



## FOUR PERFORMANCE MANAGEMENT TOOLS: An Overview of Balanced Scorecard, Baldrige, Lean, and Studer

Improving performance in the health care industry saves lives and dollars. Small rural health organizations are using performance management tools to guide their enterprises, improve performance, and obtain sustainable results. Adopting performance management tools aligns people to an organization's mission, strategy, and processes, and also influences financial measures. The following performance management tools: Balanced Scorecard, Baldrige, Lean, and Studer, have been identified by the National Rural Health Resource Center as effective methods for managing performance improvement with small rural hospitals. Each management tool can be used independently or in combination to fit the unique challenges and culture of rural health organizations.

### Balanced Scorecard



**Before Balanced Scorecard**



**What Balanced Scorecard can Accomplish**

“Don’t drive your organization by looking through the rearview mirror” is one saying often heard from Balanced Scorecard enthusiasts as they transformed their measuring and monitoring from looking at past performance to looking at current and future performance. This is accomplished by translating the organization’s mission into four equal perspectives of performance and strategy. The foundation of the Balanced Scorecard instills a culture of **learning and growth** in employees, which emphasizes individual value and guides employees to identify their unique role in serving the organization’s mission. This, in turn, can improve performance, productivity, and culture. The **internal processes** perspective drives operational tasks focused on the organization’s mission and strategy and has the potential to minimize the current workload by only focusing on essential mission-driven tasks.

The **customers and community** perspective steers strategy to meeting the demands of the environment so the organization can maneuver obstacles preemptively instead of reactively. Developing **financial** goals that are aligned with the organization’s mission and strategy propels an organization to achieve financial success and sustainability. Outlining strategies within each of the perspectives assists staff in identifying their personal roles in serving the organization’s mission and prioritizes staff as the organization’s largest asset, which in turn can result in stability for the organization. [Click here](#) for more information on implementing a Balanced Scorecard initiative in a small rural hospital setting.

## Baldrige



### Before Baldrige



### What Baldrige can Accomplish

“Looking at the whole picture, not just the pieces” is the concept behind the Baldrige performance management tool. Baldrige provides a comprehensive systems approach to sustainable quality excellence by building leadership skills that align thinking and strategies in the following components of management: **leadership; strategic planning; customers and community; measurement, feedback and knowledge management; workforce and culture; operational processes; and outcomes, impact.** Each component is interconnected and plays a role in the organizational environment. When the above components are prioritized and aligned by skilled leadership, an organization optimizes their likelihood for success as service gaps are minimized and communication linkages are enhanced. [Click here](#) for more information on building performance excellence in your organization.

## Lean



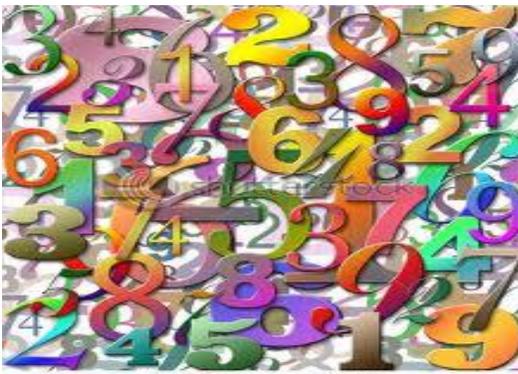
**Before Lean**



**What Lean can Accomplish**

“Work smarter, not harder” is the underlying theme of organizations that have successfully implemented a Lean performance management framework as they demonstrate workflow processes that are simple and meaningful, eliminate waste and improve productivity and patient care. The end result is a **cultural transformation that aligns strategy, culture, and execution** that can improve internal and external communications, reduce staff stress and tensions, increase patient satisfaction, and provide overall cost savings to an organization. [Click here](#) for more information about establishing Lean production practices in your organization.

## Studer



**Before Studer**



**What Studer can Accomplish**

“An obsession with people, not numbers” occurs when leadership prioritizes staff as the organizations most valuable asset. Organizations that embrace the Studer philosophy tap into the natural passion and principles of what inspires staff to dedicate their lives to the health care industry and builds upon these strengths to support staff in making a difference. Studer is structured in Five Pillars: **service quality, people, finance, and growth**. Nine principles apply to the Five Pillars,

the first of which is a commitment to excellence, meaning setting measurable goals or desired results under each of the Five Pillars. When staff feels valued by leadership, their satisfaction is reflected in higher quality work performance and productivity, which results in satisfied, loyal customers. [Click here](#) to learn more about creating purposeful, worthwhile work in your organization.

## **Conclusion**

Each performance management framework provides healthcare leaders with a tool to translate their organizational mission and vision and carry out their strategies. They also communicate the strategic direction of the organization to the staff and to the boards of directors. Ultimately the tools are designed to help leaders create and sustain an organizational culture of continuous improvement and performance excellence.