

MEASURING THE VALUE OF YOUR OCCUPATIONAL HEALTH PROGRAM



“If You Can’t Measure It, You Can’t Improve It.”

Management thinker, Peter Drucker, is often quoted as saying that “you can’t manage what you can’t measure.” Drucker means that you can’t know whether or not you are successful unless success is defined and tracked.

Quantifying Your OH Program Value

Successful occupational health programs deliver significant indirect and direct outcomes

for both the employee and organization. Unfortunately, many occupational health programs are viewed as a cost driver versus a value driver. To change this perception requires the establishment of key performance indicators. A Key Performance Indicator (KPI) is a measurable value that demonstrates how effectively an organization or department is achieving their key business objectives. KPIs are documented to evaluate their success at reaching targets/ goals across an organization or department.

KPIs assist in monitoring and measuring the value and return on investment of an occupational health program and their key goals and targets.

A KPI should immediately inform the employee(s) how the business is performing which in turn should suggest what actions need to be taken.

Make Sure They're SMART

There are a few rules of the road when defining your organizational or occupational health program KPIs. A quick test for choosing proper KPIs is a tool called SMART. SMART stands for Specific, Measurable, Attainable, Relevant and Timely.

- **Specific:** Are the KPIs too general, or are they clear and defined?
- **Measurable:** Are the selected KPIs easy to quantify and measure?
- **Attainable:** Is it realistic for us to obtain this measure? Can I take the appropriate measures to implement this KPI and see changes?

- **Relevant:** Your goal should matter to your organization or program and address a core initiative.
- **Timely:** Does your organization or department measure on a monthly or quarterly basis as opposed to annually?

KPIs should be quantifiable, well defined and not too complex. KPIs are typically attached to an organizational dashboard or scorecard. A dashboard is a data visualization tool that displays the key KPIs as well as other information for an organization or department. Dashboards consolidate and arrange numbers providing a macro review of an organization's performance at a certain point of time.

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KPI Examples

- Financial: (Quarterly program profit margin)
- Survey: Employee Satisfaction
- Clinical Staff Productivity

- OH Clinic: Employee Engagement/ Utilization – Total Encounters / Type of Encounter(s)
- Lost-Time Injury and Illness Frequency Rate
- Improvement in Biometrics / Health Screenings Completed and Targets Met

A Best Practice Guide to Implementing Key Performance Indicators¹

1 – Identify the area of business performance you wish to measure

KPI's typically align with business goals and may be used to measure aspects such as financial performance, business growth, health and safety management, customer satisfaction and employee retention.

2 – Establish the target against which performance will be measured

Unless you have a defined goal you have nothing against which to measure positive or negative performance. The target should be specific e.g. rather than identifying that 'the business needs to increase its total health screening', a specific goal might be that the OH program needs to grow their health screenings utilization by 100 employees in the next six months.

3 – Compare current performance with the defined target

Taking a snapshot of current performance provides a starting point for measurement and enables the overall target to be broken down into smaller goals. I.e., 'in order to achieve an increase of 100 employees' growth in health screenings, utilization requires an increase 10% utilization each month.



4 – Review performance changes to date

Reviewing how performance in the area being measured by the KPI has changed in the periods leading up to implementation. This approach will help to identify more realistic goals and suggest whether performance improves or declines at particular times of the year or after specific events. This will help your program to manage these aspects in accordance with your objectives.

5 – Establish an appropriate interval between each KPI review

Inspect what you expect. Depending upon the area of business performance being measured, the frequency with which KPIs need to be reviewed may differ. Accurate measurement of performance can only be obtained if a schedule of periodic review is defined and strictly adhered to. Assess your KPIs and adjust along the way.

A Winning Scoreboard

The development and implementation of the short and long-term goals for your organization or occupational health program are the pre-requisites for your KPI selection. At all levels of your organization, KPIs should create a sense of purpose, clarity and accountability for all employees.

KPIs must grip everyone in your organization to ensure your moving in the right direction with all eyes on a winning scoreboard.

¹Source: maguiretraining.co.uk/blogs-articles/a-simple-guide-to-implementing-key-performance-indicators-kpis

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