

Introduction to Performance Management



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Training



- Defining performance management
- Identifying meaningful performance measures
- Exercise on using performance measures

Strategic Planning ≠ Performance Management



- Does your organization have strategic goals rather than strategic goals and quantifiable objectives? Yes
- Do departments use measures only for internal purposes rather than aligning some of them with the strategic plan? Yes

Benchmarking ≠ Performance Management



- Are you comparing primarily inputs and outputs against other local governments rather than outcomes? Yes
- Are you playing defense by justifying performance gaps rather than playing offense by closing performance gaps? Yes

Performance Measurement ≠ Performance Management



- Are your measures primarily focused on outputs rather than outcomes? Yes
- Do managers use the measures primarily for reporting purposes rather than decision-making purposes? Yes

What is performance management?



- Performance management occurs in local government when public officials use performance data for making policy and management decisions.

So what is the problem?



- Research has demonstrated that local governments are more likely to engage in strategic planning, benchmarking, and performance measurement than performance management.

So what is the answer?



- Research has demonstrated that local officials are more likely to engage in performance management when they report on meaningful outcome measures rather than basic output measures.

Outcome measures



Measure	Definition	Example
Input	Amount of resources	Expenditures
Output	Amount of service provided	Number of recyclable tons
Efficiency	Cost per service provided	Cost per collection point
Outcome	Quality of service provided	Diversion rate

Meaningful measures



Current outcome	Alternative outcome
Number of healthy newborns	Percentage of healthy newborns
All residents will have access to recycling	Set-out rate
Number of students who complete high school	Graduation rate
Average time to process a business license request	% of business licenses issued within 2 days of request
Opinions from citizens regarding staff responsiveness	Customer satisfaction rate

Process of identifying meaningful performance measures



Step 1

- Identify the mission statement, which conveys the purpose of the program.

Example

- The mission of the After School Program is to serve as a “safe haven” for at risk kids.

Process of identifying meaningful performance measures



Step 2

- Create goals from the mission statement, which are what the program expects to achieve.

Example

- Pursue a high attendance rate among clients.
- Improve the academic performance of clients.

Process of identifying meaningful performance measures



Step 3

- Create objectives to monitor progress toward goals which state the desired level of performance in quantifiable terms.

Example

- Maintain an average monthly attendance rate of 90 percent or higher.
- Improve the academic performance of 75 percent or more of clients.

Process of identifying meaningful performance measures



Step 4

- Identify measures from the objectives, focusing on efficiency and outcome measures.

Example

- Objective: maintain an average monthly attendance rate of 90 percent or higher.
 - Output – number of students
 - Efficiency – cost per student
 - Outcome – average monthly attendance rate

Process of identifying meaningful performance measures



Step 4

- Identify measures from the objectives, focusing on efficiency and outcome measures.

Example

- Objective: improve the academic performance of 75 percent or more of clients.
 - Outcome – percent of students who improved academically

Exercise on performance management

The following performance measures are being tracked for emergency management (E911). Create three strategies for including in the annual budget process.

Measure	FY 10-11	FY 11-12	FY 12-13
Calls per dispatcher	8,766	9,426	10,068
% of calls answered within 3 rings	96%	95%	90%