data with comparisons and trends over at least three years. The results speak for themselves. Although some individual metrics may tend toward being merely above average, generally these organizations demonstrate wide-ranging top-quartile or top-decile performance across all key dimensions. The Baldrige scoring process is objective, thorough, and highly scientific, providing a score in each of 12 process and 5 performance items that emphasize overall results achieved. This evaluation methodology allows leaders to track progress in building their capabilities to generate improved results.](http://</a></p></div><div data-bbox=)

The feature authors’ affirmations of the Baldrige approach have been externally validated. The 100 Top Hospitals methodology of Truven Health Analytics (formerly Thomson Reuters) 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. Their analyses showed the following:

- 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.
- Baldrige hospitals outperformed non-Baldrige hospitals on nearly all of the individual measures of performance used in the 100 Top Hospitals composite score.

**The Baldrige Framework is a blueprint for operations performance.**

While the scientific evidence illuminating effective organizational management generally is sparse (even more so than that for evidence-based medical practice), the Truven analysis suggests that the Baldrige process has significant potential. But what exactly is the Baldrige Framework, and how is it used successfully to orchestrate fundamental change in organizational performance?

**WHAT IS BALDRIGE REALLY?**

Although the achievements of the organizations in the feature articles are impressive, the relevant questions for readers relate to *how* their leaders accomplished such dramatic improvement and how other leaders might leverage the approach to achieve needed improvements in their organizations. The authors refer to having chosen the Baldrige Framework among options, but they do not elaborate on the basis for their choice beyond declaring Baldrige a systematic approach and process that fit their organizations. The most fundamental questions are these:

- What exactly is the Baldrige approach to change and excellence?

- How can leaders and executives use it to transform their organizations?

Most people who have heard of Baldrige know it as a prestigious national quality award that is challenging to receive. In fact, it is much more than an award program and is relevant to any organization, regardless of performance or aspiration level. The Baldrige Framework is a blueprint for operations performance and includes a comprehensive body of knowledge that can assist any leader charged with significantly improving an organization or fundamentally changing a business model. Congress created BPEP and the MBNQA to establish a public-domain repository of industry best practices in leadership and management. Initially focused on the manufacturing and service sectors, the MBNQA expanded to include healthcare and education in 1999 and not-for-profit organizations (including government and military) in 2006.

Forgey and Dye describe the Baldrige Framework as a tool belt. I disagree with this characterization. Baldrige is not a set of tools; rather, it is a set of critical questions that every business or organization should be able to address. In fact, Baldrige is more like a comprehensive diagnostic test, providing the questions every executive team must answer within an elegant and logical systems framework. Leaders choose methods, tools, and tactics to run their organizations. Those decisions and the effectiveness of their execution constitute the organizations' answers to the Baldrige diagnostic questions. Answers can vary widely depending on an organization's circumstances, history, culture, and market. High performers make different choices, as evidenced by the feature articles in this issue. Schneck Medical Center



and Hill Country Memorial, both Baldrige Award recipients, selected different tactics to achieve their results. What matters is that the chosen tactics worked to achieve better results over time.

For example, consider this Baldrige question: “What are the key elements of your performance improvement system, including your processes for evaluation and improvement of key organizational projects and processes?” (BPEP 2015). This is not a simple question for most leaders to answer. Having a robust answer that works routinely in real and practical terms throughout a hospital or health system is not a simple matter. Answers also can vary from one organization to another and be equally effective. Some organizations might use Lean or Six Sigma to improve processes or manage projects, while others might use Plan-Do-Study-Act. Still others might use a combination of the preceding, along with strategic maps, balanced scorecards, and other measurement methods, as well as project management tools. Again, Baldrige provides the questions; leaders select the tactics to achieve intended results. Understanding this clarifies where Baldrige fits on the spectrum of executive decisions. Baldrige is not an alternative to using various tools; rather, it is a blueprint for the capabilities an organization must build and integrate to be successful. More important, it offers an objective measure of the effectiveness of the myriad tools and mechanisms a complex enterprise uses to operate. The scoring methodology, which allows for in-depth comparison to best practices, ensures a brutally honest assessment of an organization’s capabilities.

The Baldrige Framework explores how an organization ensures that staff members provide compassionate service

and build relationships with patients and other customers. Baldrige does not prescribe how one accomplishes this; it only requires that the organization have an effective method, deploy it to the staff who need to use it, and integrate the approach with other tools and tactics to train and develop staff. A company might choose to use a tool such as AIDET (acknowledge, introduce, duration, explanation, thank you) (Studer Group 2015) or create its own tools, training, or other deployment methods. Baldrige is neutral about choices, but it delves into whether the company has a systematic approach, whether the approach works, and whether the company has results to prove it. Similarly, Baldrige does not mandate that an organization adopt service lines, build an accountable care organization, or deploy cultural concepts such as high reliability or servant leadership.

For every key leadership, management, and daily work process of the organization (Exhibit 1), the Baldrige Criteria ask four questions (BPEP 2015):

1. Do you have a systematic approach, tools, and tactics?
2. Is your approach deployed to the people who need to use it?
3. Do you evaluate and improve the approach periodically?
4. Does this particular approach integrate and align with other organizational approaches in other areas?

