LATTICE CONSULTING

The Role and Value of Benchmarking in Organisational Change within a New Zealand District Health Board

Phillipa Gaines, Lattice Consulting Limited

Australasian Evaluation Society International Conference

Brisbane, Australia

5 September 2013

website: www.lattice.co.nz contact: info@lattice.co.nz

Acknowledgements

- Those people that shared their thoughts and insights with me about the local District Health Board (DHB) benchmarking initiative.
- Dr Robin Peace (Associate Professor, Massey University)
- Dr Iris Hutchinson (Northland)
- Barbara Wallace (Lattice Consulting Ltd)

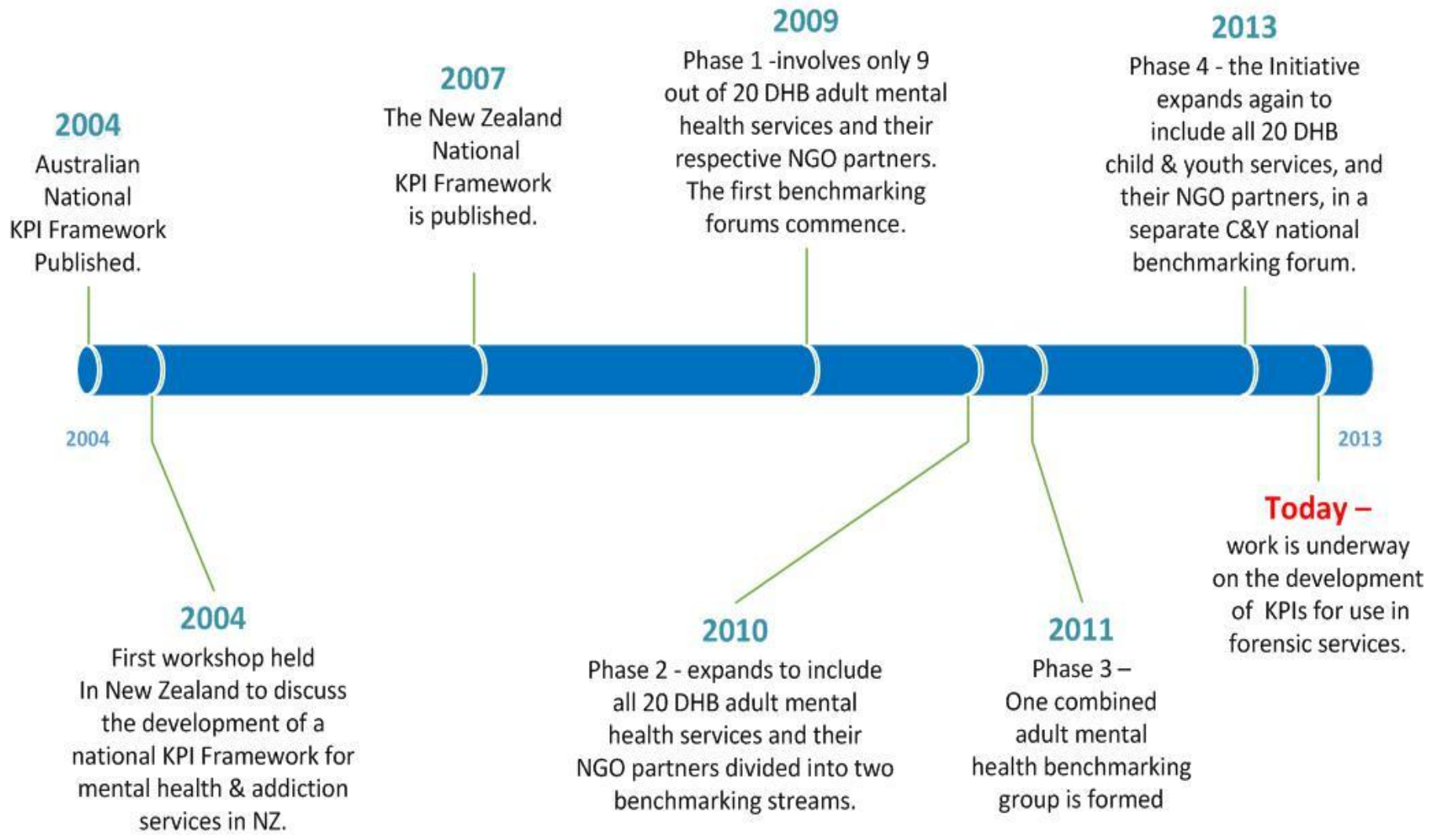
Outline of this presentation

- The context
- Defining benchmarking
- The evaluation
- The use of Q Methodology
- Findings – the agora
- Implications for evaluators
- Other implications

CONTEXT

The Key Performance Indicator Framework for New Zealand Mental Health & Addiction Services

NZ National Mental Health KPI Project timeline



BENCHMARKING DEFINED

"Practitioners wishing to implement benchmarking programs currently face the prospect of distinguishing between a plethora of praxis-driven forms, typologies and frameworks where none of them offer an assurance that efforts will be successful."

Moriarty (2011) A theory of benchmarking

A ‘benchmark’ or ‘benchmarking’

- ‘Dantotsu’ meaning *striving for the best of the best.*
- Some authors have limited the term to mean ‘ranking’ their firms with competitors (Dawkins, Feeny & Harris, 2007)

