

Glossary of terms

Performance management terminology is subject to different interpretations and sometimes it is difficult to reach agreement on what is meant. While some people equate performance measures with indicators, as is the case in this Guide, others consider these concepts to be different. Goals, objectives, and sometimes targets are also used interchangeably. It is important then to state and reach agreement upfront on what is meant by what terminology and have a common understanding on concepts used.

Baseline is the initial collection of data to establish a basis for comparison.

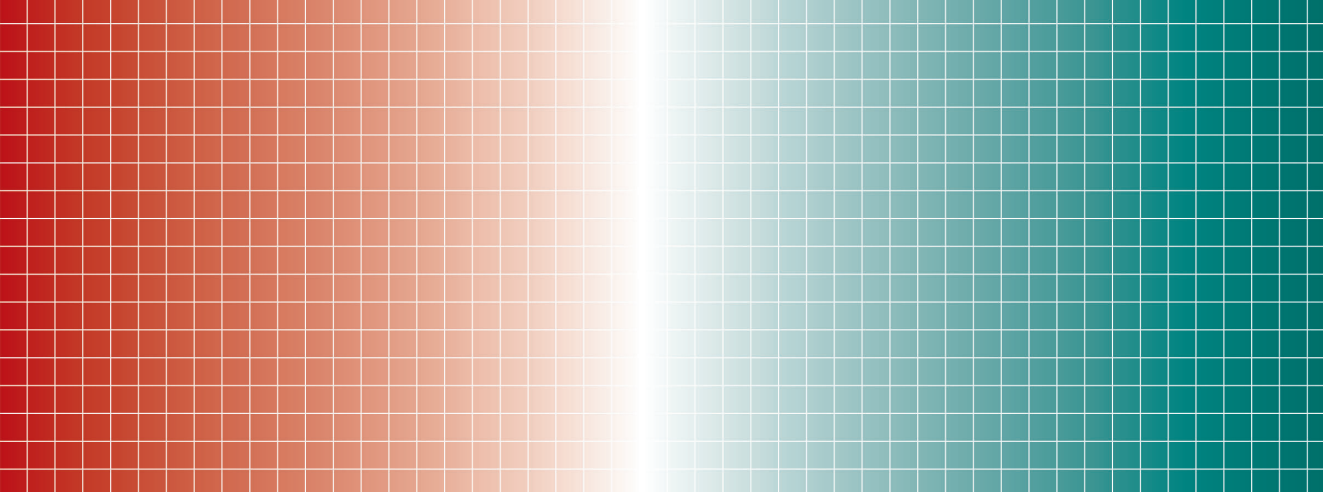
Benchmark is a standard or point of reference used in measuring and/ or judging quality or value.

Effectiveness, outcome, or impact is an extension, consequence or outcome that results from implementation and determines the relationship of an organisation's output to what it intends to accomplish.

Efficiency is a dimension of performance that is based on a direct relationship between input and output. It is measured by the ratio of output/input sometimes referred to as productivity.

Indicator helps managers answer the question, how will they know when success has been achieved. It refers to what specifically is to be measured for each aspect of performance. For example, numerical complaints or percentage of customers that are satisfied with the service they receive.

Input is a resource (National Treasury, 2002: 53) that an organisation uses to produce services. Inputs may include personnel, finances, facilities, materials, and even information.



Key performance indicator describes the performance dimension that is considered key or important in measuring performance.

Measure, which is also an indicator, describes the dimension of a process or population i.e. input measure – number of employees; output measure and or even the number of patients attended to.

Milestones relate to either a target or a step within a larger or longer-term process and goal.

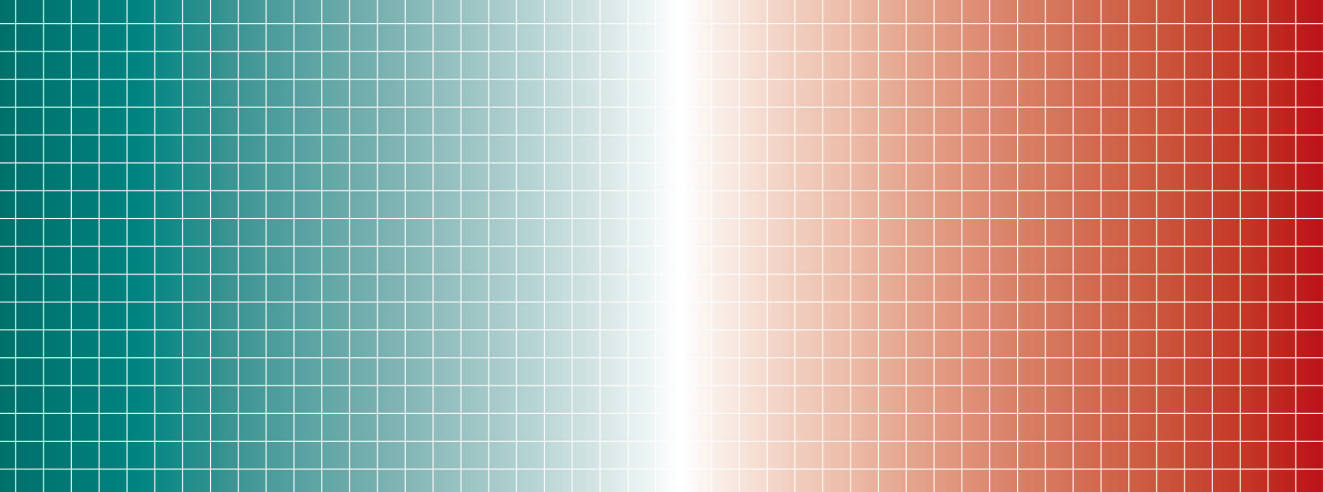
Mission describes an enduring statement of purpose or the organisation's reason for existence. It also describes what the organisation does, who it does it for, and how it does it.

Objective is a statement summarising the goal or what the organisation or component intends to do.

Output represents goods and services produced. Outputs are activity oriented, measurable and usually under managerial control. It refers to how well services are delivered without regard to whether they contribute to effectiveness or not.

Performance management is the practice of connecting the long-term strategy of an organisation to its day-to-day performance by specifying targets at all levels and monitoring performance against those targets.

Performance measurement is ongoing monitoring and reporting of accomplishment particularly progress towards pre-set goals. Effective performance measurement should allow the hospital to know (i) how well it is doing, (ii) if it is meeting its goals (iii) if patients are satisfied, and (iv) if and where improvements are necessary.



Performance standard is the minimum level of performance that is expected, or what is considered good.

Performance target is a commitment about the level of quality and timing of performance results to be achieved. A target identifies the specific, planned level of results to be achieved within a specific period e.g. 100 patients attended to per day.

Stakeholders are individuals or organisations that are affected by or interested in the service. These include staff, patients, politicians, the public, the hospital board, and all those who have an interest in the affairs of a hospital.

Vision refers to an idealised view of a desirable and potentially achievable future state where, or that, an organisation would like to be in the future.