

# Estimate of the Situation

*Critical Information for Critical Times, Edition of Wednesday, August 20, 2014*



## Top Improvement Opportunities

The factors that limit human performance in the clinical setting can be found in four major categories: systems and work process factors; resource factors; organization factors; and institutional culture factors.

Not only do performance limiting factors in these categories generate unnecessary costs, they also adversely affect the other critical outcome areas of clinical and service quality, physician and patient satisfaction, employee relations and community image.

The importance of that connection to hospital management teams is self-evident. Resolving those factors offers the

potential for achieving lasting cost reduction and significant improvement in the other areas as well.

In this issue, we will identify and briefly discuss an example of a commonly encountered performance limiting factor from the systems and work process factor category.

***The absence of concurrent or near real-time feedback loop systems or processes.*** In many hospitals there is absolutely no connection between the employee work scheduling process and the labor budget. In other hospitals, managers do receive year-to-date and current period labor budget performance feedback but only with month end or pay-period reports which arrive too late to support corrective action and hence are of historic value only.

Very few hospitals provide managers with the ability to evaluate employee scheduling options against labor budget targets during the scheduling process. A simple Excel Workbook demonstrating how this can be done is available [upon request](#) at no cost or obligation.

The potential for achieving a large and positive cost management effect through the routine and systematic use of feedback loops cannot be overstated. Similar feedback loops should be established to measure and manage service and clinical quality, physician and patient satisfaction, employee relations and community image. All feedback loops should be short enough and direct enough to support timely management action when warranted.

FJB

Next Issue: Resource Factors.



7667 N.W. Prairie View Road, Suite 204  
Kansas City, Missouri 64151  
(816) 587-2120  
<http://bradyinc.com>