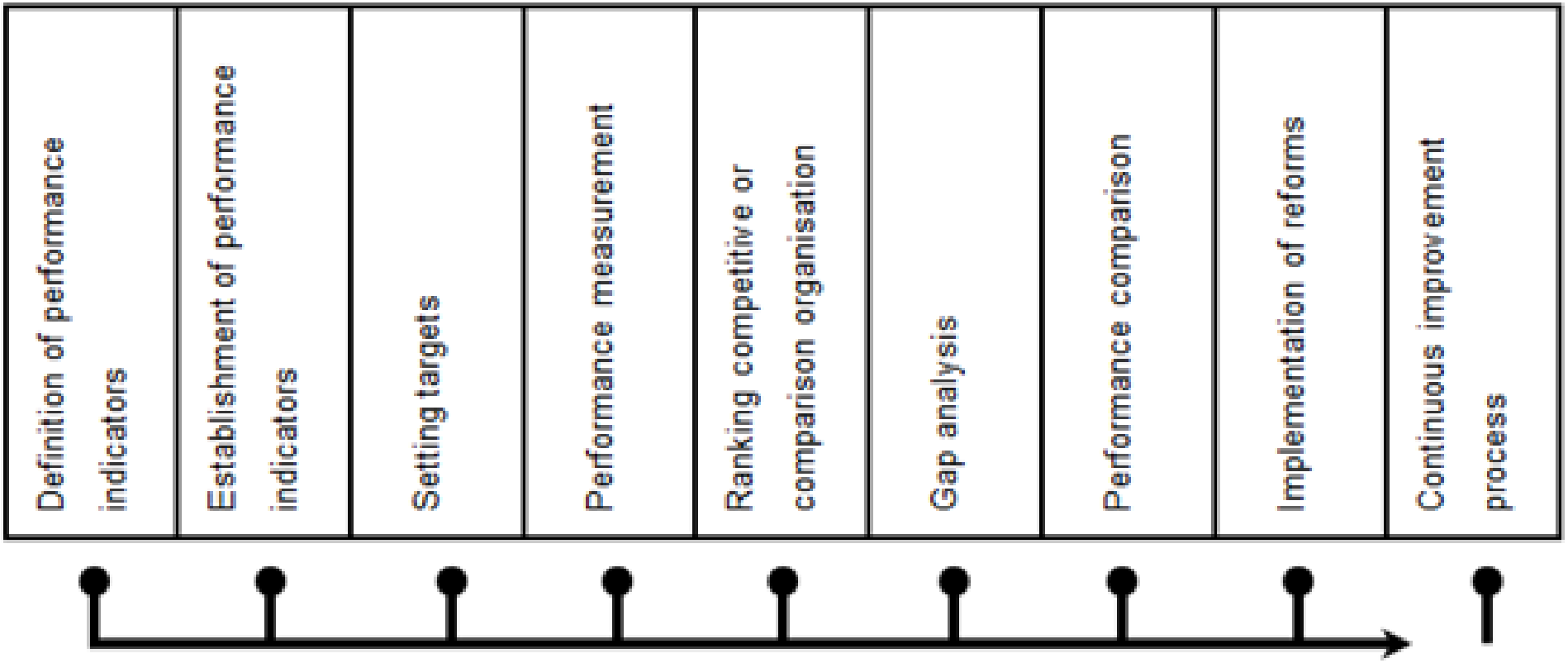
A ‘benchmark’ or ‘benchmarking’ contd

- Camp (1993) described the original four phase, 10-step benchmarking model developed at Xerox as.....*”the continuous process of measuring our products, services and practices against those of our toughest competitors or companies renowned as leaders.”*

A ‘benchmark’ or ‘benchmarking’ contd

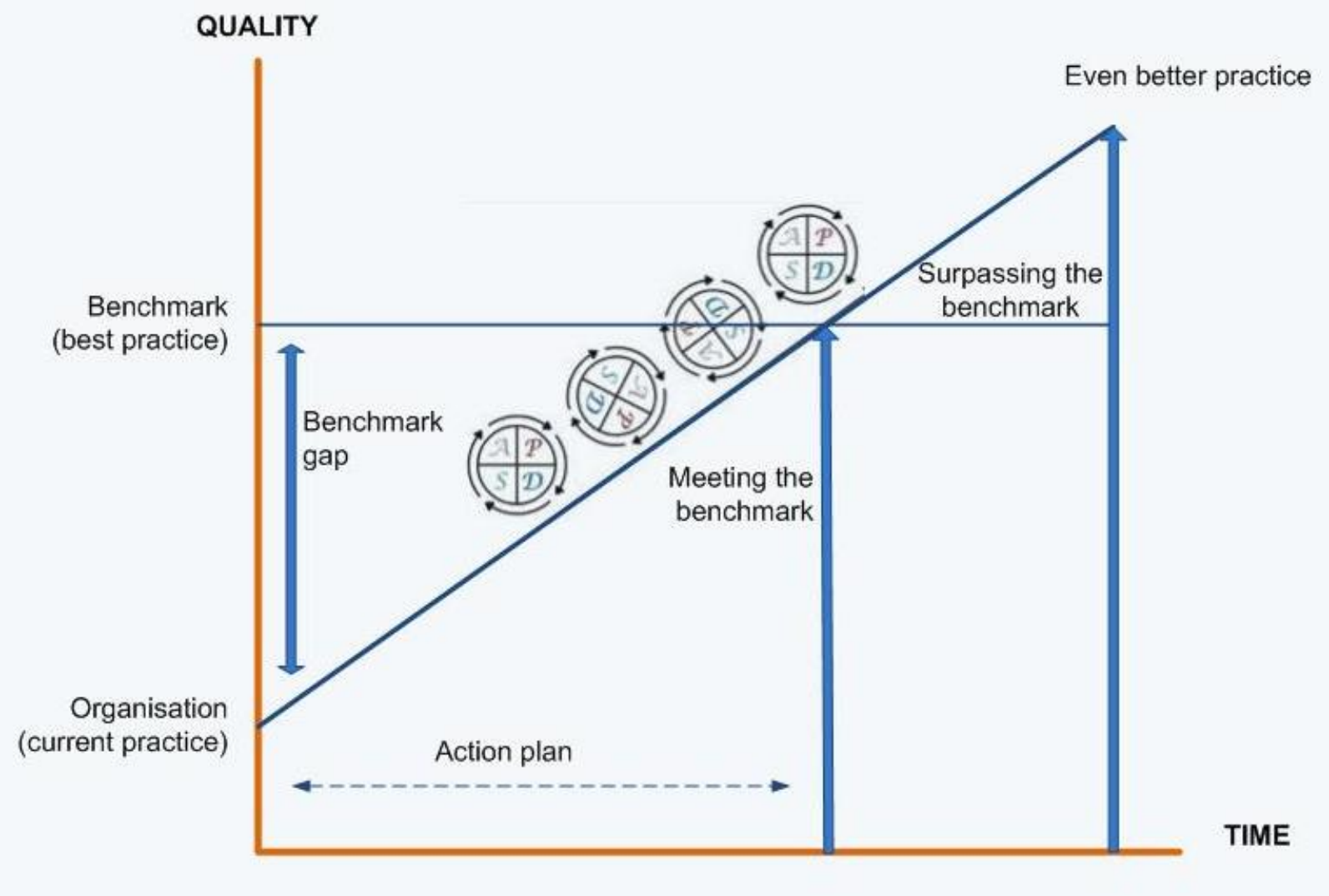
- Cole (2009) described it as...*”a continuous quality improvement process.”*
- *...”It is used to identify and understand the practices exhibited by the best in their field; to adapt and improve those practices, for the purpose of reaching the targeted level of excellence, and then surpassing it with even better practice.”*

