



ASQ®



Seeking Sustainable Success: ASQ Integrates Quality and Social Responsibility *in HEALTHCARE*

Summary

To be better positioned for the future, healthcare organizations need to understand the importance of addressing social responsibility through quality management and improvement tools that help reduce costs, improve efficiency, and have a positive impact on their communities.



A rooftop garden at Aurora's St. Luke's Medical Center provides a healing environment and helps the environment.



Aurora Healthcare, Wisconsin

Because it recognizes the personal nature of healthcare services,

Aurora is committed to creating environments that meet the diverse physical, emotional, spiritual, social, and economic needs of its patients and clients, as well as the care givers who serve them.

www.aurorahealthcare.org

Social responsibility (SR) is defined as the “responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

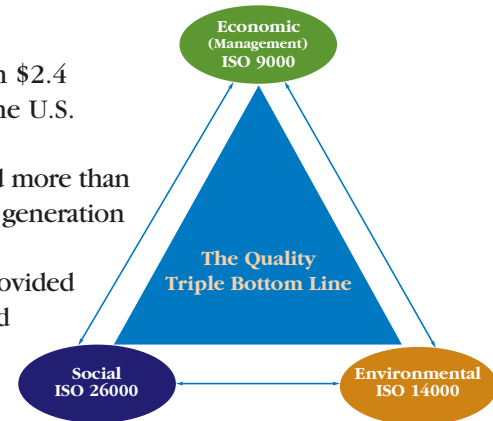
- Contributes to sustainable development, including health and the welfare of society;
- Takes into account the expectations of stakeholders;
- Is in compliance with applicable law and consistent with international norms of behavior; and
- Is integrated throughout the organization and practiced in its relationships.”ⁱ

Healthcare organizations are one of the few entities consumers spontaneously link to social responsibility.ⁱⁱ A growing number of healthcare organizations that seek to be better positioned for the future are working to understand the importance of addressing SR through quality management and improvement tools.

Healthcare Impact

Key SR elements are often referred to as the triple bottom line—social, economic, and environmental measures. These issues profoundly impact the healthcare industry. For example:

- **Economic:** Healthcare spending will approach \$2.4 trillion in 2009, approximately 18 percent of the U.S. gross domestic product.ⁱⁱⁱ
- **Environmental:** Healthcare organizations spend more than \$8.5 billion on energy each year, resulting in the generation of harmful greenhouse gas (GHG) emissions.^{iv}
- **Social:** As the largest U.S. industry, healthcare provided 14 million jobs—13.6 million jobs for wage and salary workers and about 438,000 jobs for the self-employed in 2006 (latest figures).^v



ASQ refers to the quality triple bottom line as the integration of social, economic and environmental measures. Performance and results improve as the view and cultural integration of quality expands.

It's important to note that the three are often intertwined. For example, an energy and operational update at Atlantic General Hospital in Berlin, MD, is projected to save nearly \$1.2 million over 10 years. Energy savings from the project, which was benchmarked through EPA's ENERGY STAR® program, will result in an annual reduction of 479 tons of carbon dioxide emissions, equivalent to planting 1,437 trees. The project employed local workers, and the improved energy-efficient lighting provides better working and healing conditions for patients, visitors, and staff.^{vi}

Wherever improvements are found, waste can be reduced—a key factor in healthcare. Congressional Budget Office director Peter Orszag stated in August 2008 that, “a variety of credible evidence suggests that healthcare contains the largest inefficiencies in our economy. As much as \$700 billion a year in healthcare services are delivered in the United States that do not improve health outcomes.”^{vii}

Because of improved technology and processes, healthcare-related organizations are finding tremendous opportunities like these as they find lower utility costs, more productive employees, and stronger communities. Process improvement is especially apparent as hospitals increasingly report the ROI of environmental sustainability initiatives in their annual community reports. Combined with quality tools that promote waste and error reduction, SR can provide an integrated solution for tackling challenges and driving performance that result in multiple benefits.

Overcoming Risks

In light of healthcare reform initiatives and other legislation, addressing SR in a clear and consistent way is growing in importance for many reasons.

- **Corporate scandals** of the past decade and the current economic crisis have driven public trust in many institutions to new lows, as consumers and investors question the governance and ethics of organizations.
- **Instant online communications** means that patients, suppliers, and investors or donors—from next door or across the planet—can quickly and easily learn about an organization’s reputation and activities and spread the word. Healthcare organizations are subject to increased scrutiny by a wide variety of watchdog groups, the media, and legislators. Bad decisions, scandals, and poor policies and practices can be easily aired, compared, and criticized.
- **SR is an important factor for employees.** More than one-third of respondents to a survey conducted by *Personnel Today* said that working for a caring and responsible employer was more important than the salary they earned. As many as 44 percent of respondents said they would discount an employer that had a bad reputation, while nearly half said SR policies should be compulsory.^{viii}
- **Current environmental legislation** is bringing environmental issues to the forefront. Global entities such as the United Nations and the World Health Organization encourage involvement, but federal, state, or local governments may even require healthcare companies and institutions to measure, report, and reduce GHG emissions.