The correct way to think about the Baldrige Framework is that it provides (1) a blueprint for the capabilities an organization needs to build and (2) a diagnostic test to measure and monitor operational capabilities to deliver results. Goonan

## EXHIBIT 1 Key Organizational Processes

Baldrige Category	High-Level Critical Processes
1. Senior Leadership	<ul style="list-style-type: none"> <li>Direction-setting and culture development</li> <li>Creation of organizational success</li> <li>Communication with and engagement of workforce</li> <li>Focus on action</li> <li>Organizational accountability</li> <li>Leadership and governance improvement</li> <li>Legal/regulatory compliance, accreditation, and ethics</li> <li>Societal responsibilities and community health</li> </ul>
2. Strategy	<ul style="list-style-type: none"> <li>Strategy development</li> <li>Innovation</li> <li>Action plan development and measurement</li> <li>Action plan implementation and modification</li> </ul>
3. Customers	<ul style="list-style-type: none"> <li>Listening to current and potential customers</li> <li>Customer satisfaction/determination of engagement</li> <li>Determination of customer service requirements</li> <li>Customer access and support</li> <li>Customer relationship management</li> <li>Complaint management</li> </ul>
4. Measurement, Analysis, and Knowledge Management	<ul style="list-style-type: none"> <li>Measurement (operations and organizational performance)</li> <li>Performance analysis and review</li> <li>Performance projections</li> <li>Knowledge management and organizational learning</li> <li>Data and information availability, quality, and security</li> </ul>
5. Workforce	<ul style="list-style-type: none"> <li>Workforce capability and capacity</li> <li>Workplace health, safety, and security</li> <li>Workforce support</li> <li>Motivation and engagement</li> <li>Performance management</li> <li>Determination of workforce engagement</li> <li>Workforce and leader development</li> </ul>
6. Operations	<ul style="list-style-type: none"> <li>Process requirements and design</li> <li>Process management</li> <li>Process improvement</li> <li>Innovation management</li> <li>Cost control</li> <li>Supply-chain management</li> <li>Safety and emergency preparedness</li> </ul>

Source: Goonan Performance Strategies, LLC.

Performance Strategies (2015) considers Baldrige as a Blueprint® for the comprehensive set of questions that every leader

needs to be able to answer. In addition to providing the blueprint for building capabilities, Baldrige sheds light on an

organization's performance. It provides a definitive and comprehensive picture of how a healthcare organization performs today in customer experience, workforce experience, leadership, and finances and market share.

### PROCESS LITERACY

Forgey and Dye offer a clear summary of how Schneck Medical Center benefited from the Baldrige process over time: The organization became “process literate,” meaning it had to develop systematic approaches for all of the key organizational processes listed in Exhibit 1. This concept is critical for leaders faced with managing and leading fundamental cultural change, and it is an essential aspect of the return on investment for the work of Baldrige. In his *New Yorker* article exploring process management at The Cheesecake Factory, Atul Gawande (2012) examined the value of standardizing processes to ensure reliable quality, safety, and experience. Forgey and Dye describe how leaders at Schneck methodically identified key processes and used methods historically applied in other industries to redesign and take ownership of such processes as medication administration.

In our research on organizations that received the Baldrige Award, we found that they not only standardized and hard-wired daily work processes such as medication administration and postoperative surgical care but also applied these tools to leadership and management processes (Goonan, Muzikowski, and Stoltz 2009).

Pope, Padula, and Wallace-Dooley discuss how Hill Country Memorial applied process tools to their relationship-building competence to advance this process and ensure it provided strategic advantage for the organization. In every key area of executive capability, Baldrige organizations develop systematic approaches. Consider

other major areas of focus in most healthcare organizations: Measurement systems and use of data to drive improvement. Exhibit 2 highlights what we have found to be the elements of key processes and capabilities, which we refer to as the Measurement Maturity Model. Over time, organizations that use Baldrige develop well-designed and efficient processes to produce actionable information for use in achieving better results after following a process of “maturing” their measurement capabilities.

### EFFECTIVE USE OF BALDRIGE

As Pope, Padula, and Wallace-Dooley describe, Hill Country Memorial experienced a rude awakening in 2008 when staff members began critically comparing the hospital's performance with that of other organizations. This was the beginning of a journey that took it to the top 10 percent of US hospitals on most measures. The successful transformation included a commitment to building a mature capability of measuring results and transparent evaluation of how those results compare with results of other similar competitor and role-model organizations (Exhibit 2). This engaged, regular, and transparent review of results, as well as the systematic evaluation and improvement of key leadership and management processes, played a major role in the success of both Hill Country Memorial and Schneck.

