

Governance Institute Member Hospital Shares Baldrige Lessons

The Malcolm Baldrige National Quality Award is the nation's highest presidential honor for performance excellence through innovation, improvement, and visionary leadership.

Out of over 100 corporations to receive the award to date, only 18 of them are in healthcare. The 2013 recipients “are leading innovative practices, dynamic management, sound financial performance, outstanding employee and customer satisfaction, and a solid commitment to excellence and proven results,” said U.S. Commerce Secretary Penny Pritzker on November 13, 2013.

The 2013 Baldrige Award recipients were selected from a field of 22 applicants that were evaluated rigorously by an independent board of examiners in seven areas defined by the Baldrige criteria: leadership; strategic planning; customer focus; measurement, analysis, and knowledge management; workforce focus; operations focus; and results.

The Baldrige Program has real benefits for the organizations that follow the criteria and for the nation's economy. A December 2011 study measuring the Baldrige Program's value to U.S. organizations conservatively estimated a benefit-to-cost ratio of 820 to 1. In a 2011 report, Truven Health Analytics found that healthcare organizations that have won or been in the final review process for a Baldrige Award were six times more likely to be among its annual “100 Top Hospitals” and outperformed other hospitals in all but one metric the company uses to determine its list.¹

One of the 2013 winners was Sutter Davis Hospital in Davis, California, part of Sutter Health, a Governance Institute member. We recently spoke with Sutter Davis Hospital CEO Janet Wagner about her organization's Baldrige journey.

The Governance Institute: *When did your organization start pursuing the Baldrige Award, and what were the motivations driving the effort?*

Janet Wagner: We started the Baldrige journey seven years ago. We were actually doing fairly well in our clinical outcomes—what we call dashboard measures. In 2009,

we became a Top 100 Hospital.² When that occurred, we realized that we were getting results in an arena that we liked being in. So we looked at what we needed to do to sustain results over time and just get better at our core competencies in our hospital. And that's what led us to look at the Baldrige framework.

The Baldrige framework is a leadership framework. It involves the entire hospital team. It didn't call out any segment of our workforce. And it covered the fundamental structure that we were already measuring and doing. The difference was that it gave us a very systematic approach, year over year, to get results.

The examiners are volunteers and unbiased. They had a sincere interest in improving what we were doing, and the feedback was extremely valuable. We used the feedback year over year and saw improvement, which spurred us on.

We applied at both national and state levels for the award. And I have to give a lot of credit to the State of California because the California Council for Excellence was a great partner. They gave us our initial feedback on our first four site visits and really kept us ignited along the journey until we were strong enough for a national visit. State-level organizations can be extremely helpful and deserve a lot of credit for the work they do, because it's volunteer work as well.

TGI: *What are some of the major changes you implemented based on the feedback that you received?*

JW: The basic approach using the Baldrige criteria is conducting a self-assessment, whether it's strategic planning or customer focus or workforce focus. A lot of it has to do with measurement and results—sustained results. One of the key things we learned to do better was to get results in key areas and sustain those results, which ultimately improved our overall functioning as an organization.

One of our fundamental foundations is process improvement. How we measure, how we get our results, and how we sustain results, is through process improvement.

TGI: *What role did the board play to help further or lead improvements? Who else were key players in this effort?*

JW: The Sutter Health [system] board, along with our senior leaders, sets the strategy and the priorities for the organization. We also have a dashboard, and that cascades from the governing board. Our job is to execute on the strategic direction that the [system] board sets. Our local governing board was involved every year in our Baldrige site visits, and board members were interviewed by the Baldrige examiners. One of the major sections in [the Baldrige criteria] is leadership, which includes the governing board's participation.

My entire management team was involved on category teams, participating at every level—process improvement, creativity, and a lot of the innovative ideas we put into play. In terms of frontline staff, it was more a matter of execution and involving them in the things that we put in place.

One of the questions we tackled during our Baldrige journey was how to get the messaging down to the front line. We got an idea from a prior Baldrige recipient to hold an annual all-staff assembly to review the strategic direction from our regional CEO and the regional board. We hold the assembly over two days so that I can get all my employees through it. This way I'm sure that at least once a year, every employee hears, directly from me, the priorities and direction of the hospital. We supplement the annual meeting with quarterly “round-the-clocks,” where we walk through the hospital and talk to employees for a 24-hour period. But the all-staff assembly was a breakthrough for us.

As part of the Baldrige self-assessment you determine your organization's core competencies. That's one of the key foundation builders. At Sutter Davis, we identified our core competency as a culture of caring—that is, how we care for our patients, how we care for our physicians who bring us patients, as well as how we care for each other as team members.

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2 Sutter Davis has been named a Top 100 Hospital again this year, the fifth time it has received this distinction. For more information, see “2 Sutter Hospitals Are Among 100 Best in the Nation,” *The Davis Enterprise*, March 12, 2014 (<http://bit.ly/1e1ynyn>); and “Sutter Davis Receives Presidential Honor for Excellence,” November 13, 2013 (<http://bit.ly/Nfmt9y>).

1 See “Three U.S. Organizations Honored with the 2013 Baldrige National Quality Award,” November 13, 2013: <http://1.usa.gov/1iLStga>.

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That core competency is a good example of one of the underlying culture builders at Sutter Davis Hospital, because everything we do revolves around patients and patient care delivery. For example, over the years we have been on this Baldrige journey and we measure our patient satisfaction. We now bring patients back to meet the staff who cared for them and ask them to tell us about what worked and what didn't during their hospital stay.

TGI: *Did you experience any challenges or barriers along the way?*

JW: When you start out on the journey it seems a little overwhelming because you have a lot of foundation and infrastructure to put in place. When we started out we identified three core competencies. Then as we moved along the journey we realized that we should get really good at *one* of them first. So, we started to narrow our scope and look critically at what we do well, learn to do it

even better and more importantly, sustain that improvement.

There are barriers along the way, and the more we engage in the process the wiser we get on how to improve.

TGI: *In your opinion, what are the key characteristics of a Baldrige organization?*

JW: Baldrige organizations are high performing, with a can-do attitude, willing to take feedback and be resilient, and committed to continuous process improvement. And, most importantly, dedicated to leadership and developing strong leaders.

TGI: *Was this an expensive process to take on?*

JW: I didn't add any FTEs. It turned out to be the best and least expensive consulting work we have done. When we began this journey, I approached it from incorporating the framework into our day-to-day work, and that's how we infused it. We didn't look at it

as an add-on. We just incorporated it into the fabric of our culture.

TGI: *What comes after Baldrige for your hospital, for your leaders, for the staff? How do you see some of these initiatives continuing now?*

JW: After the examiners left, my team went back to application and immediately started making changes, thinking that we were going to get ready for the next application. And essentially we did. We started making revisions and identified major themes for 2014 to carry on. And I think what's next for us is to just continue on the journey and put the expertise we have into place to do the things that we've wanted to do all along.

For example, we have some incredible ideas around workforce that are surfacing and some really good ideas around patient safety. So, we have enough work to keep us busy this year. And we have every intention of sustaining our results. ●