Evergreen Hospital Medical Center, Seattle, WA
According to the World Health Organization, **75-90 percent of a hospital’s waste is made of paper, plastic packaging, and food preparation materials that haven’t been in contact with patients.** Evergreen has been honored for its strong internal recycling and waste reduction program.

www.evergreenhealthcare.org

Multiple Benefits

As ASQ works with hospitals, physician groups, and affiliated industries to improve the quality, accessibility, affordability, and acceptability of health services—and thus, the health of individuals—SR is playing an important role in helping healthcare organizations:

- Improve in key areas of efficiency, cost reduction, and patient outcomes.
- Reduce waste in all areas of operations.
- Develop a consistent approach to triple-bottom-line issues.
- Provide reporting and transparency.
- Encourage quality practices through measurement and continuous improvement.
- Strengthen an organization’s brand image and awareness.
- Improve and diversify the supply chain.
- Attract and retain employees.
- Improve risk management.
- Better understand diverse community health issues.

The ASQ Healthcare Division has approximately 3,500 members and has grown by 50 percent over the past four years. Healthcare organizations that already have embraced quality as essential to best practices find that working with ASQ enhances their efforts to promote mission fulfillment, employee satisfaction, socially responsible profitability, and economic growth that contributes to local and global competitiveness.

ASQ Tools

Here are some ways ASQ tools can help healthcare organizations connect to quality and SR through models, standards, and data-based decision making:

- **Continuous improvement:** Helping organizations evaluate SR in terms of efficiency and effectiveness and developing targets for improvement.
- **Lean methods:** Showing how creating more value with less work and less waste can reduce environmental and social impacts on employees, patients, and communities.
- **Six Sigma:** Developing statistical methods to identify and remove the causes of defects and errors in social, environmental, and financial issues, and creating a special infrastructure of people to address the concept within the organization.

- **Baldrige Award:** ASQ administers the Malcolm Baldrige National Quality Award under contract to the National Institute of Standards and Technology. The Award criteria ask for information about how businesses and organizations consider the well-being of environmental, social, and economic systems to which they contribute. The Baldrige Award is increasingly used as a guide for healthcare organizations, especially since the market gained its own category in 2002. Its value statement highlights the importance of SR: *An organization's leaders should stress responsibilities to the public, ethical behavior, the need to consider societal well-being and benefit, and the need to foster improved community health.*^{ix} (See page 4 for an example of a Baldrige-winning healthcare organization and its commitment to SR.)
- **Education:** ASQ holds an annual Quality in Sustainability Conference to inform healthcare professionals and others about SR issues. It also helps those involved in environment, economics, and SR to engage in quality principles and practices. Other training, conferences, and online courses provide the tools, technology, and resources necessary to carry out the voluntary guidance and measure effective results in areas such as:
 - Developing and communicating the economic cost of sustainability
 - Integrating quality and environmental management systems
 - Building a quality management program around the LEED[®] design rating system



A major health problem in Central and South America, the Chagas disease is spread by reduviid bugs.

Social Responsibility and Community Involvement



Bayer HealthCare is supporting the World Health Organization in the fight against the Chagas disease by providing the drug product Lampit free of charge along with additional financial support. www.bayer.com

- **Leverage partnerships:** Globally, ASQ has formed relationships with other organizations that have comparable missions and principles. Its international strategic alliances are helping to address SR needs of organizations and individuals worldwide.

Conclusion

A growing body of evidence asserts that SR helps organizations differentiate their brands and reputations as well as attract top talent.

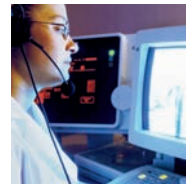
Additionally, an increasing demand for transparency; tracking of environmental issues such as GHG emissions and water use; preparation for climate change impacts; and other potential challenges are making organizations understand the need for measurement and management.

While the idea of quality and standards may seem daunting to the healthcare industry, if organizations take responsibility for the protection of the people and communities in which they operate by tapping into ASQ resources, the industry as a whole will benefit, as will individual organizations. And that ultimately benefits society.

