

# Integrating Performance Management System with ISO 9001:2000 for Health Care Organization

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**Abstract:** Quality Management System (QMS) certification, based on the international standard ISO 9001:2000 is widely implemented , even in Health Care Organizations. But only a small percentage of organizations truly achieve the internal benefits of such QMS. This is because many organizations still think that ISO 9000 is only a certification exercise.

Performance Management System (PMS) is on the other hand , is gaining increasing acceptance as an effective management initiative for corporate competitiveness. It is also considered to be a main driving force , for business excellence. Organizations are using tools like EFQM , Balance Scorecard etc to introduce Performance Management system .This paper discusses how a Performance management system can be introduced in an organization, using ISO 9001:2000 framework. The paper also presents a case of Sri Ramachandra Medical College and Research Institute , which is a 500 bed multi specialty hospital in India where PMS has been integrated with ISO 9000 .

**Keywords:** Performance Management System , Quality Management System , Performance Measurement

## 1. Introduction

Many organizations wanting to focus on processes , find ISO 9001:2000 standards , for Quality Management Systems as a very useful first step. The standard takes an organization toward defining and documenting repeatable processes. The standard also provides sound means of controlling the processes. But still many organizations do not reap the maximum benefit from ISO 9001:2000, because sufficient care is not taken to integrate the processes documented for ISO 9001:2000 with the business processes. So we can say, a typical QMS (ISO 9001:2000) frame provides a good control mechanism , but does not inherently guarantee the business relevance what is to be controlled.

A Performance Management System (PMS) , on the other hand provides a comprehensive approach both from the design perspective and also from the control perspective. PMS starts with the business processes and emphasizes on the alignment of business goals with the performance measures . A well designed PMS, will need sound control systems to sustain the improvement based on Performance Management. System. So we can say a typical PMS process provides a good design mechanism highlighting what is to be controlled , and has to be supported by a sound control mechanism.

So for an effective system , which is sound both on design and control , it will be a good idea to integrate these two approaches. This paper discusses about the concept and implementation of integration of Performance Management System with QMS based on ISO 9001:2000 .

The implementation has been carried out in an health care organization in India.

## 2. Performance Management System Model

There are several models and frameworks that outline a good Performance Management Systems. [Neely 1998]. A Performance Management System Model which has a structure similar to Deming's PDCA cycle will enable easy integration with ISO 9001:2000 framework. This model has been used in the organization where the implementation has been carried out. Refer Figure –1

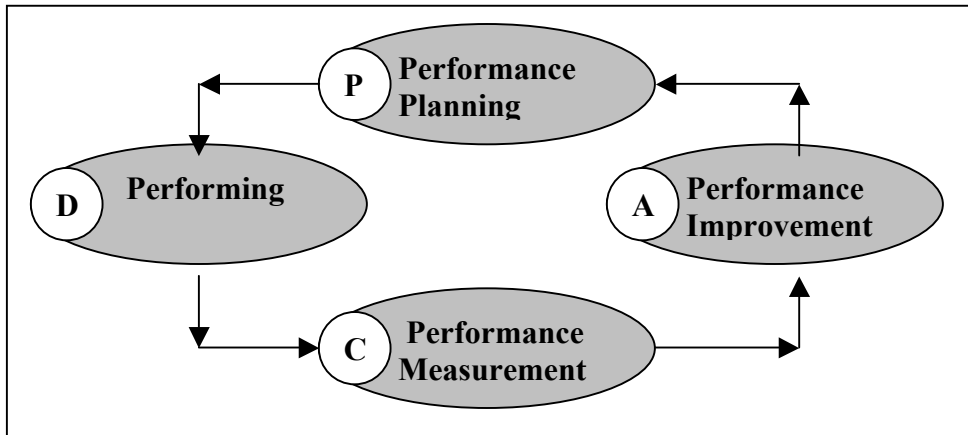


Fig: 1 – Performance Management System Model

Structure of a performance management system will have to ensure that there is total alignment between the organizations Vision and day to day Performance measures. The road map to achieve this alignment is explained in the following phases.