However, we still do not really know *how* these organizations made the changes happen. What were the actions of leaders that led to this successful change? My team tackled this question by studying the first nine healthcare MBNQA recipients in depth from 2003 to 2007 and publishing our analysis (Goonan, Muzikowski, and Stoltz 2009). Based on our interviews with senior executives at MBNQA-recipient organizations and after studying their

## EXHIBIT 2 Measurement Maturity Model

Dimension of Maturity	Examples of Key Capabilities
1. Why do you measure?	<ul style="list-style-type: none"> <li>• Philosophy of “measures drive results”</li> <li>• Systems view</li> <li>• Ask questions; ask for data</li> </ul>
2. How do you measure?	<ul style="list-style-type: none"> <li>• Selecting meaningful measures</li> <li>• Defining measures</li> <li>• Use of meaningful comparison</li> <li>• Target setting</li> <li>• Aligning measures</li> <li>• Measurement Inventory</li> </ul>
3. What support is in place?	<ul style="list-style-type: none"> <li>• Measurement oversight group</li> <li>• Data governance, including data stewardship and data quality</li> <li>• Data owners and analysts</li> </ul>
4. What do you measure?	<ul style="list-style-type: none"> <li>• “Right” measures aligned with strategy and operations to drive organizational success</li> <li>• Proactively address requirements/ pay for performance</li> </ul>
5. How do you analyze/review?	<ul style="list-style-type: none"> <li>• Appropriate use of scorecards and dashboards</li> <li>• Effective data presentation in dashboards and scorecards</li> <li>• Presentation of dashboards and scorecards in the right forums</li> </ul>
6. What actions do you take?	<ul style="list-style-type: none"> <li>• Making data available to appropriate stakeholders</li> <li>• Use data to set performance improvement priorities</li> </ul>
7. What is the measurement environment?	<ul style="list-style-type: none"> <li>• Becoming data driven</li> <li>• Educating key data owners and users starting with the measurement oversight group</li> </ul>
8. What are the results?	<ul style="list-style-type: none"> <li>• Improving performance</li> </ul>

Source: Goonan Performance Strategies, LLC.

applications and presentations, we derived a model that summarizes the actions they took. We have continued to study all subsequent recipients since 2009, and the model continues to hold true. The senior leaders of these organizations lead their journeys by following their own version of the LASER road map (Exhibit 3), summarized as follows:

- *Leadership:* Senior leaders commit to objective, systematic, and compre-

hensive evaluation of their leadership and management approaches on a periodic basis, inviting objective scoring of all key leadership and management capabilities against the Baldrige diagnostic and providing the driving force for major change in culture and key processes.

- *Assessment:* Leaders identify a model for assessing baseline and periodic performance. Of course, in our research, leaders all chose Baldrige.

We have not discovered an equally comprehensive or robust diagnostic tool, but partial substitutes, such as accreditation models, Magnet, and Shingo, can be found.

- *“Sensemaking”*: Borrowed from the safety literature, the concept of sense making describes the leadership activity of analyzing and making sense of an organization’s performance in all seven Baldrige categories, interpreting the current state of performance, and defining a set of priority capabilities for design or improvement based on those capabilities that will bring the greatest return on investment with respect to current challenges and barriers to success.
- *Execution*: Senior leaders develop and implement effective action plans to ensure greater organizational success in the market and higher Baldrige scores at the next evaluation. They identify high-leverage capabilities to build, improve, and integrate these action plans with their strategic and operational performance improvement plans.
- *Results*: Always tying all learning activity to measurable and meaningful results, leaders set in motion a cascade of organizational performance reviews with periodic enterprise-wide reviews of comparative performance on a

wide array of metrics. They make this analysis highly visible, and in concrete terms, from their boards to the frontline work units.

The LASER road map describes the basic pattern that MBNQA recipients follow. The specifics of their journeys vary in terms of starting points, business models, and market dynamics, but the common activity is the discipline of documenting how they lead and manage their enterprises against the Baldrige Framework. They do so by means of an application for an award, which they submit to an independent and systematic evaluation, scoring, and feedback process through a Baldrige-based state program or the national BPEP. I prefer to think of these applications as operating manuals and not as applications for an award. The overall LASER pattern of activities appears remarkably consistent across organizations, regardless of size, market type, business model, or baseline performance level. The hundreds of organizations that have used this process at the state level follow this model in their own customized ways. The capability to manage change and organizational learning emerges as organizations using the Baldrige Framework maintain these disciplined activities over several years

**EXHIBIT 3** LASER Road Map to Higher Performance

<b>Leadership</b>	Commit to humility, truth telling
<b>Assessment</b>	Diagnose the current state
<b>Sensemaking</b>	Understand your system and gaps
<b>Execution</b>	Deploy robust processes and culture
<b>Results</b>	Prove it to yourselves and others

Source: Goonan Performance Strategies, LLC.



before reaching top-quartile and top-decile performance levels on key metrics.

### **STRATEGIC FUNDAMENTALS AND CORE COMPETENCIES**

Another aspect to the notion of a journey is the idea that the Baldrige process causes senior leaders to engage in crucial conversations about their organizational strategic direction. Pope, Padula, and Wallace-Dooley describe their two organizational core competencies (relationship building and a values-driven culture) and how, at a particular stage, they realized the organization needed to develop a third competency: execution. We refer to these decisions as an organization's "strategic fundamentals" or the strategic fundamental decisions that only senior leaders can make. Leading significant business model, cultural, or performance change requires a highly cohesive and focused leadership team that can set a new course, communicate effectively, and execute on action plans. But it starts with the strategic decisions. If you want to execute real change, you have to have a clear destination in mind.

