

Agenda

Performance Management Workshop

1. Welcome and Introduction

- a. A real-life Scottsdale example
- b. What are we trying to accomplish?
- c. Questions that we must answer well to be successful

2. How to align efforts to advance the mission and strategic goals

- a. Scottsdale Strategic Planning Framework
(Mission, Goals, Values, Objectives, Initiatives, Measures)
- b. Strategy Model

3. How to select performance measures to track desired results

- a. Types of Indicators and Measures (Input, Output, Efficiency, Effectiveness and Cost-Effectiveness, Productivity, Outcomes)
- b. *ACTIVITY – What could you measure?*
- c. Orientation of Measures – Leading vs. Lagging
- d. Measuring what matters
- e. Don't settle for easy measures

4. How to identify standards and targets to evaluate success

- a. Setting standards and targets to improve performance

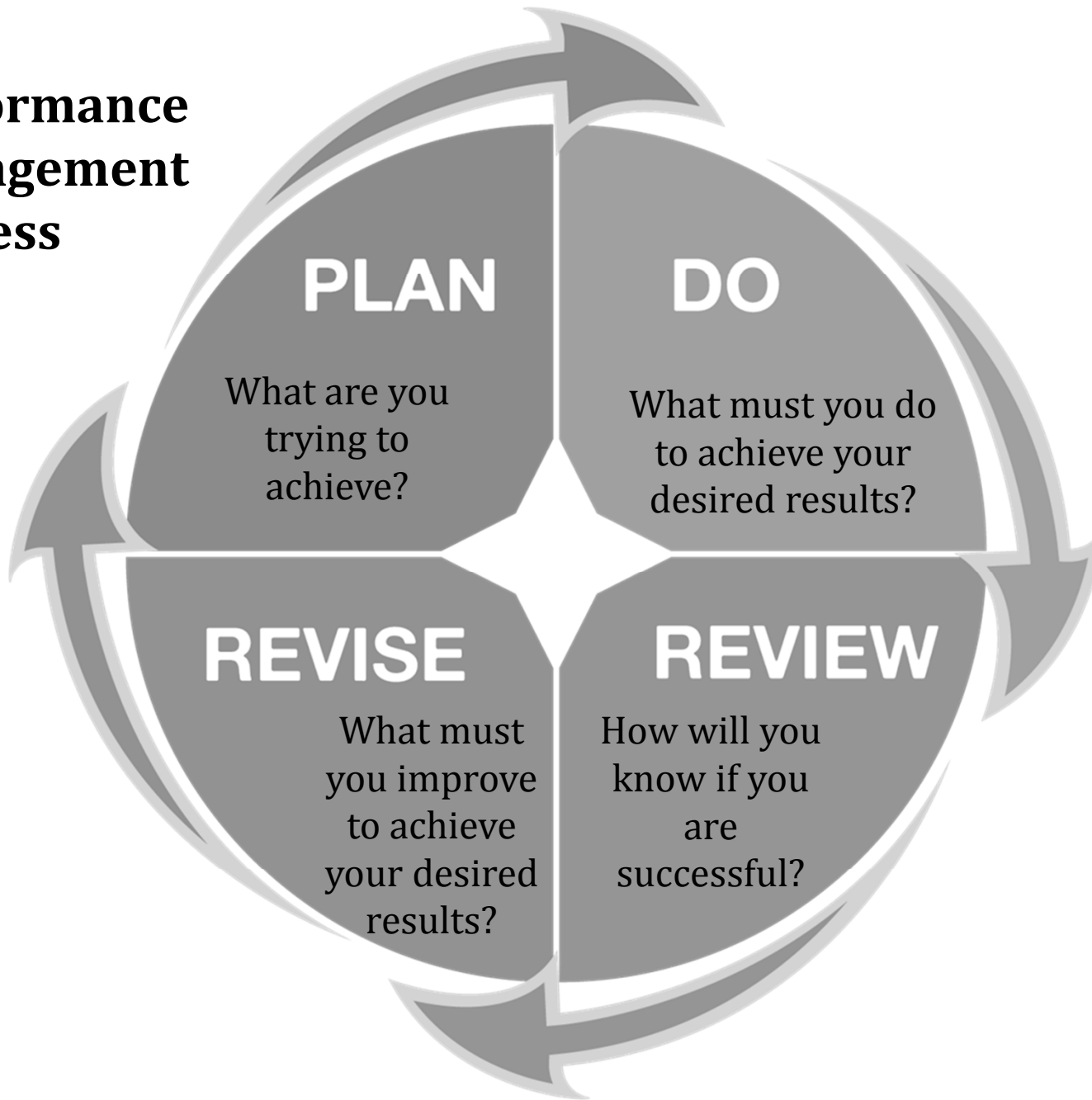
5. How to improve performance by formulating strategic objectives

