

# Seven characteristics of top-performing hospitals

Insights into organizations that outperform, year after year

Regardless of size, location or market attributes, top-performing hospitals share similar traits, according to a qualitative review of repeat winners of the IBM Watson Health 100 Top Hospitals award. Note: While this research was conducted prior to the COVID-19 pandemic, we believe these traits can help organizations excel before, during and after any crisis.

Every year, hospitals ask us: *What traits are common among the top-performing hospitals?* And while hospitals are currently focused on COVID-19 response and recovery, the answer to this question may reveal why some are in a better position to weather this public health crisis.

For more than 25 years, the [IBM Watson Health 100 Top Hospitals](http://www.ibm.com/watson-health/services/100-top-hospitals) study has measured hospital performance and leadership. It identifies top-performing hospitals based on publicly available data and a balanced look at clinical, operational and financial metrics.

## See how your hospital measures up

To better understand traits of top performers, we conducted a qualitative study<sup>4</sup> of winners who have appeared on the 100 Top Hospital list multiple times. Regardless of size, health system status, location or market characteristics, repeat winners share key characteristics:

### **1. Mature culture, with commitment to continuity**

There is a level of confidence, which seems to stem from continuity in executive leadership (especially the CEO and CNO), as well as staff understanding of the guiding principles essential to the culture. The commitment to maintain a performance culture is visible in hiring practices. For example, one organization requires leaders to complete a trial period before hiring them, to help ensure a good fit.

### **2. Nursing excellence**

These organizations adhere to an industry framework for nursing excellence. Five out of the nine high-performing organizations were Magnet certified, and two were on the journey to certification. The remaining two organizations use the Baldrige Framework. Discipline around strong nursing practices provides the structure for transformational leadership, empowerment, innovation and quality.

### **3. Deeply committed leadership**

The leaders we interviewed were deeply committed to their organizations and communities. Many conveyed a deep sense of responsibility to their “neighbors” and emphasized a personal commitment to quality and safety. These leaders seem to inspire their teams by modeling desired behaviors and were transparent about times when they did not achieve desired outcomes.

### **4. Hospital boards emphasize quality and safety**

High-performing leadership teams reported that their boards spent most of their time overseeing patient outcomes and quality rather than financial matters. This focus on clinical care was achieved with an average of 25-30% clinician membership on their hospital boards.

### **5. Data is the foundation**

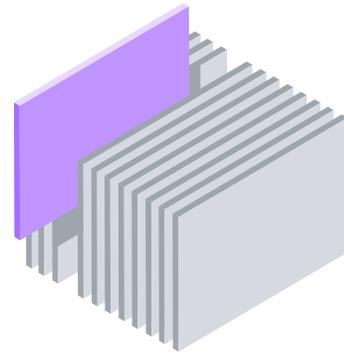
They use data to align performance, inform conversations and drive organizational change. This standard exists throughout the organization, with regular communication cascading from the board to front-line staff. These leadership teams achieve high performance without blame. They’re able to adjust to new reporting requirements and changes in medicine that result in better patient outcomes.

### **6. “Systemness” with local variation**

Seven out of the nine hospitals we interviewed were part of health systems. Most teams were accountable to overall system goals but had local autonomy over how they would achieve the goals. These hospitals worked hard to maintain the trust of their physicians and staff, and as a result, they were often the leading performers within their health systems.

### **7. Practical use of innovative technology**

These highly driven organizations weren’t focused on technology innovation for innovation’s sake. Instead, there was a measured and practical approach to the use of technology. Telehealth was the most common innovation being used, along with limited use of predictive modeling and augmented intelligence.



In these hospitals, there is a relentless focus on continuous performance improvement. They are mature organizations that are equipped to manage well, even during times of great disruption. In all times, top-performing hospitals are those that have boards, physicians, leadership and staff that work together to focus on delivering superior care. The result is a balanced, highly successful and engaged healthcare system.

## Work with an expert to drive continuous performance improvement

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### **Footnotes:**

1. Between Dec. 2019 and Feb. 2020, IBM Watson Health interviewed the leadership of nine hospitals that have achieved 100 Top Hospital status multiple times. The characteristics summarized here are based on our observations from these interviews. The hospitals ranged from small community to major teaching hospitals in urban as well as suburban communities. Some of the hospitals were in highly competitive markets, others were in areas of high growth, while others were areas with population declines. Some of the hospitals were in areas with a high number of poor and elderly populations (as much as 37% dual eligible.) The findings suggest that high performance is based not as much on market characteristics as it is intrinsic leadership abilities.

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