### **CONTROVERSIES**

One elephant in the room deserves comment. Both Hill Country Memorial and Schneck Medical Center are small and independent and function in rural, relatively noncompetitive markets. Some readers might question whether Baldrige can help larger, more complex organizations become successful. While the total universe of Baldrige users is difficult to define because the identities of the applicants are confidential, here are the facts. Twelve of the 18 recipients of the MBNQA in health care are systems, 6 are single hospitals, and 1—Southcentral Foundation—is an ambulatory delivery and wellness system. Of the 12 systems, Henry Ford Health

System is the largest and most complex, and several systems are small, with one or two hospitals and other business units. Only three of the single-hospital recipients are smaller than 150 beds. Settings are not only urban and highly competitive, but also suburban and rural. This evidence suggests that at least among organizations that go the distance, there is significant diversity in terms of size and geographic location.

### **THE BOTTOM LINE**

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 non-performance. Effective use of the Baldrige Framework and process for organizational performance evaluation and learning offers a robust approach to addressing these challenges.

### **ACKNOWLEDGMENT**

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# Sharing Leadership Insights on Our Baldrige Journey to Excellence

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JANET WAGNER

**CONGRATULATIONS TO THE** feature article authors and their teams for their pursuit of excellence, the perseverance to achieve it, and the well-earned recognition from the Baldrige Performance Excellence Program.

The driving forces for the Baldrige Award recipients on their journey to excellence are twofold:

1. Healthcare is a dynamic industry that requires leadership focus.
2. Using a systematic and proven leadership framework to deliver high-quality care and remain competitive is a worthwhile pursuit.

Both Hill Country Memorial Hospital and Schneck Medical Center experienced the joys, enlightenments, and professional fulfillment in rising to world-class status by providing the best care to the communities they serve. In winning the Malcolm Baldrige National Quality Award, both organizations earned the highest level of national recognition for performance excellence.

Like athletes, leaders who pursue this level of excellence realize that both mental and physical preparation are needed to pursue an organization's goals, improve results, and become more competitive. An athlete depends on his or her coaches for training and inspiration. The same is true for management teams pursuing excellence. Organizations on the Baldrige journey seek feedback from coaches, high performers, their workforce, and key internal and external stakeholders. The leaders at Hill Country Memorial and Schneck realized that their journeys would take years to complete. Pope, Padula, and Wallace-Dooley wanted to take their organization from average to the national top 10 percent of performance. Forgey and Dye knew that maintaining the status quo was not an option for the future of Schneck.

The leaders in these organizations exemplify role modeling that begins with commitment to a goal and follow-through on the vital few objectives in an

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industry with many distractions. Perseverance is necessary to stay the course and dare to achieve what few have accomplished. To date, only 103 organizations in all industries have received the Malcolm Baldrige National Quality Award. At speaking engagements about the Baldrige journey of Sutter Davis Hospital in Davis, California, I am frequently asked, “How do you sustain the journey, year after year?” The answer lies in leadership and the strength of the commitment to be the best and to earn the recognition.

### LEADERSHIP

Organizations that receive the Baldrige Award are led by seasoned, tenacious, high-performing leaders who have a vision and a passion to fulfill that vision. The Baldrige journey cannot be delegated. As Jack Welch has been quoted as saying, “Excellence is not a spectator sport. Everyone’s involved.” The CEOs at Hill Country Memorial and Schneck had a vision about how they would set their care delivery systems apart from those of average hospitals. For Hill Country Memorial, this meant “providing remarkable care and service,” and for Schneck, “being a healthcare organization of excellence—every person, every time.” My experience at Sutter Davis was the same; after years of dialogue with the team, we defined our unique position in healthcare as a “culture of caring.”

At both Hill Country Memorial and Schneck, the leaders set the strategic direction and the expectation that everyone in the workforce execute the vision through their behaviors and choices to achieve success. Therein lies a key quality of senior leaders—direction. They also must be able to communicate that direction to their team and follow up by holding everyone accountable for the direction they have set. This is how the journey begins. Forgey and Dye note that “each employee must maintain the values set forth by the organization.” Pope, Padula, and Wallace-Dooley

explain that members of the workforce must understand their roles in achieving the organization’s goals.

The vision, mission, and values of an organization are translated into expectations that lead to sustained results. Achieving sustained results over time is one of the more difficult outcomes to achieve and probably the key reason most organizations do not achieve a high level of success. At Sutter Davis Hospital, we defined the culture of caring by “how we all care for all of our patients, how we care for each other as team members, how we care for our physicians who brought us patients, and how we care for our community.” Each of us had the opportunity to contribute to the culture of caring. A few basic examples are showing up for work on time, giving the right medications to the right patients, ensuring we registered patients accurately, picking up paper from the floor because we cared how our organization looked to visitors, and always being aware of our professionalism.

### Setting Direction

The authors of both feature articles outline several examples of how they inspired their leaders to lead and how they communicated messages to foster engagement by the workforce and physicians. Just as the Baldrige Award is earned, so too is the trust of the workforce. Credible leadership is built on trust, consistency, fairness, and equitability, and it is demonstrated through role modeling. Pope, Padula, and Wallace-Dooley write about listening to key stakeholders and providing transparency, listening to provide actionable information and transparency to move to a shared vision, and continuing to align the workforce.

