

## OPERATIONAL EFFECTIVENESS FOR HEALTHCARE



VOLUME 7, AUGUST 2011

This monthly newsletter is designed specifically to help healthcare executives and business owners raise the bar within their organizations by providing insights on how to improve performance and **maximize operational effectiveness**.

### CASE STUDY

#### *Creating a More Effective Department*

##### **The Situation**

A 30-person department in a large institution was failing to meet the needs of internal customers. It wasn't providing information in a usable format and no additional expertise was being shared. Roles within the department were ambiguous and important actions were not being performed.

##### **The Intervention**

Andrew worked with the department's vice-president to determine exactly what internal customers needed. He then reviewed the organizational structure and performance metrics of the department to see how closely they aligned with those needs. He found that there was a gap between the expectations of customers and the expectations of employees in the department.

Andrew created a new organizational structure that was more customer-focused to ensure that the right outputs were being provided. Individuals were grouped by specific internal customers to give advice and expertise, making them more accountable. Andrew also developed a scorecard for the department to ensure that key metrics aligned with both the new organizational structure and overall corporate goals.

##### **The Results**

The new structure and metrics gave employees in the department clear roles and accountabilities and improved internal customer satisfaction. Some employees were given new roles while others were re-deployed to other projects or departments in order to maximize productivity and performance.

#### **ABOUT ANDREW MILLER**

Andrew Miller is a well-known consultant, writer and speaker who has successfully helped world-class organizations dramatically accelerate results and improve the speed, performance and efficiency of their organizations. His healthcare clients include renowned hospitals, shared service organizations, group purchasing organizations, private clinics and government institutions.

As a thought leader in the healthcare industry, Andrew provides tremendous value to his clients by using his experience from both the private and public sectors to help maximize their strategic and operational effectiveness.

#### **CONTINUE THE CONVERSATION**



## OPERATIONAL EFFECTIVENESS FOR HEALTHCARE

### INSIGHTS

*What insights can be drawn from the case study above and how might they be applied elsewhere?*

Any initiative undertaken needs to fit with the original purpose of the department or organization. Is the department there to provide information and expertise to customers, either internal or external? Is it there to support the rest of the organization? The focus needs to be on these defined roles where the most value can be delivered.

Here are three items to consider when assessing your department or organization:

#### **Ensure you are structured for success**

The way your organization is structured – its roles, accountabilities and reporting relationships – will determine how well you meet expected outcomes. For example, if your department deals directly with customers, the structure must reflect this. Employees must be given the authority to make quick decisions in the best interests of customers without a time-consuming approval process.

#### **Ensure that performance metrics accurately depict what you are supposed to achieve**

The key metrics for your department or organization should reflect whatever it is you are responsible for. If it's important to ensure that products end up in the hands of end users, keeping track of on-time delivery to the dock door isn't useful. The product may always get to the dock on time, but if it isn't getting to the right user on time, that metric is misleading.

#### **Don't assume everyone fits into the new structure**

One of the tough decisions you need to make is determining which employees fit into the new structure and which don't. Employees usually fall into one of three categories: those who fit in with no additional training required; those who will fit in after some training for their new roles; and those who will not fit in. For those who do not fit, provide them with options so that they can control their own destiny.

### VIEWPOINT

#### ***Attracting and Retaining Top Talent***

While speaking with a hospital executive recently, we got on to the topic of how difficult it is to retain and manage top talent. It made me think about what constitutes an effective framework for managing and assessing talent, both during the hiring process and on the job. This is a key initiative that most organizations don't do particularly well.

There are two components to managing talent successfully: understanding self-interest, that is, what makes each employee tick; and implementing an effective hiring and management process....

## OPERATIONAL EFFECTIVENESS FOR HEALTHCARE

### VIEWPOINT (CONT.)

First, let's talk about understanding what is most important to the candidate or employee. Most studies cite six key determinants of a satisfied workforce:

- **Their boss** - if people don't like working for their boss, it will be difficult to maximize their performance
- **Respect** - feeling like their ideas are being heard
- **A comfortable** work environment and culture
- **Co-workers**
- **Intangible benefits**
- **Money**

Notice how money is the last one on the list. Now that we have a cursory understanding of what makes people satisfied at work, here are five things you can do to accelerate the hiring and retaining of top talent:

#### 1. Develop a hiring process that maximizes the number of quality candidates

This means understanding what you want your culture to be, what kind of people fit into that culture and what their accountabilities will be. Only hire people who fit.

#### 2. Know your hiring and recruiting priorities

This directly relates to #1. Recruit top people for the most important positions in the organization and hire for other positions through an application and interview process. Recruiting means targeting specific individuals for key roles. Establishing hiring priorities will help you focus on those key roles.

#### 3. Develop a conflict resolution process

When a dispute between employees arises, you need to have a process through which you can resolve it quickly. This means determining ahead of time who should get involved and when.

#### 4. Document all responsibilities and accountabilities for each position

This sets expectations for performance. Employees need to know what they are accountable for and how they will be measured.

#### 5. Find new ways to break through old politics

Every organization has its share of politics, but this should never hinder improving performance. Shake up reporting relationships, bring in new recruits and try new ideas to break down the old barriers to success.

As you may have noticed, I have not addressed talent evaluation here. We'll leave that for another day. The first step is always to hire the right people.

## OPERATIONAL EFFECTIVENESS FOR HEALTHCARE

### ON ANDREW MILLER

#### Upcoming Events

Andrew will be attending the upcoming Healthcare Efficiency Conference on September 19 and 20 in Toronto. [Click here](#) for more details. If you will be attending and want to set up some time for a conversation, please [contact me](#).

Andrew will also be attending the MEDEC/CCHL Navigating Procurement Workshop on September 22 and 23 in Toronto. [Click here](#) for more details. If you will be attending and want to set up some time for a conversation, please [contact me](#).

#### Recent Speaking Events

[Click here](#) to listen to Andrew's speech on the importance of having a competitive mindset in healthcare. This speech was delivered at the Healthcare Efficiency Conference in December.