

The Influence of the Performance Management System design on the performance of the public hospitals in the Czech Republic

Abstract

The latest demographic and economic development in European countries established a trend of rising healthcare expenditures, which added to the pressure on the public budgets of the countries where the public funds are the predominant source of healthcare coverage. While many countries employed various private-sector-inspired management practices aiming to improve the performance of the public healthcare sector, the non-negligible share of healthcare spending is still considered wasteful, and identification of possibilities that might yield efficiency gains is ever so relevant. Considering the gaps between the environmental settings of various countries, finding of one universal theory of effective hospital management is quite unlikely. The contextual examination of hospital management on the national level and knowledge sharing is then a more suitable approach to aid the practitioners in search for the most appropriate mix of management practices.

Therefore, this research examines the performance management systems employed in three Czech public hospitals as well as aspects influencing the effectiveness of these systems to determine which aspects are perceived as the most performance influential and why. Since the performance in the healthcare environment is multidimensional phenomena, the combined methodological approach has been employed to adequately address the research objective. The core research phase involved on-site visits taking place since Sep 2019 with respondents from various management levels and both clinicians and non-clinicians. During an approximately hour-long session were the respondents asked to fill the questionnaire examining the aspects of performance management system employed in their institution (e.g. scope of measurement, reliability of data, communication of results). Then followed the interview examining the rationale behind each response in the questionnaire. After circa thirty sessions per examined institution, the obtained data were analyzed using the tools of statistical analysis in combination with commentaries and rationales obtained from interviews to interpret the results.

Major findings were similar among all examined institutions and mostly aligned with similarly natured studies. While the performance measurement reflects the clinical performance better than organizational performance, it is perceived as inadequate to the complexity of service. The use of performance management is considered for operational purposes rather than being incentive-oriented or exploratory in line with the perceived lack of connection between performance measurement and the organizational strategy.

Combined with insufficient communication of performance management principles, this discrepancy also diminishes the effectiveness of budget control which contributes to the potential tension between the hospital and clinical management in setting priorities between the economic performance and the quality of care. Overall the findings provide the practitioners with better insight into aspects influencing performance management employed in the Czech public hospitals as well as open the discussion of opportunities for improvement and thus contribute to the understanding of the connection between the design of the performance management system, the decision-making activity, and the hospital performance.