

Online library of Quality,
Service Improvement
and Redesign tools

Performance management



Performance management

What is it?

Performance management, in general terms, is about establishing a formal, regular and rigorous system of data collection and usage to indicate trends and measure the performance of services.

Performance indicators are commonly used across health and care systems to examine and compare performance. These indicators focus on areas such as a length of stay, mortality rates, readmission rates, costs per episode of patient care and the number of staff employed. Some indicators assess the efficiency of services while others scrutinise clinical performance.

As well as looking at your own organisation's performance management data, it is also a good idea to look at national and regional data for comparison purposes.

When to use it

You should use performance management to help you identify areas of best practice, to focus on continuous improvement and delivering improved outcomes, to take action to improve patient care and to ensure that the activities of your service are in line with overall organisational strategy.

How to use it

You should use performance monitoring in all aspects of redesigning services and understanding how your service/organisation is performing.

Performance monitoring should:

- help to define performance targets/goals across key aspects of service delivery – including the management of resources (personnel, infrastructure), customer service and financial viability
- provide a comprehensive picture of your organisation's progress towards achieving its performance targets/goals
- provide an early indication of emerging issues/pressures that may require remedial action
- indicate where there is potential to improve the cost-effectiveness of services through comparison with other organisations.

Performance management will enable you to articulate your service and organisation's business strategy, align all activity to this strategy, identify your key performance indicators (KPIs) and track progress, which can then be shared with decision-makers.

Key performance indicators (KPIs)

KPIs will help you to define and measure progress towards your goals. As the primary means of communicating performance across your organisation, KPIs should focus on a range of areas. Once your organisation has analysed its mission, identified its stakeholders and defined its goals, KPIs offer a way of measuring progress towards these goals.

What next?

You should adopt performance management practices for all service redesign and improvement programmes so that you can gain a clear picture of how well you are progressing towards your goals.