A visual depiction of the various terms used to define and describe benchmarking



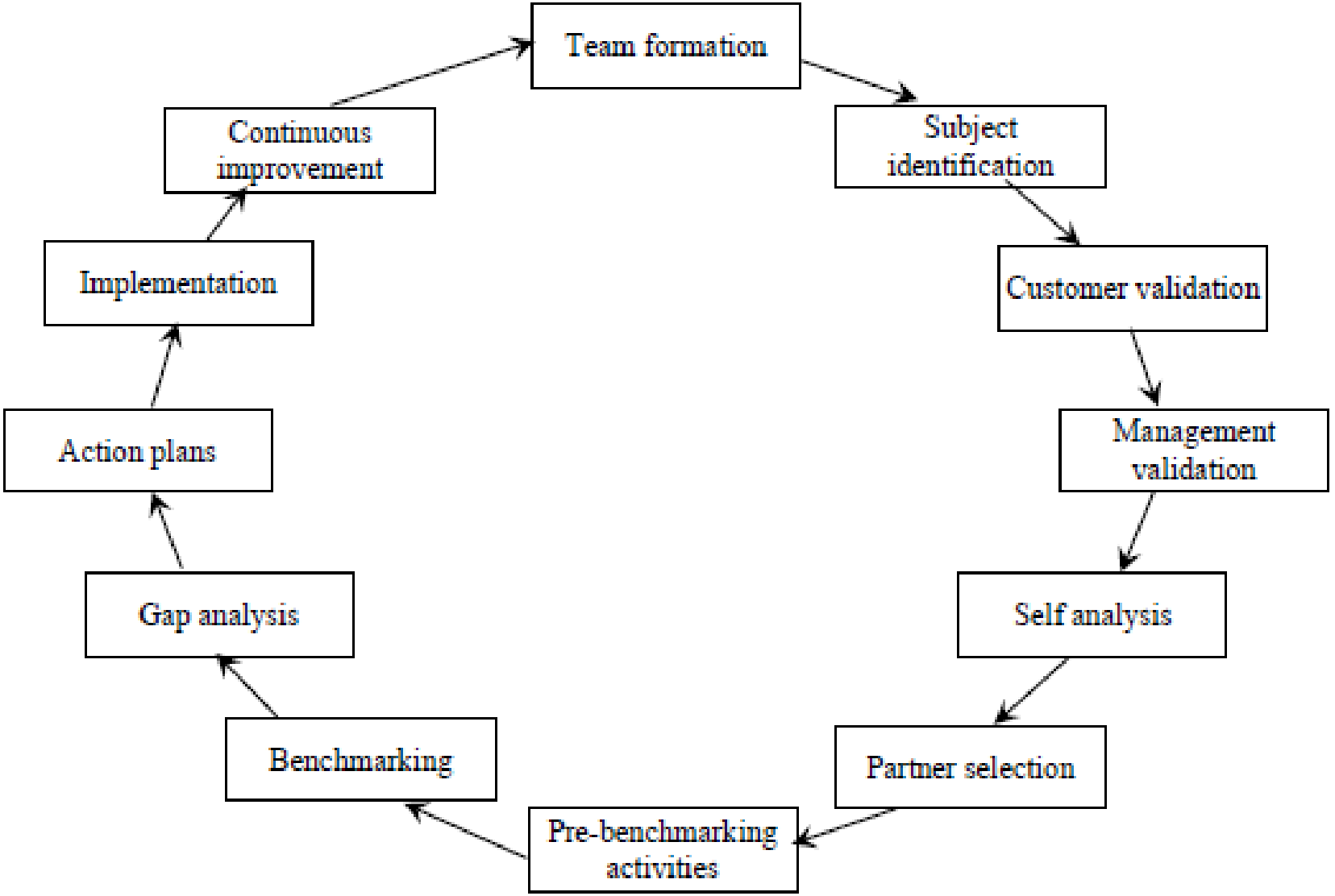
Cole (2009) Benchmarking: a process for learning or simply raising the bar?

A representation of the benchmarking process



Source: Cole (2009). Adapted from Reider (2000)

The universal benchmarking model



Source: Anand & Kodali (2008)

THE EVALUATION OF A NEW ZEALAND DISTRICT HEALTH BOARD'S LOCAL BENCHMARKING PROCESS

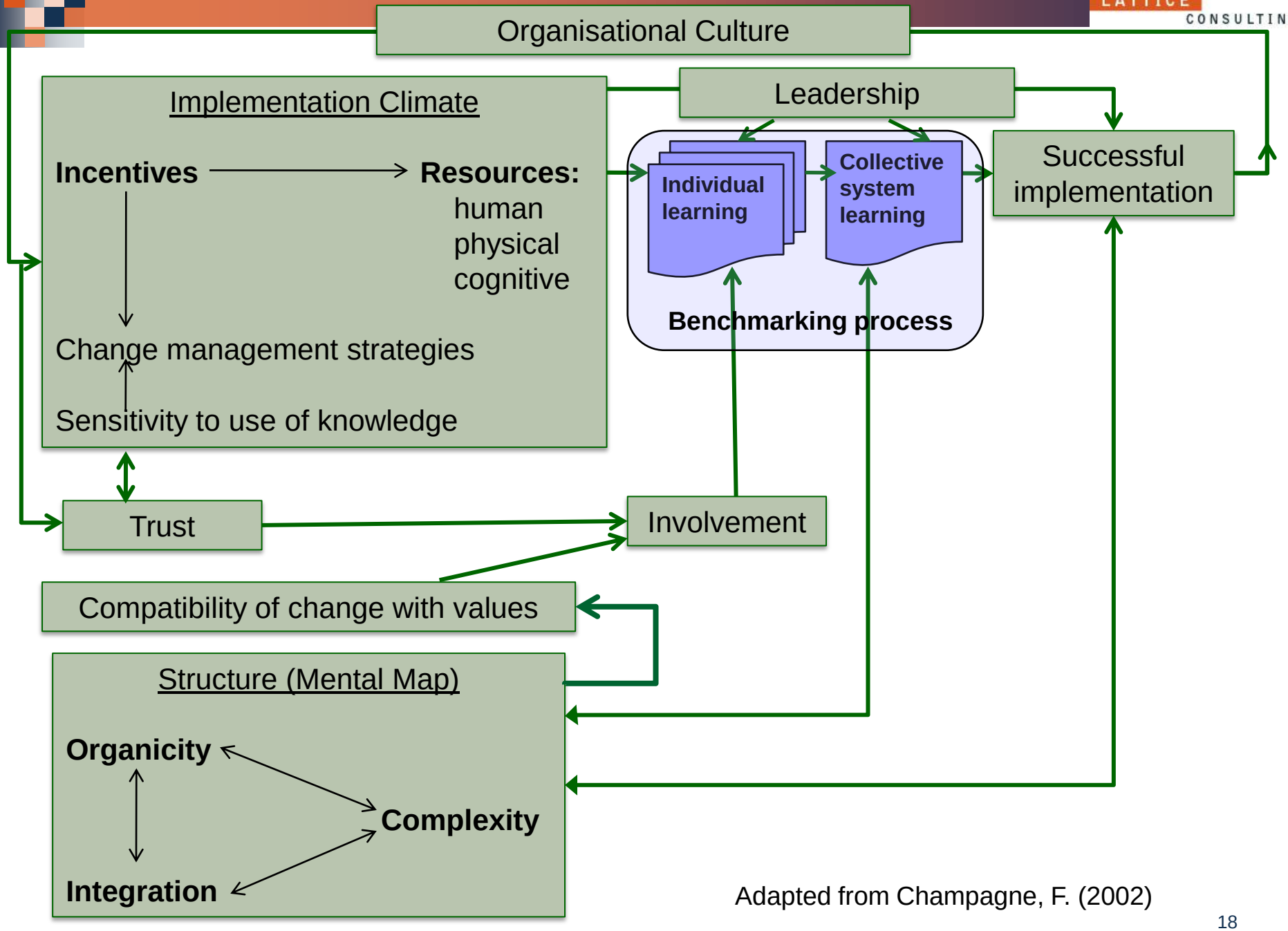
Scope

- This evaluation focused on the adult mental health service of one of the twenty District Health Boards that is involved in the New Zealand National Mental Health Key Performance Indicator (KPI) project.