- a. Four strategic perspectives
- b. Objectives, Initiatives and Measures
- c. Thinking "S.M.A.R.T."
- d. *ACTIVITY – What are you trying to improve?*

6. Wrap-up

- a. So, why measure?
- b. What do I need to do when I get back to my desk?
- c. How can we improve this workshop?

Performance Management Process





Questions that we must answer well to be successful



**What must we achieve?
Why must we achieve it?**



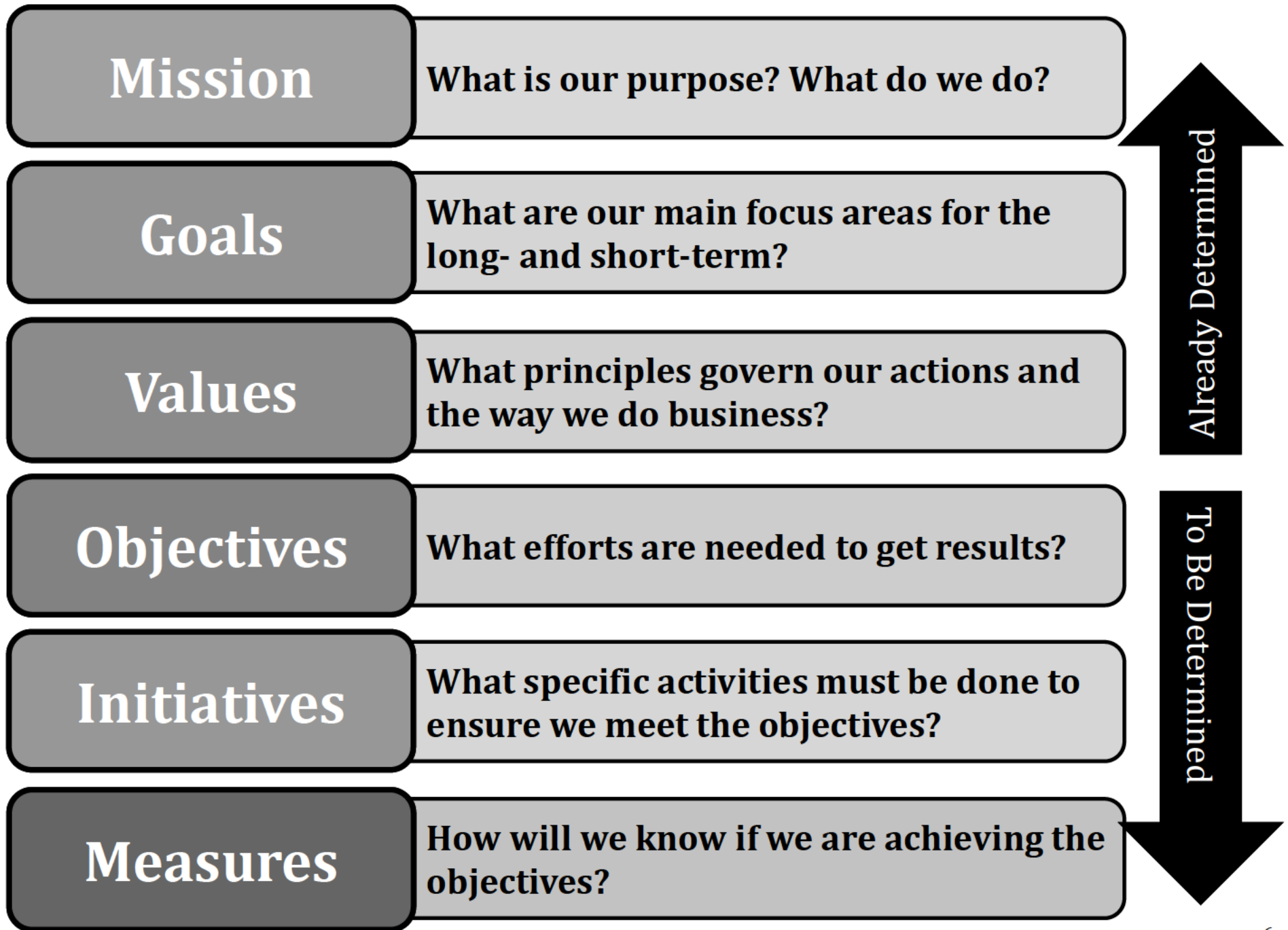
Where must we focus our efforts to get the desired results?



