PERFORMANCE EVALUATION AND PUBLIC VALUE: AN EXPERIMENT APPLIED TO THE LOCAL HEALTH AUTHORITY

Adelaide Ippolito [*], Margherita Smarra [**], Marco Sorrentino [***]

* Department of Information Science and Technology, Pegaso Telematic University, Naples, Italy
** Department of Economics, University of Molise, Campobasso, Italy
*** Department of Management and Economics, Pegaso Digital University, Naples, Italy

OPEN ACCESS

Abstract

The research aims to present an experiment initiated in late 2023 by the Caserta Local Health Authority (ASL), focused on developing a system to assess the performance of hospital departments (Purbey et al., 2007; Elg et al., 2013). This system is designed to visually and intuitively communicate the efficiency levels (Georgopoulos & Tannenbaum, 1957) achieved by inpatient hospital departments. In particular, the strategic management of the ASL has selected some performance indicators considered indicative of the productivity and efficiency conditions of the inpatient departments, but significant for measuring the public value created for the community (Moore, 2007, 2014). This is in accordance with the legislation established by Decree Law 80 of 9 June 2021, which requires public administrations to plan the public value of performance in a dedicated section of the Integrated Plan of Activities and Organization (PIAO).

The need to adopt a method of cross-reading the performance indicators identified by the strategic management of the ASL as

indicative of the value created by the inpatient departments of the various hospital facilities, but, above all, the need to use dynamic dashboards capable of visually representing performance, thus providing useful information for making decisions quickly, gave rise to the adoption of the Barber Nomogram (Barber, 1977). The Barber Nomogram is a representative diagram of the positioning, over time, of a healthcare organization with respect to four indicators that play a critical role for hospital companies: the average length of stay, the bed utilization rate, the turnover rate, and the bed rotation index. This diagram is able to highlight an area of optimal and acceptable use of hospital facilities.

The experimental application of Barber's Nomogram was carried out in four general surgeries located in four of the seven hospitals belonging to the ASL. The results that emerged highlighted that the four general surgeries present very different performances from each other and that, in the years considered for the experiment (2020–2023), the managerial choices made influenced the performance of these surgeries.

The Barber Nomogram presented can be regarded as an integrated system for monitoring critical indicators of the public value created (Monfardini et al., 2012; Marcon, 2014; Esposito & Ricci, 2015), serving as a "compass" not only for top management but also for middle management. However, the model has limitations, as the selected indicators offer a discretionary perspective on performance, which, for the ASL's strategic leadership, are seen as indicators of the public value generated.

REFERENCES

Alford, J., & Hughes, O. (2008). Public value pragmatism as the next phase of public management. *The American Review of Public Administration, 38*(2), 130–148. https://doi.org/10.1177/0275074008314203

Alohali, M., Carton, F., & O'Connor, Y. (2020). Investigating the antecedents of perceived threats and user resistance to health information technology: A case study of a public hospital. *Journal of Decision Systems, 29*(1), 27–52. https://doi.org/10.1080/12460125.2020.1728988

Barber, B. (1977). Efficiency in the national health service. *The Lancet, 5*(3).

Bracci, E., Papi, L., Bigoni, M., Deidda Gagliardo, E., & Bruns, H.-J. (2019). Public value and public sector accounting research: A structured literature review. *Journal of Public Budgeting, Accounting & Financial Management, 31*(1), 103–136. https://doi.org/10.1108/JPBAFM-07-2018-0077

Catturi, G. (2003). *L'azienda universale*. Cedam.

Davenport, T. H., Harris, J. G., & Morison, R. (2010). *Analytics at work: Smarter decisions, better results.* Harvard Business School Press.

Elg, M., Palmberg Broryd, K., & Kollberg, B. (2013). Performance measurement to drive improvements in healthcare practice. *International Journal of Operations & Production Management, 33*(11/12), 1623–1651. https://doi.org/10.1108/IJOPM-07-2010-0208

Esposito, P., & Ricci, P. (2015). How to turn public (dis) value into new public value? Evidence from Italy. *Public Money & Management, 35*(3), 227–231. https://doi.org/10.1080/09540962.2015.1027499

Estensoro, M., Larrea, M., Müller, J. M., & Sisti, E. (2022). A resource-based view on SMEs regarding the transition to more sophisticated stages of Industry 4.0. *European Management Journal, 40*(5), 778–792. https://doi.org/10.1016/j.emj.2021.10.001

Georgopoulos, B. S., & Tannenbaum, A. S. (1957). A study of organizational effectiveness. *American Sociological Review, 22*(5), 534–540. https://doi.org/10.2307/2089477

Kao, H. Y., Yu, M. C., Masud, M., Wu, W. H., Chen, L. J., Wu, Y. C. J. (2016). Design and evaluation of hospital-based business intelligence system (HBIS): A foundation for design science research methodology. *Computers in Human Behavior, 62*, 495–505. https://doi.org/10.1016/j.chb.2016.04.021

Marcon, G. (2014). Public value theory in the context of public sector modernization. In *Public value management, measurement and reporting* (Vol. 3, pp. 323–351). Emerald Group Publishing Limited. https://doi.org/10.1108/S2051-663020140000003014

Monfardini, P., Mussari, R., & Melis, A. (2012). La creazione di valore: Aspetti critici e problematiche di misurazione [Value creation: critical aspects and measurement issues]. [Editorial]. *Management Control, 2*(Special Issue), 5–12. https://doi.org/10.3280/MACO2012-SU2001

Moore, M. H. (2007). Recognising public value: The challenge of measuring performance in government. In J. Wanna (Ed.), *A passion for policy: Essays in public sector reform* (pp. 91–116). The Australian National University Press. https://doi.org/10.22459/PFP.2007.08

Moore, M. H. (2014). Public value accounting: Establishing the philosophical basis. *Public Administration Review, 74*(4), 465–477. https://doi.org/10.1111/puar.12198

Purbey, S., Mukherjee, K., & Bhar, C. (2007). Performance measurement system for healthcare processes. *International Journal of Productivity and Performance Management, 56*(3), 241–251. https://doi.org/10.1108/17410400710731446

Simons, R. (2005). *Levers of organization design: How managers use accountability systems for greater performance and commitment*. Harvard Business Press.

Speckbacher, G. (2006). Strategic performance management in for-profit and not-for-profit organizations: What's the difference and what can they learn from each other? In M. J. Epstein & J.-F. Manzoni (Eds.), *Performance measurement and management control: Improving organizations and society* (pp. 459–478). JAI Press. https://dr-ama.com/wp-content/uploads/2013/10/Performance-Measurement-and-Management.pdf

Steccolini, I. (2019). Accounting and the post-new public management: Re-considering publicness in accounting research. *Accounting, Auditing & Accountability Journal, 32*(1), 255–279. https://doi.org/10.1108/AAAJ-03-2018-3423

Wang, T., Wang, Y., & McLeod, A. (2018). Do health information technology investments impact hospital financial performance and productivity? *International Journal of Accounting Information Systems, 28*, 1–13. https://doi.org/10.1016/j.accinf.2017.12.002