Pope, Padula, and Wallace-Dooley and Forgey and Dye systematically lay out the next steps in their journey. Like a great book, the beginning and ending of the Baldrige journey are critical to creating a

captivating story; however, the main theme of the story is what keeps readers engaged. Once the ground rules—beginning with standards of behavior—are established, the leaders begin building the infrastructure, which includes these components:

- Workforce and leadership development
- Skills and knowledge
  - Process improvement
  - Customer service
  - Workforce engagement
  - Identification of systems and processes

### FOCUSING ON ORGANIZATIONAL CULTURE

Culture starts with people, the entire workforce. First steps after assessing the culture often involve questions such as

*During the journey, the leadership team becomes proficient at accepting feedback on how they are managing and leading the business.*

those raised by Jim Collins (2001, 13, 41) in *Good to Great*. He asks if we have the “right people on the bus” and the “right people in the right seats.” He also asks whether we “are hiring for our journey to excellence.” Senior lead-

ers have become choosy about who gets hired to join the team. Peer interviewing practices are refined as interviewers gain experience with every hire, and potentially low performers are identified more readily.

Schneck developed a Hiring for Excellence program that mirrored the organization’s mission, vision, and values. The team at Hill Country Memorial embraced a core competency of relationship building and listening; through workforce engagement, it ensures that every employee understands how he or she contributes to achieving the organization’s goals.

An organization’s culture is a reflection of its leadership. It is one of the hardest

elements to measure but is palpable to the workforce, the patients, the families, the visitors, and anyone who interacts with the organization. Onboarding to this culture is imperative to sustain the journey’s momentum and continued contribution to the organization. Baldrige recipients are often asked, “How do you know the workforce is engaged and the processes are working?” One way is when you listen to team members talking and they sound like the organization’s leaders. You hear comments such as, “This is how we do things here and nothing less will do.” The workforce behavior begins to move the organization to a completely new level. Staff members become owners, and they demonstrate individual commitment to the strategic direction and the organization’s core competencies. This personal engagement is the result of effective employee engagement and communication throughout the organization.

### Transforming a Culture

Building a culture or transforming a culture is an outcome of the Baldrige journey. The experience of working together as a team in a systematic way affects the organization’s outcomes and the team’s relationships.

Living the Baldrige Criteria, working within the Framework, submitting applications, and receiving feedback require the team to engage in dialogue and work together as never before. In the second and third years of the journey at Sutter Davis, the team began to realize what integration really means. Having experienced this journey for seven years, I believe the journey develops the team better than any other framework, operating system, or leadership model. This development is realized when a team actually receives the recognition. During the journey, the leadership team becomes



proficient at accepting feedback on how they are managing and leading the business, and they actively seek out the best performers, develop the desire to benchmark (e.g., using Centers for Medicare & Medicaid benchmarks), and look for ways to improve performance (e.g., patient, physician, and employee satisfaction). This process is transformational. Baldrige leaders become self-motivators and develop can-do attitudes. They also exhibit humility as they realize this journey requires the willingness to face criticism and the need to improve. Success exists at a moment in time, and sustaining that success requires continued focus and a willingness to continue to learn, integrate new knowledge, and evolve.

### INVESTING IN LEADERS

The development along this journey encompasses coaching, education, training, and learning to use feedback to improve performance. Forgey and Dye note that “leaders are not born with the set of skills needed to inspire a team, to build relationships and partnerships.” Pope, Padula, and Wallace-Dooley explain that they elected to deepen the core competency of relationship building. These leaders understood the value of investing in leadership development to reach their strategic goals.

The authors of both feature articles stress the importance of process improvement, a crucial tactic that Forgey and Dye refer to as the tool belt. Measuring progress, benchmarking, and implementing improvements are as important as financial tools. Engaging in and leading process improvement activities in a department, as well as across departments, result in refined integration. Schneck’s leaders noted that simply having performance goals does not constitute a change. Hill Country Memorial’s leaders knew that classroom training

alone did not ensure process improvement; to achieve success, process improvement had to be incorporated into daily activities.

Both Hill Country Memorial and Schneck found value in training their leaders to become Baldrige examiners. Through this experience, leaders gain two perspectives: (1) As employees in an organization, they observe individual departments or silos that are not integrated; and (2) as examiners viewing an entire organization, they observe the overall functioning of the organization. Examiners observe how other organizations articulate, network, and get things done across departments, which assists leaders in learning from each other.

My experience at Sutter Davis Hospital resulted in leadership development’s spilling over into identifying high performers throughout the organization, which, in turn, led to succession planning. By the time Sutter Davis received the Baldrige Award in 2013, we were developing three levels of leaders in the organization. I have not found a better framework for developing leaders.

### ACHIEVING AND SUSTAINING RESULTS

Achieving and sustaining results requires a mature team with vision, strategic direction, and well-developed leaders and, as the feature authors point out, knowing one’s strengths and weaknesses. Forgey and Dye note that through use of the Baldrige Criteria, “We have come to know our strengths and are better at recognizing our opportunities.” Awareness is the first step to knowing where to improve. The feedback from the Baldrige Criteria forces teams to examine and reexamine how and why they are doing things. The feedback addresses the mechanics or the deployment of the approach. The Baldrige application process offers leaders a multidimensional, nonprescriptive framework to think about

how they are managing and leading their teams, as well as the business at hand.