Two Evaluation Questions

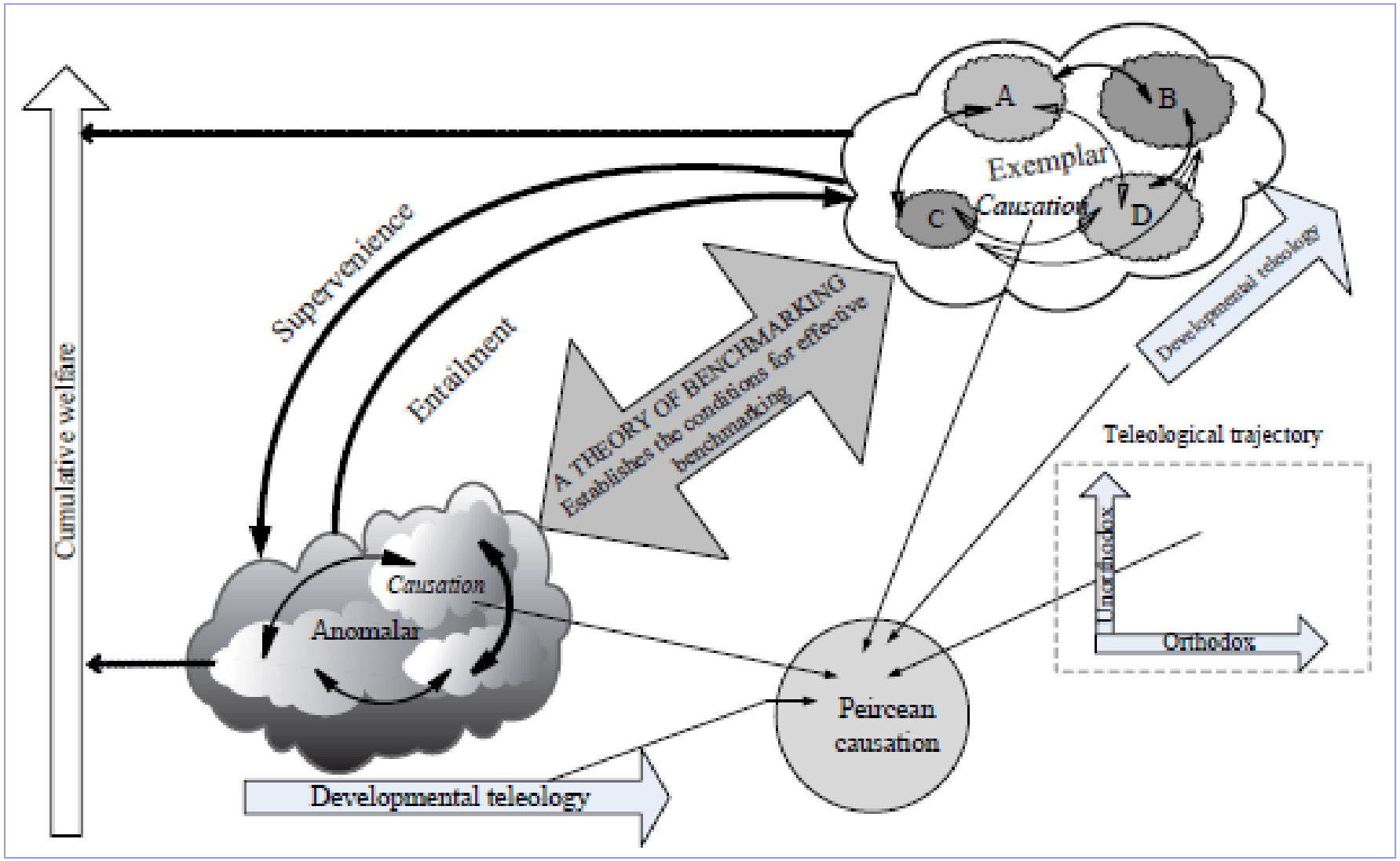
1. To what extent is it possible to attribute service improvements within District Health Boards to the introduction of benchmarking?

2. What key factors in the benchmarking process seem to contribute to improvements in system performance and health gains for service users?



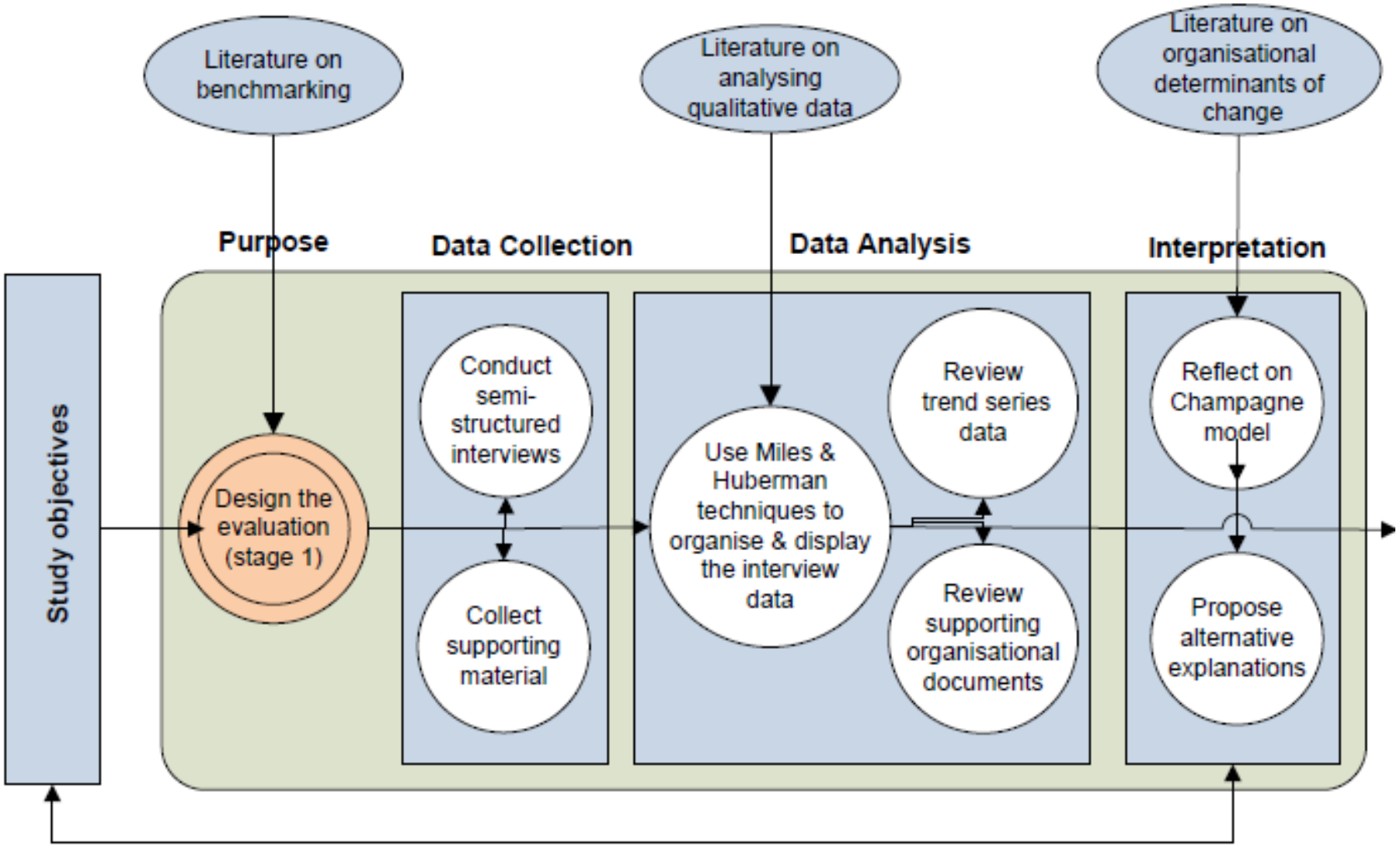
Adapted from Champagne, F. (2002)

