RESEARCH ABSTRACT

Paper no. 57

ENTITLED:

Assessing Kingdom of Saudi Arabia hospital's performance Using Balanced Scorecard

Applying Balanced Scorecard for Performance Management in the hospitals with special reference to KFSHRC-JEDDAH

Proposed by:
Abstract

Health care sector in Kingdom of Saudi Arabia (KSA) and worldwide is facing different types of threaten and receiving a great attention from the authority. Since 1970's, the KSA healthcare sector is under continuous modifying and developing. As the health care industry affects the welfare of people worldwide, it is important for this industry to function optimally. On the other hand, this industry is typically nonprofit and costly to the nation total income. This situation making hospital management and decision-making processes critical processes since they affect the achievement of objectives of the hospital. However, the main important issues to maintain the achieving developing goals are: 1. improving management system, and 2. evaluating system performance. Finding tools that could reach the aforementioned goals grasp interest's awareness. Thus, the management system chosen to ensure healthcare industry performance must be capable and able to implement the vision and mission of the organization (Potthoff and Ryan, 2004).

Since the developing the Balanced Scorecard (BSC) by Kaplan and Norton in 1992, it become a method to prioritize and align the activities that help to meet the health industry business requirements. The BSC was originally developed to communicate strategy but it is now used to evaluate performance management in many different organizations (Wicks et al., 2007). Within the healthcare industry, the BSC has been shown to be an effective managing and measure the performance (Inamdar, Kaplan, and Reynolds, 2002; and Yap, Siu, Baker, Brown, and Lowi-Young, 2005). The focus of the BSC is to improve performance measurement systems with clarification of vision and goals, management and strategy, and improved performance. Managers are using the scorecard in their planning and budgeting processes to align business units with financial and other resources (Voelker, Rakich, and French, 2001).
Moreover, BSC allows implementation and management of all organizational levels, linking objectives, initiatives, and measuring overall strategy. Also, it allows management to use information systems to track data and align the data with objectives (Voelker et al., 2001). Curran, (1998) cited that key areas that are assessed by the BSC organizational strategy include financial performance, internal business processes, customer measures, and measures of learning or development.

Thus the BSC is considered as a performance measurement and strategic planning tool and also provides a performance framework and a management methodology (Voelker et al., 2001). This tool is a flexible tool that can be used in a variety of healthcare organizations and hence could be a good tool to help KSA healthcare industry developing.

**Aims:** The purpose of the current investigation is to evaluate the application of the Balanced Scorecard (BSC) for assessment of the performance of King Faisal Specialist Hospital and Research Center-Jeddah (KFSHRC-J). This research will include a quantitative and empirical study of the application of the BSC to KFSHRC-J. To meet these demands, the healthcare industry is adopting new strategic frameworks such as the Balanced Scorecard (BSC) to evaluate performance (Wicks, Clair, and Kinney 2007).

Findings from the current investigation will provide information about the use of the BSC in KSA healthcare sector. Since the health care industry currently has increased service delivery costs in all operational areas and demands from third-party payers and regulatory agencies for greater accountability and transparency, adequate performance measures are needed (Silva and Prochnik, 2005). Study findings will provide a description of how to adapt the BSC to KFSHRC-J as a model to healthcare industry of Saudi Arabia.

The study will address the following research questions:
1. What are the most common performance management systems or models use in the healthcare sector today?

2. What are the strengths and weaknesses of the BSC for performance job appraisal?

3. To what extent does the BSC meet the needs of healthcare institutions for objective and comprehensive performance management at the individual, unit and organizational levels?

4. What are the perceived barriers to using the BSC in this sector?

5. What are the attitudes of HRM professionals and other administrators in healthcare institutions regarding the BSC and its complexity or challenges?

6. To what extent does the BSC represent a set of “best practices” for performance job appraisal in healthcare institutions?

The current study will identify the actual practices in use for performance job appraisal at participating healthcare institutions; identify attitudes of HRM and other administrator in this sector toward the use of the BSC; and detect barriers for implementing BSC in certain hospitals of the KSA healthcare sector.