“Moving an organization’s performance from mediocre to remarkable requires a significant level of commitment, perseverance, and willingness to learn from mistakes,” note Pope, Padula, and Wallace-Dooley. The maturing during a Baldrige journey focuses leaders and the team on facts rather than perceptions. The teams at Hill Country Memorial and Schneck believed they were doing well before embarking on the Baldrige journey. Pope, Padula, and Wallace-Dooley point out that leaders felt “confident in the quality of care. . . . In fact, everyone believed it to be outstanding—that is, until we started benchmarking.”

Mature teams are willing to confront the brutal facts, learn to benchmark against the best, and realize that the results are about improving performance on the basis of quantifiable outcomes. Forgey and Dye’s team did just that and transformed Schneck into a fact-based, data-driven organization to achieve their goals.

### SYSTEMS AND PROCESSES

Hospital departments are interdependent, linked by how patients travel through the system and how care is delivered. Understanding the integration, as outlined in the Baldrige Criteria, moves the overall organizational function to a higher level, and feedback from the Baldrige process is particularly helpful in this arena. Many operating systems can take an organization only so far, and many, if not most, focus on the return on investment. The Baldrige Criteria offer a much more balanced framework for leadership.

During the journey, key work systems, leadership systems, and other systems are identified. In fact, one of my key takeaways from the Baldrige journey was how important it is to simply stop and take the time to

define words. At Sutter Davis, we defined our systems and processes, which led to speaking and understanding more clearly about how our processes were integrated and how we contributed to the results. Forgey and Dye explain that Schneck has had isolated processes throughout the organization. Like them, we at Sutter Davis became “process literate.”

### CONCLUSION

The Malcolm Baldrige National Quality Award is a significant achievement for a CEO and his or her team. The real value in the journey is the experience of a team’s working together, learning together, and achieving success together. It exemplifies living the organization’s mission. Individuals on the journey experience a strong sense of professional fulfillment, not only for themselves but for those they serve. In healthcare, patients and their families are the recipients of great care. Residents of the community also share in the pride of having a world-class healthcare system in their community.

Famed nursing theorist Madeleine Leininger (1992) said, “Let us always be open to acknowledge, respect and learn from great leaders in any field or discipline.” Pope, Padula, and Wallace-Dooley at Hill Country Memorial Hospital and Forgey and Dye at Schneck Medical Center are great leaders who have shared insights into their journeys to excellence and offered many great lessons on leadership.

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# A Framework for Performance Excellence and Success

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C. DAVID HUFFSTUTLER AND DAVID THOMSEN

**FOR ANYONE SEEKING** characteristics of high-performing organizations, a framework exists that encompasses a set of beliefs and behaviors that consistently emerge from such organizations. That framework can be found in the Baldrige Criteria for Performance Excellence (Baldrige Performance Excellence Program 2015). As a 2014 recipient of the Malcolm Baldrige National Quality Award, St. David's HealthCare in Austin, Texas, has embraced this framework over the past decade to refine its work toward accomplishing its mission and vision.

While change has always marked the road to success, the pace of that change is escalating, and leaders must have a road map or framework to help them ensure that results, based on key stakeholder expectations, are delivered consistently. Doing so enables an organization to sustain itself, not only under current conditions but over the long term as well.

W. Edwards Deming was a noted American statistician who played a key role in the revitalization of Japan after World War II. He went on to engage industries throughout the world in improving themselves. As one of his 14 principles of management, Deming articulated that “the sole purpose of any organization is to stay in business and provide jobs.” He referred to this central concept as “constancy of purpose” (Latzko and Saunders 1995). That central concept, as many organizations can attest, can be elusive, but it is exemplified by the role-model organizations that have embraced the Baldrige Criteria for Performance Excellence. The authors of the feature articles in this issue share the stories of two of these organizations—Hill Country Memorial Hospital (a 2014 recipient of the Malcolm Baldrige National Quality Award) and Schneck Medical Center (a 2011 recipient). Since the inception of the Malcolm Baldrige National Quality Award in 1988, 105 organizations have received the award.

Organizations that have been recognized by the Baldrige Award represent a rich blend of small and large organizations from several sectors of industry,

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including education, service, manufacturing, healthcare, and small business. Winners have been both public and private and both nonprofit and for-profit. Organizations that use the Baldrige Framework go through a process in which they assess themselves against a set of Criteria questions in six main categories:

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

***A common trait of Hill Country Memorial and Schneck is the vision and passion of leaders who have a firm grasp of the current challenges in healthcare.***

These organizations also assess their performance and improvement in several key areas, which we address later in this commentary. The Criteria questions, as they are referred to in the Baldrige Framework, are based

on a set of core values and concepts that are often exhibited by high-performing organizations.