A causal framework for a theory of benchmarking

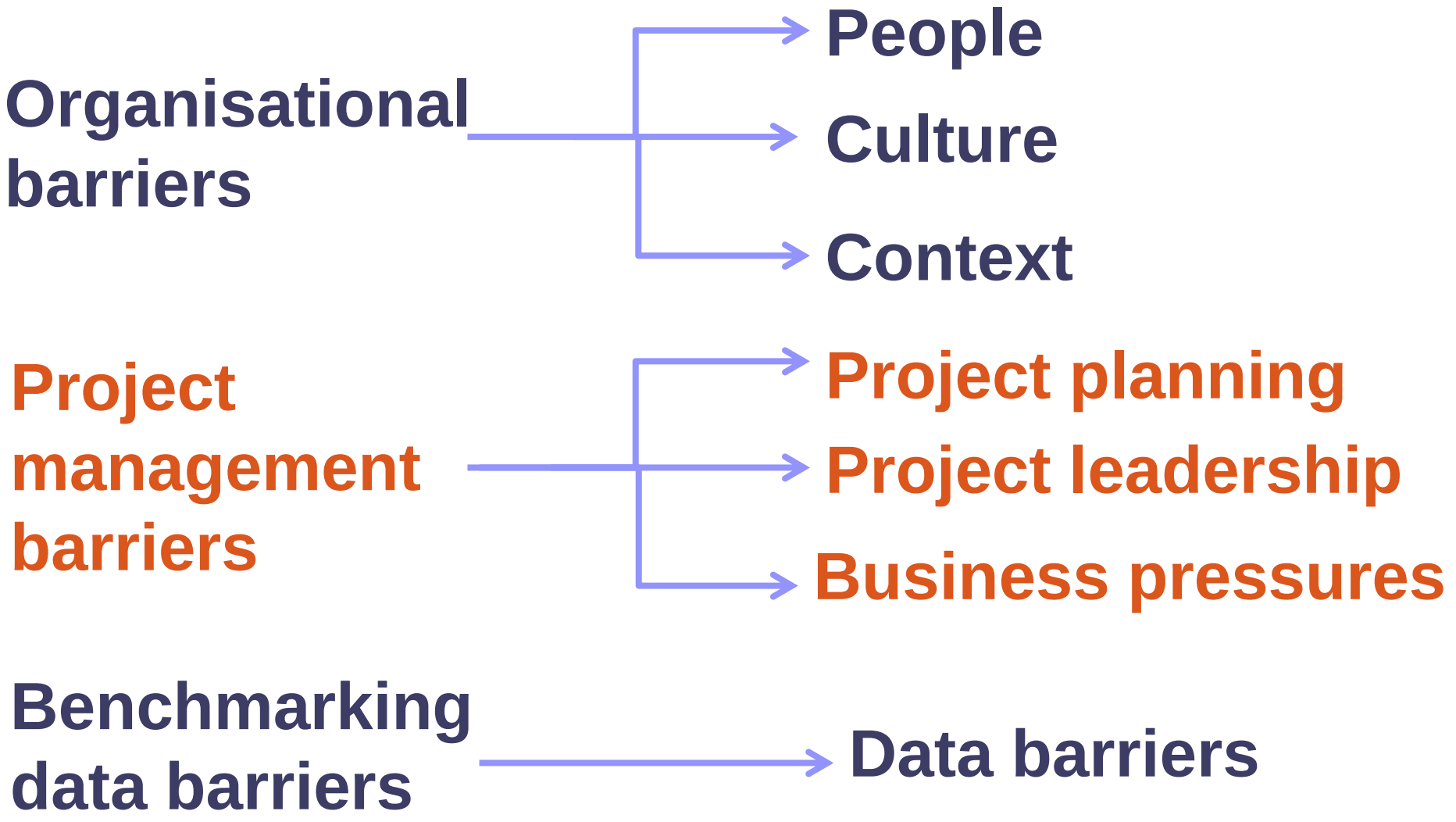


Moriarty (2011) *A theory of benchmarking*

Phase one of the benchmarking evaluation



All resulting in .....so what?