**Limitation:** The study will be limited by the volunteer sample selected from the healthcare organizations in Jeddah city, which means that findings may not be able to generalize to individuals in other geographical locations. In addition, the study will provide descriptive findings only.

**KFSHRC-J Biography:** The study setting will take place in the King Faisal Specialist Hospital and Research Center that opened in Jeddah on April 2000. By 2002, this setting increased in capacity to 235 beds.
Between 2003 and 2005, the hospital established four centers of excellence: Oncology, Cardiovascular, Neurosciences and Intensive Care Units. By the end of 2004, the Institutional Review Board (IRB) had approved sixty research proposals for the research center, which included international clinical trials sponsored by leading pharmaceutical companies. In addition, the Research Center successfully initiated collaborative projects in medical and drug development research with organizations from the United States, China, and Germany.

KFSHRC-J is now a 300-bed tertiary recognized care hospital in the Western region of Saudi Arabia. It has twice received the Joint Commission International Accreditation (JCIA) due to the commitment to the Hospital vision to become the premier international center of excellence for health, medical training, and research. KFSHRC-J has a wide scope of services that cover all health care specialties. These specialists include the followings:

- Anaestheiology
- Family Medicine
- Obstetrics and Gynecology
- Pathology and Lab Medicine
- Clinical Service
- Dentistry
- Medicine
- Pediatrics
- Surgery
- Emergency Services
- Nutrition
- Radiology
- Physical Therapy
- Pharmacy

**Human Resources Activities and Plans:** A new human resources (HR) business plan (2006-2008) was developed in KFSHRC-J aiming at transforming HR from a purely transactional process towards a strategic partnership role and e-competency approach. The HR team identified the following main topics as requiring extensive investigation:

1. Developing a job family competency dictionary.
2. Reviewing and updating the current Hospital job descriptions based on Hospital job families.

3. Studying and re-evaluating the Hospital current job evaluation system which was built on the Hay System.

4. Reviewing the Hospital current grading and salary structure and recommending a flexible and competitive approach that best fit with the Hospital structure and strategies.

5. Designing a performance management system that effectively differentiates between high and low performers, and links individual and team performance to the Hospital goals.

6. Building a career path for each of the Hospital job families.

7. Participate in recommending ways to map and integrate all the deliverable reports in Hospital Oracle HR System.

Survey research will be used for this study to determine the effectiveness of using the BSC to reach organizational goals. The researcher will develop the survey instrument for the study based on the aforementioned research questions. The survey will be used to assess a convenience sample of HRM professionals at selected hospitals, healthcare clinics, and other healthcare providers. The researcher will contact HRM professionals at the target institutions regarding their participation in the research project. The researcher will explain project objectives to these HRM professionals and ask for their participation. From the population of volunteered HRM professionals, the researcher will randomly select a group of subjects. The researcher will give the survey instrument to those selected to participate. The survey will include demographic items and attitudinal items that focus on the research questions. Participants
will volunteer to participate and confidentiality of the participant will be maintained with the use of identification numbers instead of names.

The researcher will construct the study survey, which will contain two sections. The first section will assess information related to the subjects. These items will assess age, gender, income level, educational history, employment, race/ethnicity, marital status, number and ages of children, and information about the type of performance management activities that have been carried out at the institution. The second section of the survey will present 20 items focused on the research questions in order to assess the merits and problems related to the BSC framework for performance management. Attitudes of the participants toward performance management strategies in general will also be assessed. A four-point Likert scale will be used to assess these issues.

Descriptive statistics with means and percentages will be used to analyze the data and describe the sample. Inferential statistics will be used to further address the research questions.

In summary, this study will seek to investigate the use of the BSC at KFSHRC-J. Human resource managers will be surveyed to determine their perceptions of the effectiveness of the BSC to reach organizational objectives. These HR professionals will rate the use of the BSC in general and comment on the use of alternate performance management systems. Study findings will add to the database regarding the effusiveness and flexibility of the BSC for use in the healthcare setting and specifically at KFSHRC-J and barriers to effective BSC use. Findings will provide information to help healthcare managers overcome barriers to using the BSC effectively.
References