**How will we know if we are successful?
How will we convince others?**



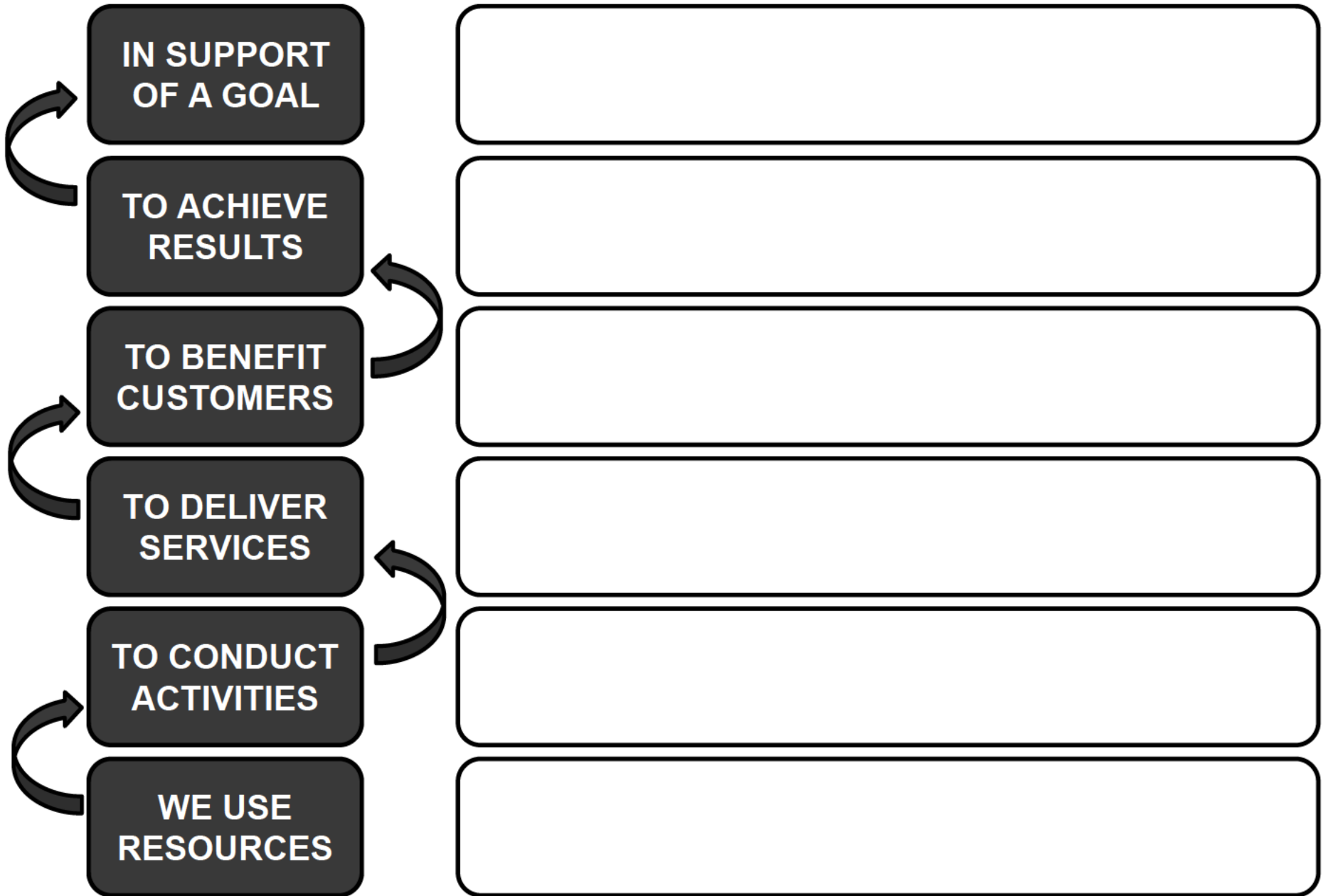
Did we achieve our objectives? If not, what do we need to improve?