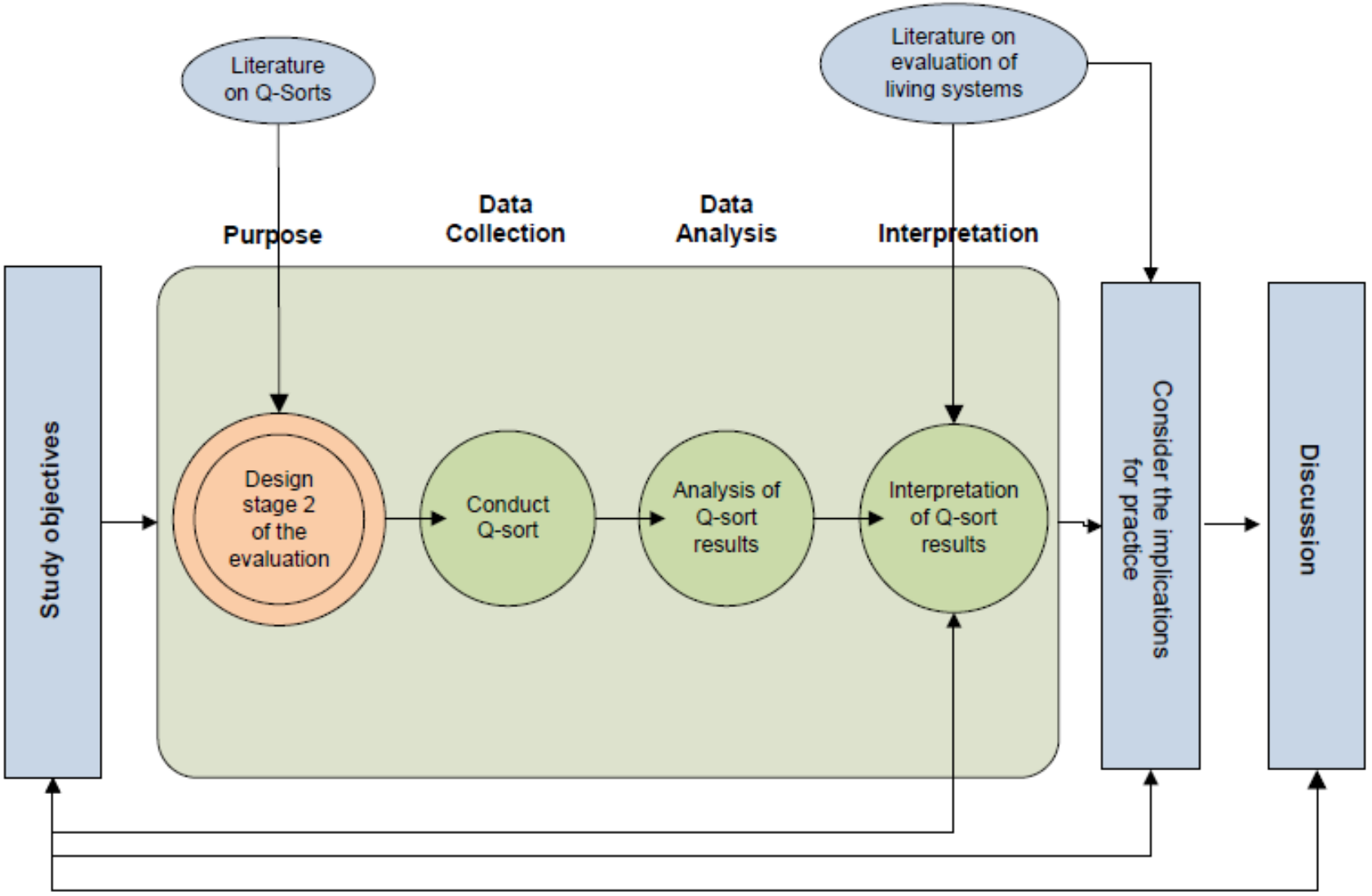
Source: Amaral & Sousa (2009)

Apart from the ‘X’ factor

- The influence of some additional accountability drivers (ie, the voice of service users, families/whānau and non-government organisations).

THE USE OF Q METHODOLOGY

Phase two of the benchmarking evaluation



Positioning Q

"The Q sort as a data collection form is designed to maximise the expression of qualitative variation at the level of subjectivity and to record it in numerical form."

Source: Stenner, Watts & Worrell (2008) Q Methodology

The objective in Q Methodology

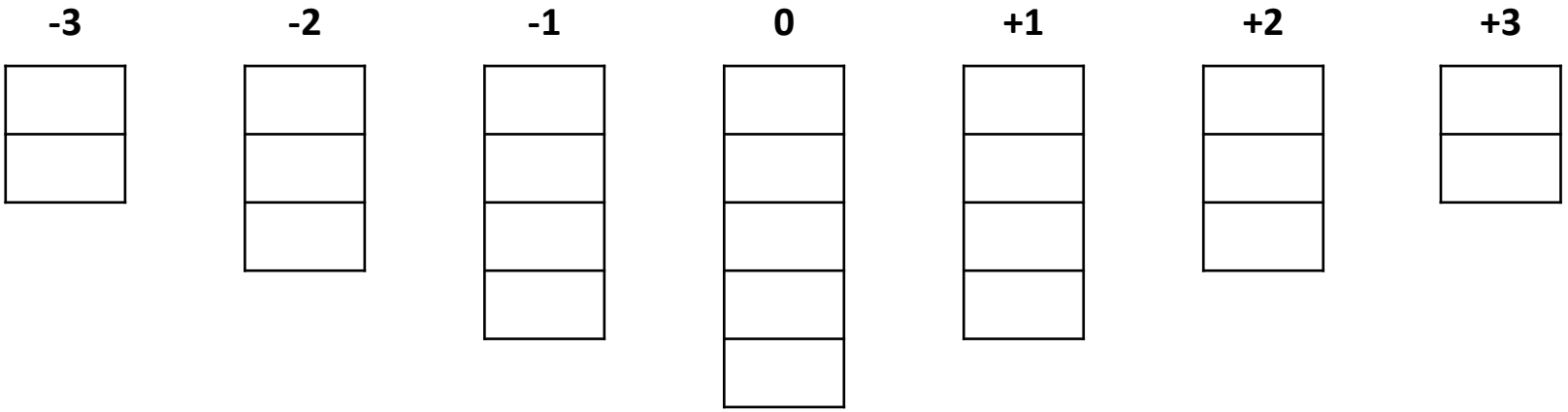
- To describe typical representations of different points of view about the subject under consideration, rather than the proportion of individuals with specific viewpoints.

Matrix of enabling & constraining factors

Factors that **support** a benchmarking process and which are **tangible**	Factors that **hinder** a benchmarking process and which are **tangible**
Factors that **support** a benchmarking process and which are **intangible**	Factors that **hinder** a benchmarking process and which are **intangible**

The condition of instruction

"Imagine that you are about to implement a benchmarking process into another DHB. Sort the 23 statements according to what you believe are the factors that will most constrain (-3) this process to the factors that will most enable (+3) this process using the Q Sort table."



Q data analysis

- The data from participant's record sheets was entered into the PQMethod software programme - a free DOS programme that has been specifically designed to support the analysis and interpretation of Q Sort data.
- The factors were obtained using a Principal Components Factor Analysis, along with a Varimax rotation.

THE FINDINGS:
THE AGORA

Interpretation of the four factors – the underlying perspectives

1. Robust systemic understanding
2. Sound information infrastructure
3. People, values and principles guiding action
4. Workforce preparation

1. Robust systemic understanding

- Coined as a phrase that captured a disposition towards factors focused on organisational culture, leadership and innovation, all of which are deemed to be transformational in nature.

"*It's your classic having support from senior management and having strong advocates out there who are walking it, talking it and preaching it .*" (+3)

2. Sound information infrastructure

- A second disposition of factors pointing towards operational aspects of the organisation (eg, good information systems, good quality data and good information).