### 2.1 Performance Planning (P)

The performance-planning phase of the PMS should ensure the following:

- Alignment of Organization Policy with Vision of the organization
- Alignment of Objectives with policy
- Establish Performance Measures
- Alignment of performance measures with Objectives
- Ensure Adequacy of Measures – The measures must address the four basic aspects of measurement, Namely – Quality, Cost and Delivery (QCD) and Flexibility
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### 2.2 Performing and Performance Measurement (D and C)

The key aspects to be defined in the phases of Performing and Performance Measurement as are as follows.

- Define periodicity
- Measure values
- Control Inputs
- Control Processes
- Control Outputs

## 2.3 Performance Improvement (A)

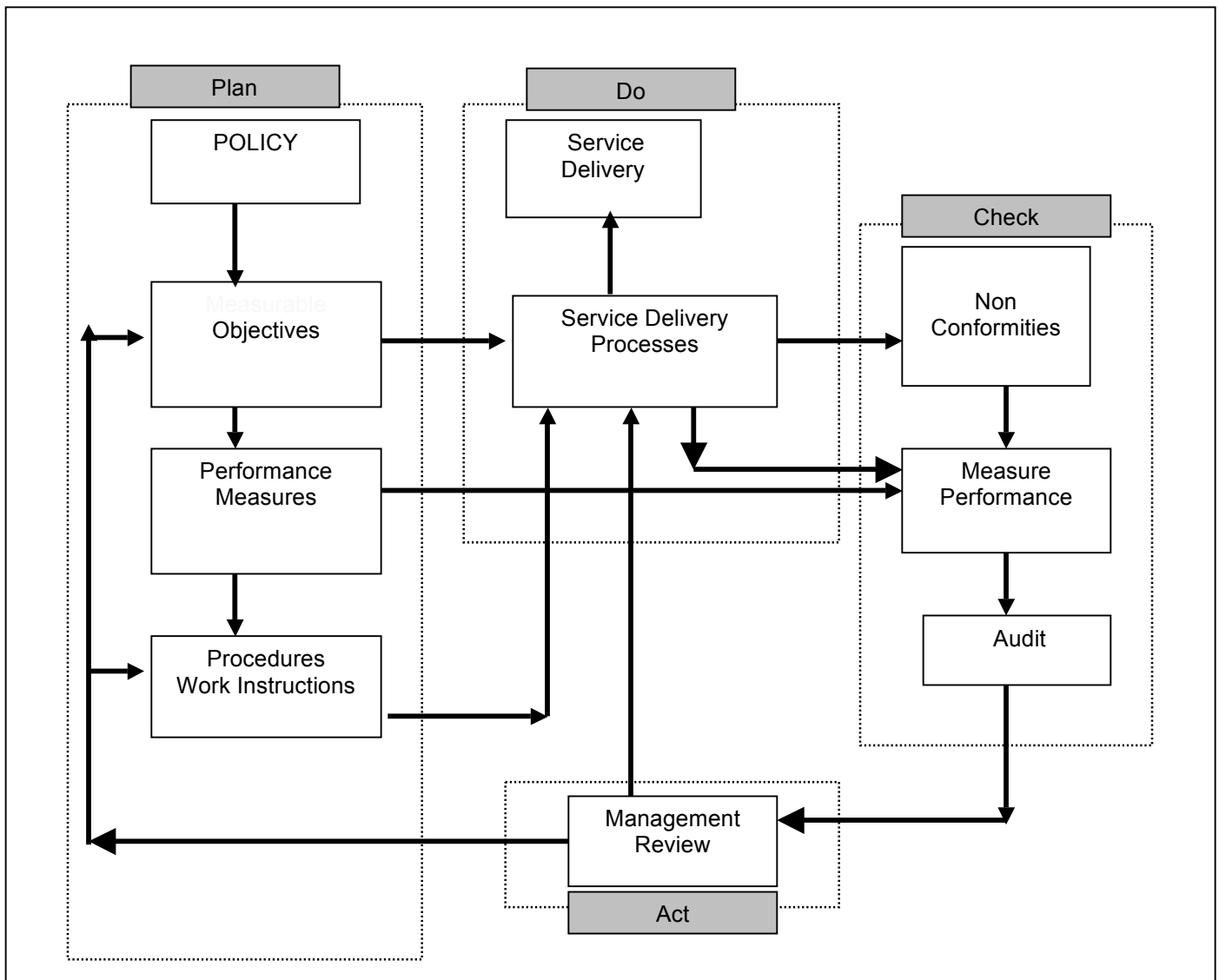
The requirement of the performance improvement phase is as follows.