ISO 26000: Guidance on Social Responsibility

ASQ serves as the U.S. Technical Advisory Group secretariat for *ISO 26000: Guidance on Social Responsibility*, which the International Organization for Standardization (ISO) is coordinating globally with 90 other countries. ISO 26000 is a guideline that can be integrated into best practices—not a certification; and it is intended for all organizations and sectors—not just corporations. While ASQ embodies and supports all seven subjects, initially it is concentrating on the areas that will deliver the greatest value to the quality community by focusing on three elements: organizational governance, environment, and community involvement and development. ASQ is aligning its body of knowledge and competency in waste reduction and customer advocacy to provide information on areas that quality can truly impact.





Online Resources

ASQ/SR

The Socially Responsible Organization
www.asq.org/health
www.TheSRO.org
Fosters a sense of community and connection around SR through sharing stories, experiences, and values, and by providing printed and online successful practices, case studies, and tools.

The Environment

Practice Greenhealth
www.practicegreenhealth.org

Healthcare Without Harm
www.noharm.org

Green Guide for Healthcare
www.gghc.org

Premier Green Corner
www.premierinc.com_

Governance

Global Reporting Index
www.gri.org

Baldrige Award

www.baldrige.nist.gov

ISO 26000

www.iso.org/sr



Poudre Valley Health System

The 2008 Baldrige Award winner in healthcare, a locally-owned, nonprofit healthcare organization, serves residents and communities in northern Colorado, Wyoming, and Nebraska with a full spectrum of medical care at hospitals and clinics. Poudre Valley Health System (PVHS) first applied for the Baldrige National Quality Award in 1999, and since then, has used the annual application process to drive continuous quality improvement. With each application, PVHS has received a detailed feedback report from trained examiners who identify opportunities for improvement within the organization. Multidisciplinary staff teams with almost 100 participants continue to design and implement innovative new systems to address these opportunities.

PVHS has developed a measurement-driven strategic plan, striving for results in the 90th percentile or top 10 percent of available national comparative databases. Its governance provides a leadership system and measurement framework, such as incorporating a performance management system, which links individual goals to organizational goals through each employee's personal goal card, and developing a code of conduct, behavior standards, and leadership competencies, which outline specific behaviors that support organizational values.

PVHS's results are aligned with SR's triple bottom line.

Economic: One of the principal factors that determine PVHS's success is ensuring financial stability through work force engagement, partnering, performance improvement, and innovation. While a nonprofit organization, its quality initiatives have enabled it to reduce costs and reinvest its earnings to improve services and contribute to the community.

Social: PVHS is an active member of a regional, interagency collaboration to improve community health that uses a systematic process to determine community health needs, evaluate effectiveness, and shift resources as appropriate. PVHS patient satisfaction ranks in the top 1 percent of U.S. hospitals, among the top 3 percent of U.S. hospitals for employee satisfaction and engagement, and the top 1 percent of U.S. hospitals for physician satisfaction and loyalty.

Environment: PVHS's Medical Center of the Rockies became the first Colorado hospital to earn gold certification through the U.S. Green Building Council's Leadership in Energy and Environmental Design program. Recycling efforts at all facilities have been tracked since 2003 and have resulted in the avoidance of almost 1,000 tons of materials from landfills, which significantly reduced costs.^x

ⁱ ISO 26000 Draft International Standard, September 2009 – <http://www.asq.org/knowledge-center/standards/index.html> –

ⁱⁱ Insites Consulting: Corporate Social Responsibility Begins With Consumers –

http://www.insites.be/02/MyDocuments/PersberichtCSR09_07_23_ENG.pdf

ⁱⁱⁱ *Modern Healthcare*: A Quality Resource – <http://www.modernhealthcare.com/article/20081103/SUB/810319983>

^{iv} EPA Energy Star – http://www.energystar.gov/index.cfm?c=healthcare.bus_healthcare

^v Bureau of Labor Statistics – <http://www.bls.gov/oco/cg/cgs035.htm>

^{vi} Case study – Atlantic General Hospital

http://www.johnsoncontrols.com/publish/etc/medialib/jci/be/case_studies.Par.27069.File.tmp/Atlantic%20Gen%20Hosp%20LCS.pdf

^{vii} *New England Journal of Medicine*: "Waste, We Know You Are Out There," – <http://content.nejm.org/cgi/content/full/359/18/1865>

^{viii} *Personnel Today*: "Corporate social responsibility is more important than salary when choosing a job." – <http://www.personneltoday.com/articles/2007/08/02/41767/corporate-social-responsibility-is-more-important-than-salary-when-choosing-a-job.html>

^{ix} Baldrige Criteria – http://www.baldrige.nist.gov/HealthCare_Criteria.htm

^x PVHS Baldrige Entry – http://www.nist.gov/public_affairs/releases/poudre_profile.html

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