"*It is imperative that service development decisions are informed by good information and evidence.*" (+3)

3. People, values & principles

- The third coinage captured the disposition toward interpersonal factors such as ‘trust’ and how trust is cultivated and maintained between people to enable them to work together to create impact.

“*The guiding principles have been very important.*” (+3)

“*We have a history of collaborative processes.*” *(+3)*

4. Workforce preparation

- The perspective of ‘new entrants’.

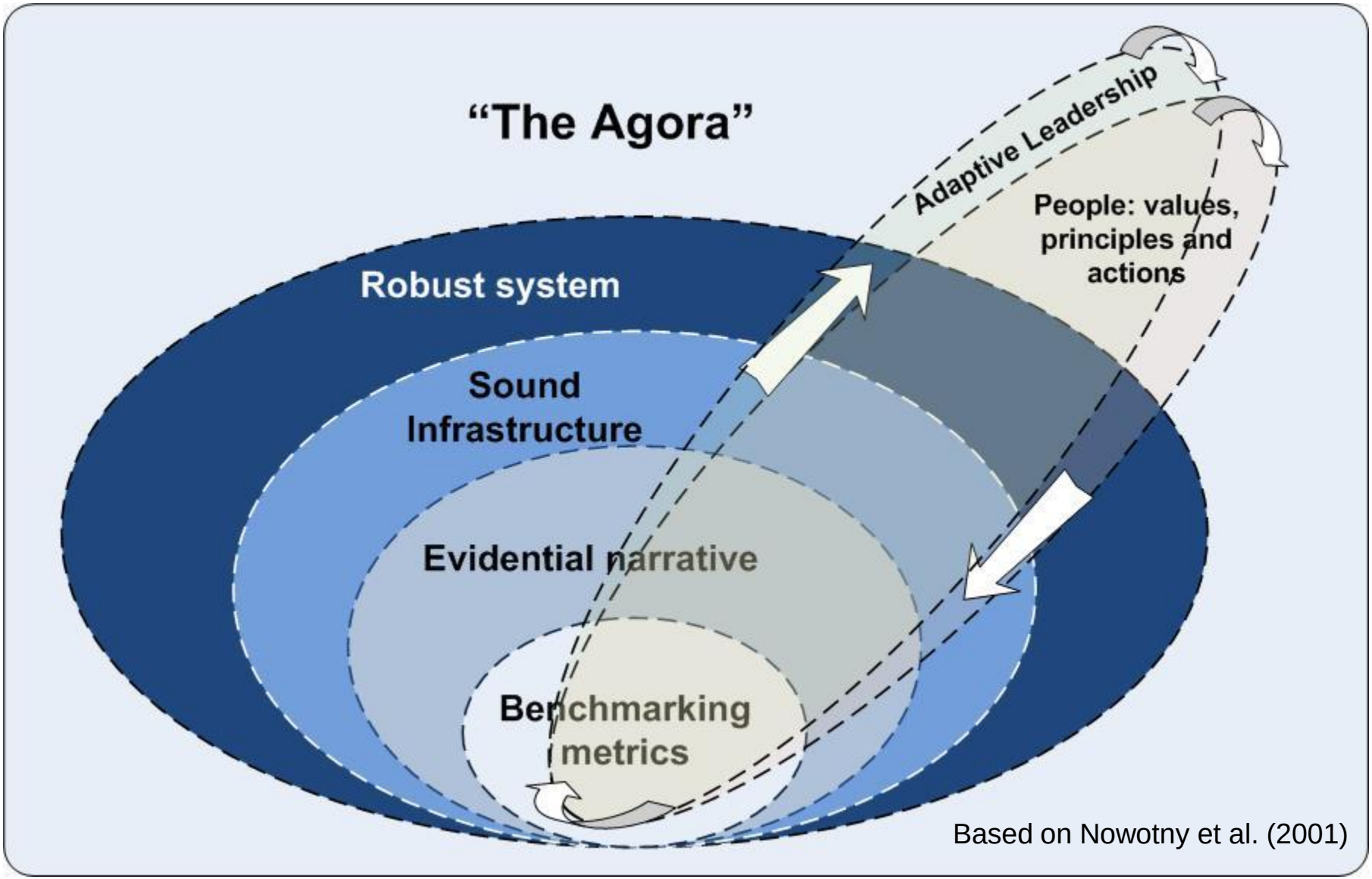
“The change in culture that we are hoping for through benchmarking activity is really hard to demonstrate and it is something that does take time.” (-3)

Expressing the inter-relationship between the four factors

A model of organisational performance and change based on the difference between **transformational** and **transactional** change variables.

Reference: Burke & Litwin (1992)

The enabling factors in benchmarking



Putting it all together

- ☑ The literature
- ☑ Comments from semi-structured interviews
- ☑ The DHB's benchmarked reports
- ☑ The supporting documentation (DHB Annual Plan)
- ☑ The results of the Q Sort

= criteria for assessing the readiness of a DHB to effectively participate in benchmarking activity.

Rubric - assessing benchmarking readiness

Rating	Systemic understanding	Information infrastructure	People, values, principles guiding action	Workforce preparation	Evidence of service improvements
Excellent					
Average					
Poor					

IMPLICATIONS FOR BENCHMARKING PRACTITIONERS

The characteristics of the two approaches to benchmarking

Traditional approach	The agora
The emphasis is on scientifically grounded knowledge. This approach involves the identification and implementation of good practices, which are supported by scientific knowledge (the evidence).	The emphasis is on the construction of meaning. This process involves the contextual interpretation and reinterpretation of what is considered to be scientific knowledge (the evidence).

The characteristics of the two approaches to benchmarking

Traditional approach	The agora
The focus is on teams identifying **what** works and then adopting good or exemplary practice.	The focus is on **how** a team learns just as much as **what** it learns.
The emphasis is on measurement.	The emphasis is on conversation as a core process (eg, the World Cáfe).

The characteristics of the two approaches to benchmarking

Traditional approach	The agora
Exerting power – A top-down approach whereby health professionals offer expert advice about what is considered to be good or exemplary practice. The health professionals are connected with the other groups of stakeholders, but only in a limited way.	**Yielding power** –A bottom-up approach whereby problems are addressed collaboratively with equal opportunities for all stakeholders to contribute insights from their own perspective on the issues.

The characteristics of the two approaches to benchmarking

Traditional approach	The agora
Hierarchical leadership - Service improvements are reliant on a few key individuals, who have leadership positions within the service, to drive change.	**Distributed leadership -** Service improvements are reliant on a high level of commitment from everyone who has a stake in the final outcome.

The characteristics of the two approaches to benchmarking

Traditional approach	The agora
The degree of improvement is unlikely to exceed the performance of the exemplars.	The potential exists for the degree of improvement to exceed that of the exemplar and to be transformative in nature.