Strategic Planning Framework – FY 2013/14

Item	Purpose	Description	Source
Mission	What is our purpose? What do we do?	<i>Quality core services delivered by an open, accountable and responsive government. Quality of life shall be the city's paramount consideration.</i> The mission of the City of Scottsdale is to cultivate citizen trust by fostering and practicing open, accountable, and responsive government; providing quality core services; promoting long-term prosperity; planning and managing growth in harmony with the city's unique heritage and desert surroundings; strengthening the city's standing as a preeminent destination for tourism; and promoting livability by enhancing and protecting neighborhoods. Quality of life shall be the city's paramount consideration.	The abbreviated mission statement (in <i>italics</i>) was developed by highlighting the two key concepts in <u>10</u> words from the 69-word Mission and Goals last approved by the City Council in 2004, which are not already reflected in the Strategic Goals. The full version of the 2004 mission statement follows.
Goals	What are our main focus areas?	<ul style="list-style-type: none"> ▪ Preserve Meaningful Open Space ▪ Enhance Neighborhoods ▪ Seek Sustainability ▪ Support Economic Vitality ▪ Advance Transportation ▪ Value Scottsdale's Unique Lifestyle and Character 	The Strategic Goals are the six guiding principles in the 2001 General Plan, and are not listed in priority order. In addition to the Strategic Goals, short-term goals may be set by the City Council or the executive team to address specific needs or challenges
Values	What principles govern our actions and the way we do business?	<ul style="list-style-type: none"> ▪ Plan & Innovate for the Future ▪ Listen, Communicate, Take Action ▪ Respect the Individual ▪ Collaborate as a Team ▪ Learn & Grow Continuously ▪ Focus on Quality Customer Service ▪ Be Accountable & Act with Integrity ▪ Show Caring & Compassion for Others 	The Employee Values demonstrate the behaviors that employees and management model in fulfilling the mission, and goals
Objectives	What are we trying to accomplish? What efforts are needed to get results?	Concise action statements describing specific efforts or services we must do well, or improve, in order to achieve the mission and goals. Objectives support either strategic goals or short-term goals. Objectives must be quantifiable.	To be developed by divisions and departments; reviewed by executive management, and incorporated in the annual budget
Initiatives	What specific activities must be done to ensure we meet the objectives?	The specific programs, activities, projects or actions that will drive our efforts to achieve the objectives	To be determined by divisions and departments
Measures	How will we know if we are achieving the objectives?	Meaningful quantitative evidence used to monitor and track progress towards achievement of desired results.	To be determined by divisions and departments

What's your strategy?





