



TEAMWORK REWARDED

The SSM Health Care System's performance management process rewards teamwork and does away with pay raises based on individual performance. In the process, which has been in place almost two years at the St. Louis-based system, employees share in responsibility for developing their own goals and for soliciting and analyzing feedback from the people they work with.

For several years, SSM Health Care System has used continuous quality improvement (CQI) to

Performance

Management

Reflects

System Values

improve service to customers and move away from traditional hierarchical management. In 1992 the system charged corporate office employees with developing a performance evaluation process based on CQI principles (see **Box**).

EMPLOYEES PARTICIPATE IN EVALUATION

The new process allows employees to identify their key work projects and processes and the expectations for their position. The SSM system calls the process "performance management,"



Sally Wern Comport



rather than "performance evaluation," to convey the idea that the process is ongoing and not focused solely on the past. No longer do supervisors meet once a year with employees to bestow a traditional rating ("outstanding," "good," "needs improvement"). Instead, supervisors have assumed the role of coach, rather than judge, meeting for coaching sessions with employees about three times a year. The final session of the year is a more formal performance review and includes planning goals for the next year.

FEEDBACK FORMS

All 90 people on the corporate office staff, including the system president and senior executives, are "evaluated" according to the system, which requires staff members to seek data on their own

Employee feedback will guide future changes to improve the process.

performance from their "customers" throughout the organization. These internal customers are team members and co-workers with whom the employee interacts frequently.

"The system places the employee in the role of primary controller of his or her own evaluation," explains Steven M. Barney, senior vice president, human resources. Employees send forms to persons of their choice asking for feedback on their performance. Specifically, the form asks the recipient to discuss how the sender's behaviors support the SSM Health Care System's values (see **Box**), the quality of services the employee provides to the recipient, and team performance.



Barney

The forms are returned to the employee only; the supervisor does not see them unless the employee voluntarily shares them. The employee assembles the information on another form for the supervisor, incorporating the substance of the feedback into his or her self-developed performance plans. The information on the form is used at coaching sessions as the basis for discussion of the employee's accomplishments and opportunities for improvement.

On this form employees also identify personal development goals, such as skills they would like to acquire, and measurable outcomes for each of their key work processes. These goals and outcomes are used to review the employee's progress during the year.

"We want honesty, and we ask that feedback not be anonymous," Barney says. "We encourage employees to follow up in person with those who fill out the feedback forms, to address problems and get clarification when necessary."

EMPHASIZING VALUES

A unique component of the performance management process is its emphasis on values. On the form, employees make a commitment to the values of the SSM Health Care System by listing the three most important things they will do to support them.

GRAPPLING WITH THE PAY QUESTION

The most difficult issue faced by the team that designed the performance management process was recommending how compensation should be

DESIGNING THE NEW PERFORMANCE MANAGEMENT SYSTEM

In 1992 the SSM Health Care System senior management team, as part of the system's commitment to continuous quality improvement (CQI), empowered the customers and suppliers of its performance review process to design a process that would serve them better.

A team made up of four pairs of employees and their respective supervisors, the senior vice president of stewardship, and the corporate directors of business services and of employee benefits met a half day a week over the course of a year. They tackled a subject that not only aroused strong emotions but eventually led to a paradigm shift in the way the entire corporate office staff thought about performance evaluation.

The team engaged a consulting firm for a short time to provide basic information about types of performance evaluation systems in other organizations committed to CQI. But soon the team took over to design a process uniquely suited to the SSM Health Care System.

Over three months, the team gathered and analyzed data from employee surveys and focus groups. Designing the actual process took another eight months.

Through regular reports to senior management the team maintained support for the new process. The team also communicated frequently with the entire corporate office staff; this eased implementation of the system. A daylong educational session with the entire staff kicked off the new process. Later, a training session on coaching helped supervisors understand the change in their role from evaluator to coach.

SSM learned two critical lessons: Designing a new approach to performance evaluation requires a substantial amount of time. Communicating along the way aids the transition to a participative process for managing performance.



handled. The team believed that rewarding individual performance with money discouraged teamwork and encouraged competition among team members. However, employees had indicated on a survey that they wanted to be rewarded for their individual performance. At the same time, they were skeptical about the fairness of supervisors' ratings of individuals. They believed these were highly subjective and could vary widely depending on the supervisor. Also, many jobs were complex and thus difficult to evaluate according to purely objective measures.

To reconcile these conflicting views, the team recommended to management a compromise. It rejected individual ratings. Instead, employees who have contributed to the organization over the year receive a market adjustment and a "contribution increase." Both of these increases, which are set percentages that apply to everyone, are developed by management and not the team, which did not have responsibility for designing the pay plan. Employees who have not contributed as actively as others to the organization receive only the market adjustment.

The SSM philosophy, explains Barney, is that any employee who is retained deserves at least the minimum increase. He says only a very few employees do not also receive the discretionary amount.

Unlike most Catholic healthcare systems, SSM

"The system places the employee in the role of primary controller of his or her own evaluation," said Steven M. Barney.


does not offer bonuses or incentives linked to performance. This decision, Barney explains, is consistent with the system's desire to deemphasize hierarchical structures and its philosophy that its actions should recognize the dignity of each person.

IMPROVING THE PROCESS

"The biggest disadvantage to the new process is the amount of paperwork," Barney says. "For example, I may fill out forms for eight peers and several other colleagues once or twice a year." To streamline the process, SSM is making the forms available electronically. Because of the amount of paperwork, the system's individual facilities have been slow to use the full process beyond their administrative teams. "The process is not 'one size fits all,'" Barney notes, but the system encourages hospitals to adapt it to their needs. In nursing/patient care areas, peer review is widely accepted.

Coaching sessions several times yearly also take a lot of time. But Barney believes the extra effort is producing positive behavior changes in the work place. Employee feedback will guide future changes to improve the process, he says.

—Judy Cassidy

 For further information, contact Steven Barney, 314-994-7818, and see Terri LaBriola, "Quality System Tracks Work," HR Magazine, February 1994, p. 67.

SSM HEALTHCARE SYSTEM VALUES

1. Act with justice and fairness. This value is about how we treat one another and those we serve. We should be honest, fair, and trusting. We also work towards correcting problems in institutions and society that prevent all people from having access to quality health care services.

2. Give primary importance to those we serve. All our services are designed to meet the needs of those we serve. This includes patients, those who work at our operating entities, and others at the corporate office. Those who receive our services have opportunities to give input about them. At the same time, we work within our resources.

3. Provide competent and caring

service. We serve others with the best of our personal skills, and with the technology available to us. We continue to improve our skills and learn new ones to better serve others.

4. Change with the times to serve those in greatest need. We will change to meet the needs of the poor and those who have little access to healthcare services.

5. Promote in ourselves and others optimal function of body, mind, and spirit. We are people who pay attention to all the needs of the person—physical and mental health, a person's spirituality, family and social needs. We want this for others and for ourselves.

6. Foster communication, collabo-

ration, and networking. We will do our best to make our workplace one that is healthy and productive. We will share information, resources, input, and decision making with those most involved in any process. We will work together.

7. Generate a growth-producing climate. Work will be meaningful for people. We will work to continue to improve knowledge, skills, and relationships. We will try to avoid competitive situations.

8. Cultivate a community spirit. We recognize that we need one another's services to meet the needs of those we serve. We will celebrate and respect our differences and remember that our actions always affect others.