

# **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
<b>Efficiency</b>	Cost per service provided	Cost per collection point
<b>Outcome</b>	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%