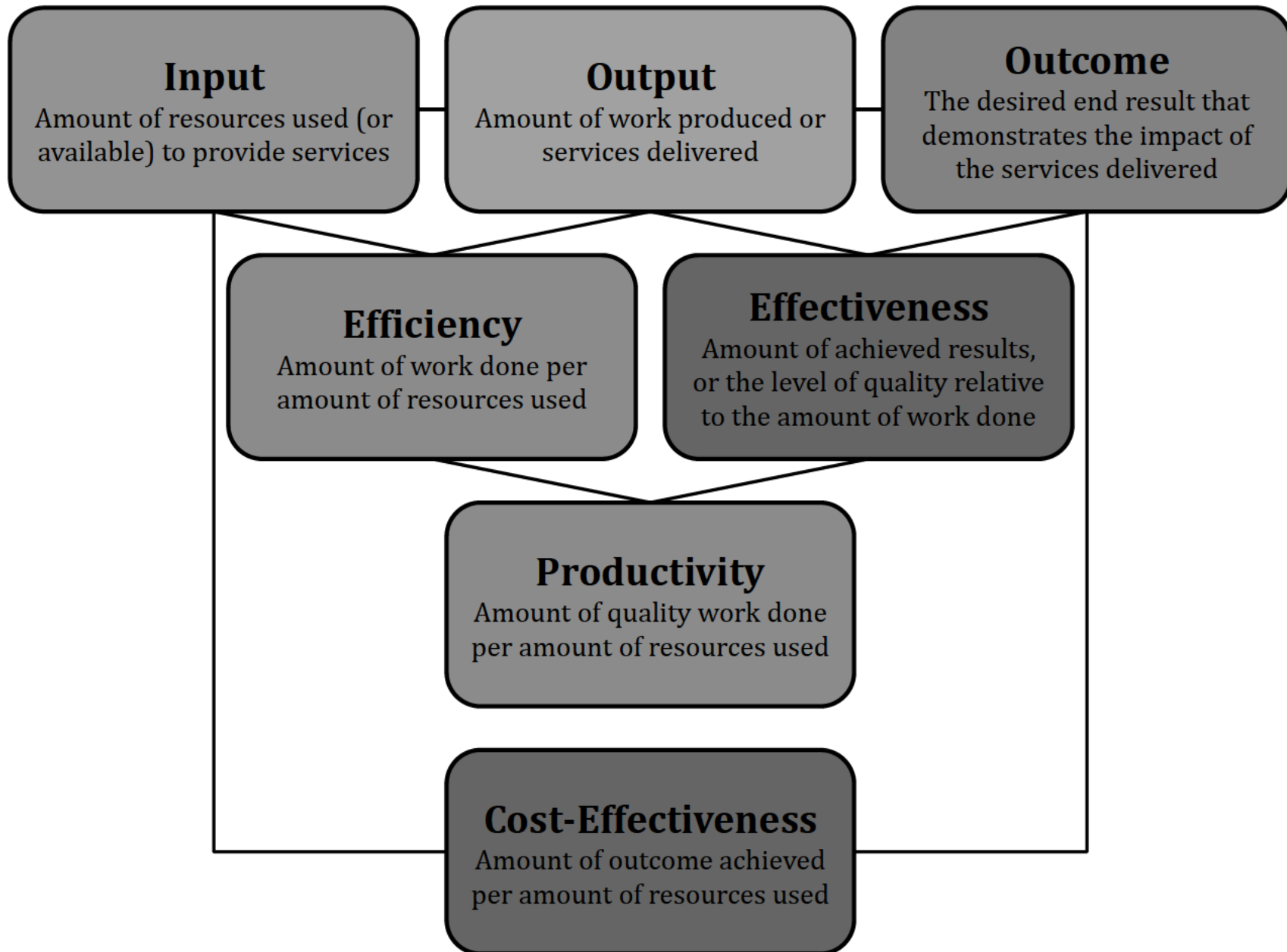
Performance measures are meaningful quantitative evidence used to monitor and track progress towards achievement of desired results

An indicator describes the environment in which you operate, including external factors that impact services