OTHER IMPLICATIONS

Concluding thoughts and ideas

What is	What could be
Mechanistic models of change (albeit with the addition of arrows to help depict 'flow' through the system).	Iterative cycles of change as per a 'living systems' model (ie, Wadsworth's (2010) *Human inquiry for Living Systems*).
Evaluative methods and techniques that elicit information about what people 'think'.	Methods and techniques that elicit information about what people 'think' and 'feel' about an issue in order to help surface variances or discrepancies.

Concluding thoughts and ideas

What is	What could be
The traditional approach to quality and to continuous improvement often omits to take into consideration the experience of those people that use services.	The democratic notion of quality includes the voice of everyone who has a stake in the final outcome, particularly service users.
Prescriptive	Emergent
Knowing and knowledgeable	Curious, reflective and adaptive

References

Amaral, P. & Sousa, R. (2009) Barriers to internal benchmarking initiatives: an empirical investigation. *Benchmarking: An international Journal, 16**, 523-542.***

Anand , G. & Kodali, R. (2008) Benchmarking the benchmarking models. *Benchmarking: An International Journal, 15**, 257-291.***

Brown, J., & Isaacs, D. (2005) The World Café: Shaping our futures through conversations that matter (1st ed.). San Francisco, CA: Berrett-Koehler Publishers

Burke, W. W. & Litwin, G. H. (1992) A Causal Model of Organizational Performance and Change. *Journal of Management, 18**, 523-545.***

Camp, R. C. (1993). A bible for benchmarking, by Xerox. *Financial Executive, 9(4), 23-27.*

Champagne, F. (2002) The ability to manage change in health care organisations. Discussion Paper no. 39. University of Montreal

Cole, M. J. (2009). Benchmarking: a process for learning or simply raising the bar?. *Evaluation Journal of Australasia, 9(2), 7-15.*

Dawkins, P., Feeny, S., & Harris, M.N. (2007) Benchmarking firm performance. *Benchmarking: An International Journal, 14 (6), 693 – 710*

Moriarty, J. P. (2011) A Theory of Benchmarking. *Benchmarking : An International Journal, 18, 588-612.*

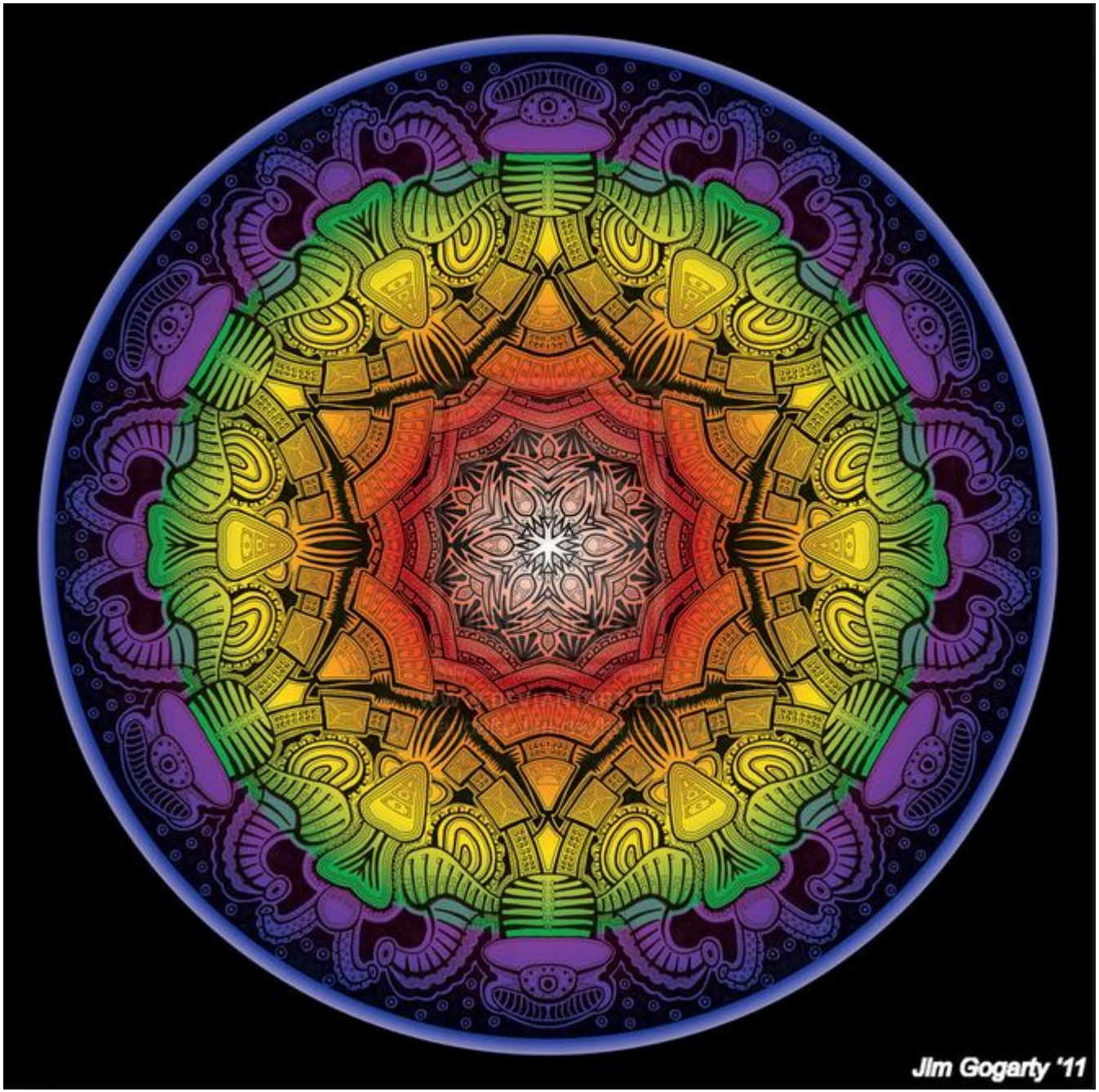
Northern DHB Support Agency Ltd (2012) Key Performance Indicator Framework for New Zealand Mental Health and Addiction Services - Phase III: Implementation of the framework in adult mental health services. NDSA.

Nowotny, H., Scott, P. and Gibbons, M. (2001) Rethinking Science: Knowledge and the Public in an Age of Uncertainty. Cambridge. UK: Blackwell

Reider R. (2000) Benchmarking Strategies: A Tool For Profit Improvement. John Wiley & Sons, New York.

Stenner, P., Watts, S., & Worrell, M. (2008). Q Methodology. In Carla Willig & Wendy Stainton-Rogers (Eds.), *The Sage Handbook of Qualitative Research in Psychology*.

Wadsworth, Y. (2010), Building in Research and Evaluation: Human inquiry for Living Systems. Allen & Unwin, Australia.


Jim Gogarty '11