



2009 AHCA / NCAL NATIONAL QUALITY AWARD

GLOSSARY OF KEY TERMS

This Glossary of Key Terms defines and briefly describes terms used throughout the Malcolm Baldrige Health Care Criteria booklet that are important to performance management.

Action Plans

Action plans refer to principle organizational-level drivers derived from short- and long-term strategic planning. In simplest terms, action plans are set to accomplish those things your organization should do well for your strategy to succeed. Action plan development represents the critical stage in planning when strategic objectives and goals are made specific so that effective organization-wide understanding and deployment are possible. Deployment of action plans requires analysis of overall resource needs and creation of aligned measures for all departments and work units. Deployment might also require specialized training for some staff or recruitment of personnel.

Alignment

Alignment refers to consistency of plans, processes, information, resource decisions, actions, results, analysis, and learning to support key organization-wide goals. Effective alignment requires common understanding of purposes and goals and use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the key process level, and the department and work unit level.

Analysis

Analysis refers to assessments performed by an organization or its work units to provide a basis for effective decisions. Overall organizational analysis guides process management toward achieving key organizational performance results and toward attaining strategic objectives. Despite their importance, individual facts and data do not usually provide an effective basis for actions or setting priorities. Actions depend upon understanding cause/effect relationships. Understanding such relationships comes from analysis of facts and data.

Approach

Approach refers to the methods and processes used by the organization to embrace the core values and concepts. Approaches are evaluated on the basis of the appropriateness of the approach to the requirements and its alignment with organizational needs and key success factors.

Benchmarking

Benchmarking is the process of identifying, studying, and adapting the best practices in another department, division, or organization. The benchmarking process usually starts with locating superior process or organizational results. Benchmarking best practices occurs across industries and professions as well as within the industry or profession.

Clinical Quality Indicator

A clinical quality indicator is a measure of a specific clinical factor, either negative or positive, which is typically measured and expressed in terms of frequency of occurrence or prevalence of condition within a population.

Cross-Functional

Cross-functional refers to working, sharing information, or solving process problems across departments or work units. Most work processes involve people assigned to more than one department or work unit. Cross-functional quality improvement teams consist of people from all of the departments involved in the process. Cross-functional training means that staff learns to perform the work of positions other than their own. For instance, staff may learn to perform both housekeeping and laundry functions and rotate between those duties to give the employee and the organization more versatility.

Cycle Time

Cycle time refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the core values and concepts because of the great importance of time performance in improving overall performance. Cycle time refers to all aspects of time performance. Cycle time improvement could include test results reporting time, order fulfillment time, length of stay, billing time, and other key process times.

Deployment

Deployment refers to the extent to which an organization's approach is applied to systematically embrace the core values and concepts. Deployment is evaluated on the basis of the breadth and depth of application of the approach throughout the organization.

Empowerment

Empowerment refers to giving staff the authority and responsibility to make decisions and take appropriate actions. Empowerment results in decisions being made closest to the customer or the business "front line," where resident/patient needs and work-related knowledge and understanding generally reside. Empowerment is aimed at enabling staff to help customers on first contact, to improve processes and increase productivity, and to better the organization's health care and other performance results. Empowered staffs require information to make appropriate decisions; thus, an organizational requirement is to provide that information in a timely and useful way.

Health Care Services

Health care services refer to all services delivered by the organization to residents/patients that involve professional clinical/medical judgment.

High Performance Work

High performance work refers to work approaches used to systematically pursue ever higher levels of overall organizational and staff performance, including quality, productivity, innovation rate, and time performance. High performance work results in improved service for residents/patients and other stakeholders. Approaches to high performance work vary in form, function, and incentive systems. Effective approaches frequently include: cooperation between administration/management and the staff, including work force bargaining units; cooperation among work units, often involving teams; self-directed responsibility/staff empowerment; staff input to planning; individual and organizational skill building and learning; learning from other organizations; flexibility in job design and work assignments; a flattened organizational structure, where decision making is decentralized and decisions are made closest to the patient or the business "front line;" and effective use of performance measures, including

comparisons. Many high performance work systems use monetary and non-monetary incentives based upon factors such as organizational performance, team and/or individual contributions, and skill building. Also, high performance work approaches usually seek to align the design of organizations, work, jobs, staff development, and incentives.

Innovation

Innovation refers to making meaningful change to improve housing, services, and/or processes that create new value for stakeholders. Innovation involves the adoption of an idea, process, technology, or product that is considered new or new to its proposed application. Successful organizational innovation is a multi-step process that involves development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with health care research and technological innovation, it is applicable to all key organizational processes that would benefit from breakthrough improvement and/or change.

Organization

The term organization refers to an individual facility or building. All aspects, departments, and units of the facility are incorporated by the term organization. The term organization does not include corporate offices and/or other facilities within a multi-facility company.

Patient

Patient refers to the person receiving health care, including preventive, sub-acute, chronic, rehabilitative, and all other traditional long term care services. Other terms organizations use for patient include resident, consumer, or client. Most long term care facilities prefer to use the term “resident” because of the focus on the quality of the patient’s daily life as well as their medical services.

Performance Measures

Performance measures are output results obtained from processes and services that permit evaluation and comparison relative to goals, standards, past results, and other organizations. Performance might be expressed in non-financial and financial terms.

