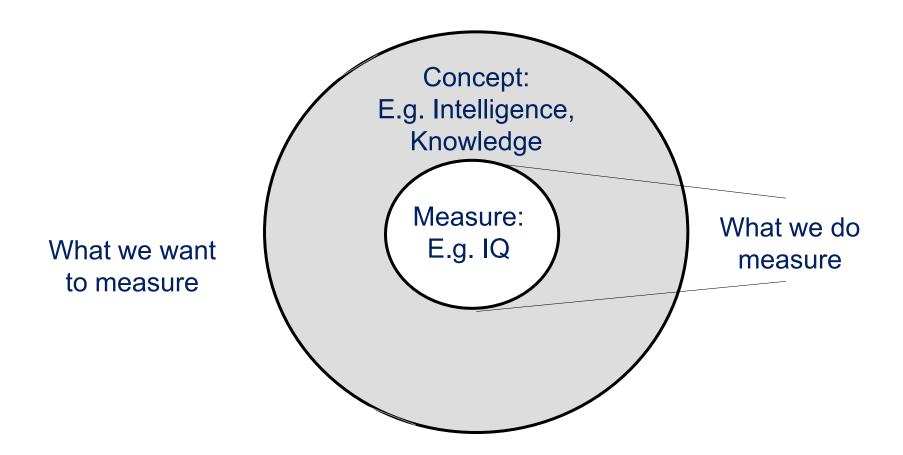# Measuring and managing performance

Dr Pietro Micheli

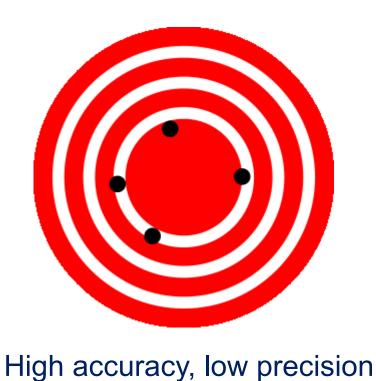Professor of Business Performance and Innovation

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Agenda

- Performance indicators and targets

- KPI template

- Healthcare organisation case study

- Conclusions

What can we measure?

Concept:
E.g. Intelligence,
Knowledge

Measure:
E.g. IQ

What we want
to measure

What we do
measure

Accuracy and precision

High precision, low accuracy

High accuracy, low precision

Target setting

Target setting

"The Ford Pinto will not weigh an ounce over 2,000 pounds and not cost a cent over $2,000"

The Indicator and Target Design Template

Name	Title of the indicator (if necessary, provide an operational definition)
Owner	Who will be responsible and / or accountable for this indicator?
Objective	To which of the organisation's objectives does this indicator relate?
Links	What are the links between this and other indicators?
Formula	How will you measure? How will you count?
Data quality	Will there be issues in relation to the collection of data (e.g. sampling vs. complete enumeration)?
Source of data	From where will you get the necessary data?
Frequency	How often will you measure?
Target	What level of performance are you targeting?
Rewards / Penalties	If we (don't) hit the target, which rewards (penalties) will we receive (incur)?

Adapted from Kennerley and Neely (2003)
and Micheli and Mari (2014)

The 'soft' stuff

Who measures?	Who will gather the data?
Who acts on the data?	Who will act on this indicator?
What will be done?	What action / behaviour is this indicator intended to promote?
Reporting / use of data	How often will you report and to whom?
Notes	Any other notes and/or comments?

Adapted from Kennerley and Neely (2003)
and Micheli and Mari (2014)

Design and implementation of a Performance Measurement System in a healthcare organisation

Activity	Time
Identification of main stakeholders and individuals to involve in the initial workshops	First half of June
Setting of dates for workshops and sending invitations out	First half of June
Gathering and review of all relevant material (strategy and performance management documents, templates, etc.)	June
Preliminary interviews with key staff	First half of July
Initial workshops (between five and seven) with main internal and external stakeholders to discuss priorities, stakeholders' wants and needs, and review measurement practices	July
Gap analysis: organization's priorities and objectives vs. current measurement and management practices	Second half of July
Analysis of data gathered during the workshops and drafting of stakeholder map	Throughout July
Progress presentation and discussion with Senior Management Team	First half of September
Two further workshops to develop Strategy map	September
Review of current performance indicators and dashboard	September-early October
Definition of proposed performance indicators and modification of existing ones	First half of October
Presentation of recommendations to the Senior Management Team	Second half of October
Development of material to explain nature and aims of the project, and communication and involvement of staff	July-October
Production of final report	End of October

Main objectives

- Establish a stronger connection between strategy and performance management

- Improve current measurement and management practices

- Identify areas for improvement

- Improve performance reviews

- Establish a 'line of sight' from individual employees to organizational priorities

- Increase awareness and engagement with performance management throughout the organization.