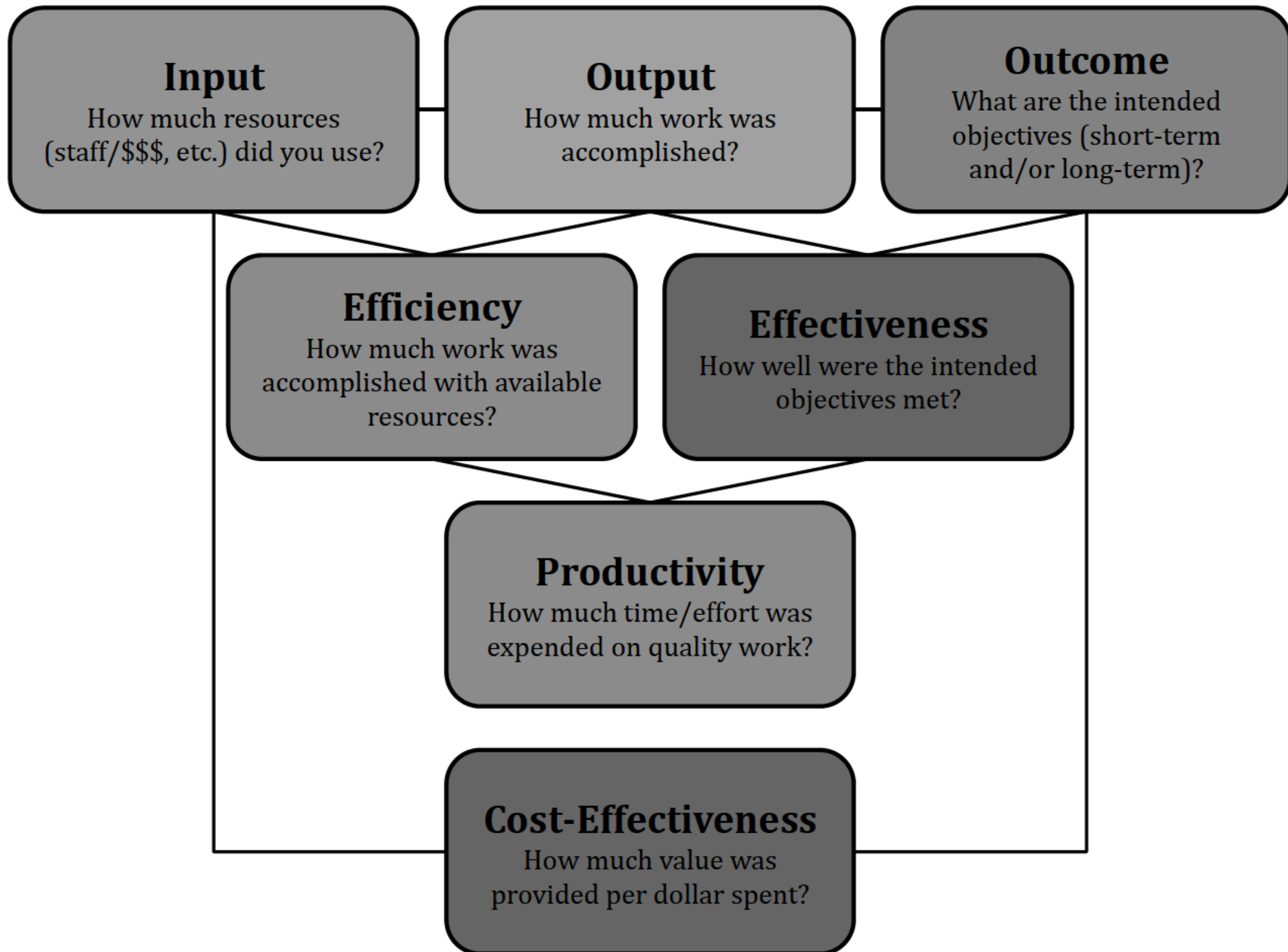
Such as: Population, Square Miles, Crime Rates