### **CORE VALUES AND BEHAVIORS OF HIGH-PERFORMING ORGANIZATIONS**

The authors of both feature articles have embraced these interrelated core values and concepts (Baldrige Performance Excellence Program 2013):

- Visionary leadership
- Focus on the future
- Societal responsibility and community health
- Organizational and personal learning
- Valuing workforce members and partners
- Agility

- Managing for innovation
- Management by fact
- Patient-focused excellence
- Focus on results and creating value
- A systems perspective

### **Setting Direction Through Visionary Leadership, Focus on the Future, and Societal Responsibility and Community Health**

A common trait of Hill Country Memorial and Schneck is the vision and passion of leaders who have a firm grasp of the current challenges in healthcare, as well as a good understanding of the many changes that are forthcoming. Pope, Padula, and Wallace-Dooley and Forgey and Dye describe the changing nature of healthcare and its impact on their organizations at the national level and in their own local environments. Both organizations are small community hospitals in which a specific senior leader or a board of directors assumed responsibility for earning the trust of the community to be a good steward of their investments and to ensure, as Pope, Padula, and Wallace-Dooley put it, a “healthcare system designed to serve them for generations to come.” This speaks to the constancy of purpose that Deming addressed. Visionary leaders see beyond their tenure at an organization and think about the legacy that remains for decades to come. The Baldrige value of focusing on the future is inextricably linked to the values of visionary leadership and societal responsibility.

As a result of our own assessment using the Baldrige Framework, St. David’s HealthCare created a vision to be “the finest care and service organization in the world.” While we may never know whether we achieve that vision, it is the vision statement itself that provides the impetus for physicians, nurses, and

technicians to continue striving to provide exceptional care to every patient every day with a spirit of warmth, friendliness, and personal pride.

### **Fostering a Culture Based on Organizational and Personal Learning and Valuing Workforce Members and Partners**

The next two core values focus on the workplace itself. It is often said that “culture eats strategy for lunch,” and the questions asked through the Baldrige Criteria help organizations think through the unique strengths of their facilities and identify ways in which to address opportunities for improvement. When the individuals who make up an organization are part of a culture that values their ideas and contributions and encourages their professional development, communication improves and engagement rises, and the effect on performance is palpable. Forgey and Dye provide several examples of achieving a “patients-first culture.” Pope, Padula, and Wallace-Dooley write of their organization’s core competency of a “values-driven culture,” which they describe as a key foothold on their climb to excellence. Pope, Padula, and Wallace-Dooley speak of the need to manage alignment of individual values with those of the organization, as demonstrated by the “values screen” conducted for every potential team member, volunteer, and physician candidate at Hill Country Memorial. Schneck developed its Hiring for Excellence program by focusing on the same principles.

Both organizations also emphasize the importance of transparency and being able to look at themselves objectively, which is a critical factor for learning, on both a personal and an organizational level. Baldrige Award recipients have embraced transparency in communication—whether it pertains to workplace issues, challenges,

or results—as a foundational component of this type of culture.

St. David’s HealthCare, a system of hospitals, physician practices, and surgery centers across a growing metropolitan area, has implemented similar systems to ensure that individuals choosing to work here fit with our core values of integrity, compassion, accountability, respect, and excellence (ICARE). Like Hill Country Memorial and other Baldrige Award recipients, daily and weekly staff huddles designed to review values on a routine basis enable St. David’s employees to connect to the mission, values, and goals of the larger organization. Everyone in the organization, from the board of directors to the frontline staff caring for patients, is reminded continually, by means of structured systems for sharing connection stories, of its values and culture. For example, employees gather briefly each day in their work areas to focus on one ICARE value. Stories, quotes, and challenges related to the value are provided to help facilitate discussion. Each “daily roundup” concludes with team members sharing what the value means to them, how they will apply the value that day, and ways they can help keep each other accountable.

### **Execution Built on the Values of Agility, Innovation, and Management by Fact**

We recognize that the competitive environments in which healthcare organizations operate are changing but vary by location and the size and complexity of individual settings. Leaders face varying challenges, and the ability and fortitude to meet those challenges is reflected in the Baldrige core values of agility, creating systems to harness innovation, and the competency to manage by fact.

The authors of both feature articles address the need to execute action plans



designed to realize the organization's strategic objectives. The ability to execute well is built on many factors, but it includes leadership competency and discipline, a clear understanding of how one's processes work, and providing the tools needed for teams to accomplish the task. Pope, Padula, and Wallace-Dooley describe the development of a strategic map, aligning measures to connect department work to a strategy, and then implementing a "strategic breakthrough initiative" process in which experts focus on improving processes. Forgey and Dye relate how Schneck realized the need to "become process literate" and assigned process owners to improve performance.

Operational discipline is needed to be able to routinely set goals and achieve them. Companies need to create systems to develop leadership competency and provide data via metrics that inform the organization about whether it is progressing toward those stated goals. Both Schneck and Hill Country Memorial identified key measures of performance and reviewed them to ensure they were relevant and easily understood at all levels of the workforce.

Benchmarking performance against relevant comparisons is also a common element of Baldrige Award-recipient organizations. An organization can compare performance with that of local competitors or with benchmarks to which the organization aspires. Hill Country Memorial defined "remarkable" as being in the top 10 percent of performance for all hospitals in the country, regardless of size. St. David's HealthCare and Schneck have similar aspirations and systems in place to regularly communicate actual performance against desired incremental goals (for St. David's HealthCare, the goal is typically the national ninety-fifth percentile). As we at St. David's HealthCare like to say, "We want to be legends in our time and not just

legends in our own minds." Comparing measureable results against benchmarks is critical to ensuring this happens.