The Core Values and Concepts address three types of performance: (1) resident/patient and other customer-focused, including health care, performance; (2) financial and marketplace; and (3) operational. Resident/patient and other customer-focused performance refers to performance relative to measures and indicators of patients'/stakeholders' perceptions, reactions, and behaviors, and to measures and indicators of health care and service performance important to patients/stakeholders. Examples of patient and other customer-focused performance include patient loyalty, customer retention, complaints, and customer survey results. Examples of health care performance include falls, pressure sores, weight loss, and use of psychotropic medications.

Financial and marketplace performance refers to performance measured by cost and revenue, including asset utilization, asset growth, and market share. Examples include returns on investments, bond ratings, debt-to-equity ratio, returns on assets, operating margins, and other profitability and liquidity measures.

Operational performance refers to organizational, staff, and supplier performance relative to effectiveness and efficiency measures and indicators. Examples include cycle time, productivity, waste reduction,

accreditation results, and legal/regulatory compliance. Operational performance might be measured at the work unit/department level, key process level, and organizational level.

Process

Process refers to linked activities with the purpose of producing a product or service for a customer (user) within or outside the organization. Generally, processes involve combinations of people, machines, tools, techniques, and materials in a systematic series of steps or actions. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps. In many service situations, particularly when stakeholders are directly involved in the service, process is used in a more general way—to spell out what must be done, possibly including a preferred or expected sequence. If a sequence is critical, the service needs to include information to help stakeholders understand and follow the sequence. Service processes involving stakeholders also require guidance to the providers of those services on handling contingencies related to stakeholders' likely or possible actions or behaviors. In knowledge work such as health care, strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, process implies general understandings regarding competent performance such as timing, options to be considered, evaluation, and reporting. Sequences might arise as part of these understandings.

Productivity

Productivity refers to measures of efficiency in the use of resources. Although the term is often applied to single factors such as staffing (labor productivity), machines, materials, energy, and capital, the productivity concept applies as well to the total resources used in producing outputs. The use of an aggregate measure of overall productivity allows a determination of whether or not the net effect of overall changes in a process—possibly involving resource tradeoffs—is beneficial.

Requirements

Requirements refer to the specific care, service, behaviors, actions, interventions, and interactions that persons, groups, or other organizations need from the health care service being used. An example of key customer requirements (in this case, inpatient hospital customers) from a winning Baldrige Health Care application is: “Staff include patients in decisions regarding their treatment; Quality of care is given; Staff respond to concerns and complaints; Staff work together to care for patients.” Requirements are determined and validated through a variety of methods that involve customer input.

Resident

See definition of Patient.

Results

Results refer to outcomes achieved by an organization from the systematic approach and deployment of strategies, processes, and systems. Results are evaluated on the basis of current performance; performance relative to appropriate comparisons; rate, breadth, and importance of performance improvements; and relationship of results measures to key organizational performance requirements. Results are often shown in the form of tables and graphs depicting changes over time, such as years, quarters, or months.

Senior Leaders

Senior Leaders refer to decision makers and managers who have direct input in strategic planning, development, and implementation of processes, and evaluation of performance levels of the facility and

staff. Depending on the individual facility, this may include department managers, vice presidents, regional managers, corporate staff, administrators, charge nurses, or others.

Staff

Staff refers to all people who contribute to the delivery of an organization's services, including paid staff (e.g., permanent, part-time, temporary, and contract employees supervised by the organization), independent practitioners (e.g., medical director, therapists, and specialists/consultants), volunteers, and health profession students (e.g., nursing students).

Stakeholder

Stakeholders consist of persons, organizations, or agencies that have a vested interest in the performance of the organization. Stakeholders in a long term care organization could include the patients, residents, families, attending physicians, referring hospitals or other health care providers, staff, stockholders or trustees, community, insurers/third-party payors, supporting health care professionals, patient advocacy groups, and government health agencies. Volunteers are often considered stakeholders because they gain a vested interest by contributing valuable services to the organization and its customers. "Principal stakeholders" refers to a few groups with the greatest level of interest in the organization. Principle stakeholders are determined by each organization according to its unique situation.

Strategic Objectives

Strategic objectives refer to an organization's major change opportunities and/or the fundamental challenges the organization faces. Strategic objectives are generally externally focused, relating to significant customer, market, service, or technological opportunities and challenges. Broadly stated, they are what an organization must change or improve to remain or become competitive. Strategic objectives set an organization's longer-term directions and guide the allocation or re-distribution of resources. See the definition of action plans for the relationship between strategic objectives and action plans and for an example of each.

Systems

Systems typically consist of a related set of processes that, when combined, produce a key outcome (e.g. payroll system, care planning system, etc.). See the definition of Process to better understand their relationship to systems.

Systematic

Systematic refers to approaches that are repeatable and use data and information so that improvement and learning are possible. In other words, approaches are systematic if they build in the opportunity for evaluation and learning, and thereby permit a gain in maturity. As organizational approaches mature, they become more systematic and reflect cycles of evaluation and learning.

Value

Value refers to the degree of worth relative to cost and relative to possible alternatives of a product, service, process, asset, or function. Organizations frequently use value considerations to determine the benefits of various options relative to their costs, such as the value of various product and service combinations to customers. Organizations seek to deliver value to all their stakeholders. This frequently requires balancing value for stakeholders, such as patients, third-party payors, stockholders, staff, and the community.