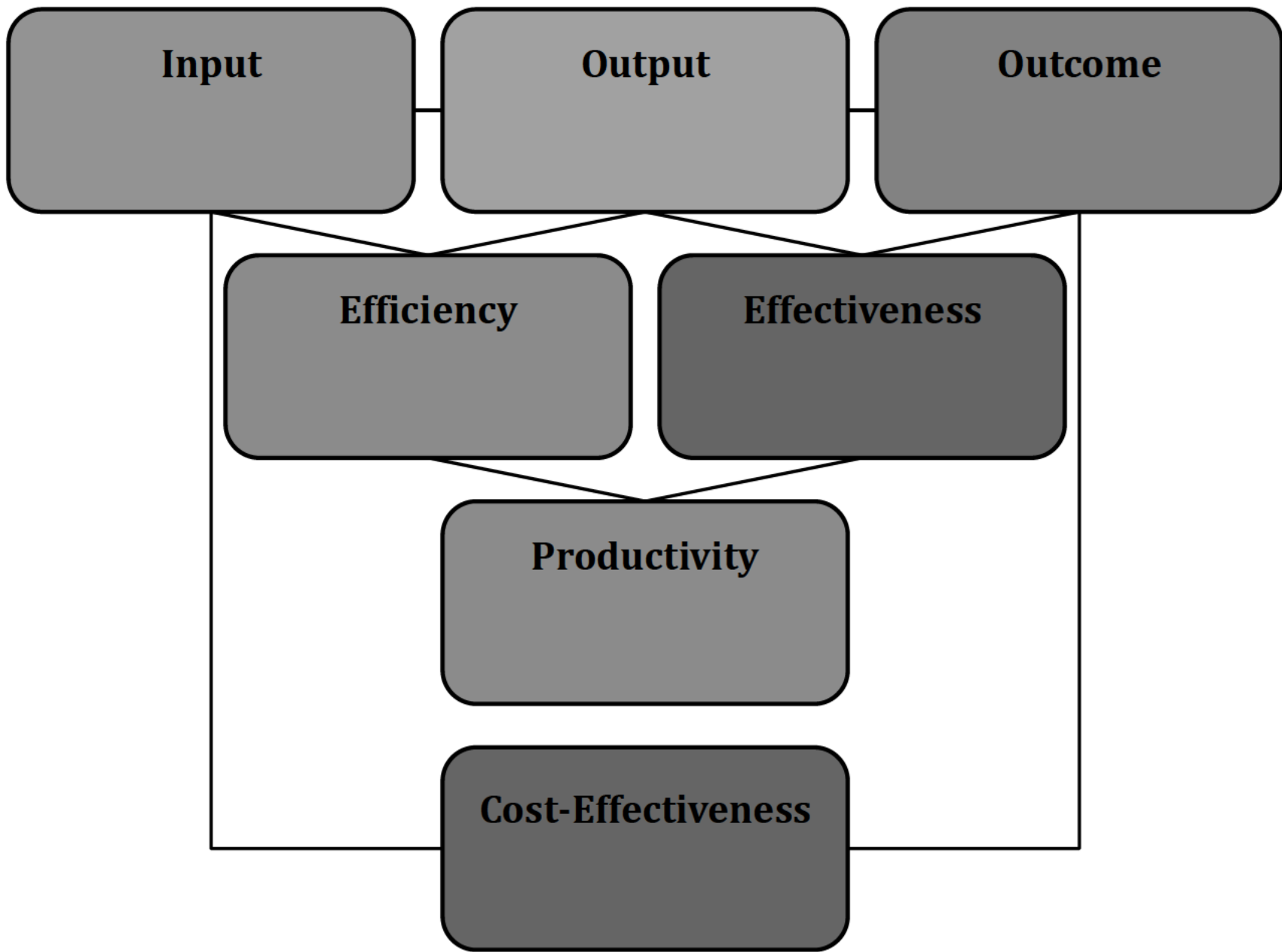
Measures are controllable, indicators are not (usually)

Types of performance measures



Questions performance measures can help answer







Lead Measures

**Measure actions
that must be done well to
achieve the desired result**

**Example:
Circle of Safety checks conducted**

Lag Measures


**Measure how well you
achieved the desired result**

**Example:
Vehicle Accident Rate**

Measuring what matters


“What matters is not finding the perfect indicator, but settling upon a *consistent and intelligent* method of assessing your output results and then tracking your trajectory with rigor.”

Jim Collins. 2005. *Good to Great and the Social Sectors.*



*...improving results by
integrating objective evidence
with decision-making processes*

**“...rigorously assemble evidence –
quantitative or qualitative – to
track your progress.”**



“Evidence suggests that improved performance occurs at a much greater rate when performance measures are compared.” Smith and Hartung, 2004

Targets express a specific level of performance the organization is aiming to achieve. **Standards** (also called “benchmarks”) express the minimum acceptable level of performance that is expected and achieved by other, high-performing organizations. How else will you know how well you are doing without context?

Four strategic perspectives

Customer Focus

How are we responding to the needs and concerns of our citizens?

Financial Sustainability

How are we managing the funds and resources entrusted to us?

Continuous Improvement

How are we ensuring service delivery is efficient, effective and economical?

Organizational Capacity

Do we have the right people in the right places with the right skills & information?

These are lenses through which you can view the organization – and elements to consider in identifying objectives/initiatives

Thinking “S.M.A.R.T.”

Specific

...what must be done?

Measurable

...is it quantifiable?