### **Patient-Focused Excellence, Focus on Results and Creating Value, and a Systems Perspective**

The Baldrige Framework is based on six process categories and a results category. As an organization assesses itself through use of the Baldrige Criteria questions, its leaders can ascertain the level of organizational maturity in each category. Nearly half of the score on an application is related to the results category, with the understanding that if an organization has mature processes in place for leadership and strategic planning, understands its customer requirements, uses data, and engages the workforce to improve and refine processes, then results should logically follow. In essence, organizations should see the results of effective systems in each of the process categories.

In healthcare, patients and their families are the ultimate customers, so results are focused on excellence as measured by the patient experience. These last core values of the Baldrige Framework—a focus on results and creating value—are reflected in the last category of Criteria, and organizations are asked to portray their results in five key areas:

1. Healthcare and process results, including patient outcomes
2. Customer-focused results, including patient satisfaction and engagement
3. Workforce results, including workforce capability, engagement, and development
4. Leadership and governance results
5. Financial and market results

Hill Country Memorial, Schneck, and every other organization that leverages

the Baldrige Framework have experienced improvement across a broad array of performance measures in these categories. Perhaps not every recipient has achieved all of its espoused goals, but generally organizations that adopt this Framework and use it to assess and improve their organizational systems realize sustained improvements over many years.

In their feature article, Forgey and Dye provide several examples of successful results at Schneck. Similarly, in their feature article, Pope, Padula, and Wallace-Dooley illustrate, through results at Hill Country Memorial, that they are achieving remarkable outcomes for the community they serve. St. David's HealthCare has 11 key measures to address the three goals of Exceptional Care, Customer Loyalty, and Financial Strength:

1. Risk-adjusted mortality index
2. Risk-adjusted complication index
3. Hospital-acquired conditions
4. Inpatients' overall rating
5. Patients' overall satisfaction with emergency department
6. Patients' likelihood to recommend physician's office
7. Employee engagement
8. Voluntary turnover rate of employees
9. A place for physicians to practice medicine
10. Tier I market share
11. Earnings before interest, tax, depreciation, and amortization (excluding waiver and Health Information Technology for Economic and Clinical Health [HITECH])

The organization has experienced sustained superior clinical outcomes, patient satisfaction, improved employee engagement, and year-over-year growth in earnings and market share.

## AN UNWAVERING COMMITMENT TO PERFORMANCE EXCELLENCE

Organizations that have chosen to use the Baldrige Framework and the Criteria for Performance Excellence usually are not seeking an accolade but rather are pursuing something of lasting value to their communities—that constancy of purpose. The decision to start this journey is evidence of an organization's commitment to improve performance every day. As we like to say at St. David's HealthCare, "Performance improvement never ends."

We were interested to find that both Hill Country Memorial and Schneck decided to use the Baldrige Framework by first becoming exposed to, and then deepening their understanding of, the systematic nature of the Framework and Criteria. The typical journey for many organizations begins with involvement in state-level programs that promote the use of the Criteria. For both Hill Country Memorial and Schneck, a small group of individuals deepened their knowledge of the Criteria questions and brought that information back to the organization. This is also how St. David's HealthCare began using the Criteria to improve systematically.

Organizations typically spend years learning the Criteria, assessing themselves via an annual application process, and then applying ideas for improvement garnered from formal feedback in a process developed by a team of trained examiners. Organizations also capitalize on state and national Baldrige programs that sponsor annual conferences at which current and previous recipient organizations share their improvements and best practices; these concepts can be applied across industries, regardless of company size or complexity. For example, St. David's HealthCare was inspired by the application of predictive analytics by Montgomery

County Public Schools, measurement systems at Lockheed Martin Missiles and Fire Control, benchmarking at K&N Management, and service delivery at the Ritz-Carlton, all Baldrige-recipient organizations in education, manufacturing, and service. Along our journey, we have found that recipients of the Baldrige Award are a community of high-performing organizations that are willing to share and enable cross-sector learning. Schneck and Hill Country Memorial have provided tangible examples of the work involved in and the benefit of adopting the Baldrige Framework.

## CONCLUSION

As we reflect on our organization's journey in the pursuit of excellence, we can identify with many of the lessons learned by Schneck Medical Center and Hill Country Memorial Hospital in using the Baldrige Framework to improve performance. We learned similar lessons and have benefited from many of the organizations that have embarked on this journey.

Congress developed the Baldrige Criteria to

- identify and recognize role-model organizations,
- establish criteria for evaluating improvement efforts, and
- disseminate and share best practices.

By demonstrating their willingness to share their journeys with the national and

international community, recipient organizations perpetuate the initial purpose of and vision for the Framework itself.

St. David's HealthCare, a unique joint venture between Hospital Corporation of America (HCA), St. David's Foundation, and Georgetown Health Foundation, is honored and humbled to have been recognized as a 2014 recipient of this prestigious award. However, we also recognize that more work is needed to accomplish our vision. Many recipient organizations acknowledge that the award is simply a milestone, a marker of a significant event in the history of that organization. Our patients expect the best—indeed, they deserve the absolute best—care we can provide, and we remain committed to using the Baldrige Framework to help us continue to improve.

As philosopher Will Durant said in his summation of Aristotle's ideas, "We are what we repeatedly do. Excellence then, is not an act, but a habit."

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