- Analyze Performance values and isolate major causes
- Select appropriate Initiative

## 3. PMS integrated with QMS

The methodology by which the PMS model is integrated with QMS based on ISO 9001:2000 is shown in Figure 2. Here the critical elements of QMS are cross-mapped with the PMS model providing a balanced structure of alignment and control.

Figure –2 : PMS system Integrated with QMS system



#### 4. Case Presentation:

The PMS system integrated with QMS system as discussed above, has been implemented in Sri Ramachandra Medical College and Research Institute, a 500 bed multi-specialty hospital for their anesthesiology department. This organization situated in south India and provides health care services such as patient care and medical and paramedical education. The approach plan used for the implementation in the specific context of the organization is described below.

##### 4.1 Performance Planning for the Organization (P)

The steps explained in section 2.2. have been followed. The organization's quality policy has been drafted in alignment with the vision of the organization.

Objectives have been identified function wise. These objectives have evolved in alignment with the quality policy. The key words of the quality policy have been used to ensure alignment. The alignment is illustrated in Table-1.

Table 1: Alignment of Policy Vs. Objectives

Key words	→	Compassionate Clinical Care	State of the art Clinical care	Training	Continual Improvement
Functional Objectives	↓				
Minimize Customer complaints		*	*		
Improve Internal customer satisfaction		*	*		
Minimize service non conformities		*			*
Provide training at all levels				*	
Improve Productivity of Processes					*

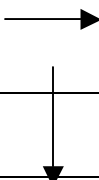
As part of performance planning, performance measures have been established for all the functions of the organization. The alignment of the performance measures with objectives has been ensured. A set of sample performance measures and their alignment with objectives is explained in Table –2

The adequacy of the performance measures for each function has been ensured by addressing the QCD ( Quality , Cost , Delivery ) requirement for each function. The adequacy of the performance measures are explained in Table-3

Table –2 : Alignment of Performance Measures Vs. Objectives

Objectives						
Performance Measures	→	Minimize Customer Complaints	Improve Internal customer satisfaction	Minimize service non conformities	Provide training at all levels	Improve Productivity of Processes
Operations						
Number of bookings requested	↓		*			
Theater utilization			*			*
OT – Turn around time			*			*
Customer satisfaction index			*			
House keeping index		*				
Analysis of Patient Care		*		*		
Service Cancellations		*		*		
Bed sore				*		
Number of cases per person				*		*
Patient falls				*		
VAP Cases				*		
Machine availability						*
Training Man-hours					*	

Table –3 : Adequacy of Performance Measures



Measure Adequacy		Q	C	D
Performance Measures				
Operations				
Number of bookings requested			*	
Theater utilization			*	*
OT – Turn around time				*
Customer satisfaction index		*		
House keeping index		*		
Analysis of Patient Care		*		
Service Cancellations		*		
Bed sore		*		
Number of cases per person		*		
Patient falls		*		
VAP Cases		*		
Machine availability				*
Training Man-hours		*		

## 4.2 Performing and Performance Measurement

For each function the process documentation includes performance measures and the computation schemes. For the organization the performance measures are computed by each function and recorded. These performance measures are verified through internal quality audits which is carried out once in three months , as part of the ISO process.

## 4.3 Performance Improvement

The driving mechanism for performance improvement is the Management Review Meeting. This is carried out once in three months , as part of the ISO process. The individual functions present their performance values vis-à-vis the targets . Appropriate performance improvement initiatives are suggested , evaluated , and action planning is taken up.

## 5. Conclusion

After implementing the Integrated QMS and PMS , the organization has been certified to ISO 9001:2000. The Organization has also been able to realize the following on a sustainable basis.

- Better Control over core patient care processes and support processes
- Quicker learning and stabilizing of processes
- Quick focus on problem areas and process improvement
- Overall Improvement in process quality and reliability

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