The project

First phase

- Nine stakeholder workshops

- Approximately 100 participants – internal and external stakeholders, different levels of seniority, roles and backgrounds

- Review of current practices, identification of main areas for improvement

Second phase

- Workshop with 15 members of staff to draft a Strategy Map for the Trust

- Further discussions and refinement of the Map through one-to-one meetings with 22 members of staff

The project

Third phase

- Review of all existing performance indicators (at Trust, SBU and team levels)

  ➤ We identified 102 indicators, 25% of which are mandatory

  ➤ Several overlaps in reporting (external and internal)

  ➤ Insufficient information gathered on outcomes, and reporting to the Exec overly based on process-related KPIs

- Selection of 40 KPIs (5 of which new) to be regularly reviewed by the Exec

- Measurement to be strengthened in relation to outcomes, capacity/demand, and cost effectiveness.

Our ✓alues

Welcoming Kind Positive Respectful Professional

Outcomes
What we will aim to achieve

- 1- Provide an integrated service that is safe, effective and provides a good patient experience
- 2- Support people so they can manage their lives and wellbeing
- 3- Be a continuously improving and financially viable organisation

Our people
Who we will involve and communicate to

- **Service Users:** We will involve service users in what we do
- **Partners:** We will work collaboratively with other agencies
- **Commissioners:** We will be transparent, open and responsive
- **Staff:** We will develop and maintain a skilled, engaged, caring, and high performing workforce
- **Regulators:** We will deliver and evidence national standards of performance
- **Communities:** We will reduce stigma associated with mental health and learning disabilities

Operations
What we will do and how

- 4- Provide high quality, evidence-based services
- 5- Communicate and give clear expectations to staff, service users and commissioners
- 6- Implement care pathways which are outcomes focussed, recovery oriented, and responsive to individual needs
- 7- Build capacity to reflect service need
- 8- Ensure our processes are cost-effective

Resources
What we will need

- 9- Retain and grow sources of income to deliver on our outcomes
- 10- Recognise and develop staff's strengths
- 11- Retain and attract staff with the right skills and expertise
- 12- Ensure management and IT systems are effective
- 13- Promote a culture of continuous improvement

NHS

Outcome-related indicators

	Performance indicator	Objectives
1	Rate of service users which would recommend the Trust's services to friends and family	1
2	Clinical outcomes through Honos	1
3	Serious incidents	1
4	Complaints and compliments	1
5	Service user feedback	1, 2
6	The proportion of people who have completed IAPT treatment having attended at least 2 treatment contacts and are moving to recovery	1, 2
7	Emergency readmissions to hospital within 30 days	2
8	Proportion of people in employment	2
9	Proportion of settled accommodation for adults with mental health problems	2
10	Surplus against plan	3
11	Continuity of Service Risk Rating (CoSRR)	3

Operations-related indicators

	Performance indicator	Objectives
12	Delayed transfers of care to be maintained at a minimal level	4
13	Percentage of inpatient admissions that have been gate-kept by crisis resolution/ home treatment team	4
14	Percentage of people under adult mental illness specialties on Care Programme Approach (CPA) who were followed up within 7 days of discharge from psychiatric in-patient care	4
15	Number of people entering IAPT treatment	4
16	Rate of service users with a completed up to date risk assessment	4
17	Routine referrals to community mental health team meeting (28-day waiting target)	4
18	CAMHS referrals meeting assessment waiting time standards	4, 7
19	Quality and clarity in pathway / care plan	5
20	Carers assessments and reviews	5
21	The proportion of those on Care Programme Approach (CPA) for at least 12 months who had a CPA review within the last 12 months	6

Operations-related indicators

	Performance indicator	Objectives
22	The proportion of eligible service users with a direct payment and/or personal budget (Social Care)	6
23	Quality of care delivered to particular user groups - perception survey	6
24	Clients seen / discharges	6, 7
25	Referrals against demand (per service)	7
26	Referral to treatment (18 weeks)	7
27	Waiting times - Community mental health team 28 day; CATT referrals 4 hours; EMDASS referrals 6 weeks; Single point of access (SPA) 14 days	7
28	Bed use (in acute)	7, 8
29	"Throughput time" / Length of stay	7, 8
30	Cost of delivery	8

Resource-related indicators

	Performance indicator	Objectives
31	Bank and agency staff (number and cost)	7, 8, 10
32	Employee productivity / workload / caseload	8, 13
33	Income	9
34	Self-assessment of skillsset / development (Pulse)	10
35	Succession planning	10, 11
36	Staff turnover	11
37	Sickness absence	11
38	Staff engagement	11
39	Staff friends and family test	11
40	Survey on use of systems (Omni, Paris, etc) / Improvements made on systems	12

Next steps

- Introduction of the strategy map and of the new set of KPIs

- Information to be reported in more succinct and graphically informative ways (control charts, histograms, pie charts, not just tables)

- Enrich the role of the performance improvement team to encompass reporting in front of the Exec and support decision-making (from data to information)

- Communicate the strategy map throughout the organisation, and involve staff in the performance management and improvement process.

Next steps

- Strategy map and KPIs may have to be tweaked during the first months

- Performance management framework to be connected with the new BI system

- Identify main performance indicators at SBU level

- Improve surveys to gather more significant information – questionnaires to be distributed less frequently, with more specific/pertinent questions, clarifying the reasons for collecting data to both users and staff, demonstrating use and impact of data

- Strengthen the connection between PDPs, KPIs and Strategy Map.

Contact Information

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