Achievable

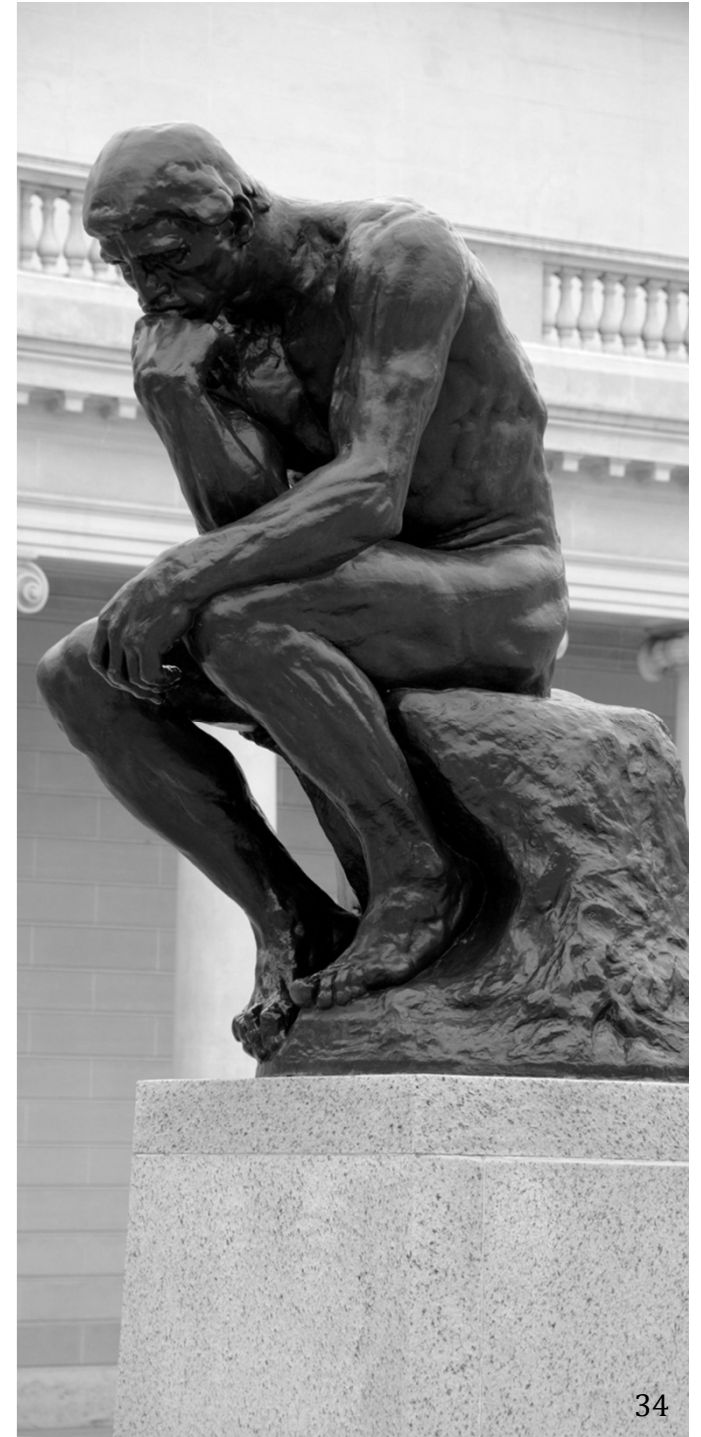
...is there a clear path to get to a defined target or standard?

Relevant

...is it something you must do to achieve a goal or comply with a law?

Timely

...can it be accomplished within the next 12-18 months?





What are you trying to improve?

WHAT IS THE STRATEGIC GOAL?
WHAT IS THE RELATED GENERAL PLAN GOAL?

WHAT IS THE OBJECTIVE?

WHAT INITIATIVES WILL YOU UNDERTAKE?

WHAT WILL YOU MEASURE SO YOU KNOW IF YOU'VE SUCCEEDED?

Objective Development Worksheet

No.	Which Division(s) and/or Department(s) are involved?	Which Strategic (or Short-Term) Goal does this support? What is General Plan Goal or Policy?	In one-sentence, what is the Objective? What must you do well, or improve, in order to achieve the mission, goals and values? Write SMART objectives. Start with an "action" word. Must be quantifiable.	What Initiatives (specific programs, activities, projects or actions) will drive your efforts to achieve this objective? Write SMART initiatives.	What Measures , or meaningful quantitative evidence, will you use to to monitor and track progress towards achievement of desired results?
Divisions (Departments): Charter Offices (Attorney, Auditor, Clerk, Court, Manager, Treasurer); Administrative Services (Communications, HR, IT, Purchasing); Community Services (Human Services, Libraries; Parks; Preserve); Community & Economic Development (Aviation, Econ. Dev., PNT, WestWorld); Public Safety (Fire, Police); Public Works (CPM, Facilities, Fleet, Solid Waste, Streets); Water Resources (Engineering, Reclamation, Quality, Services)			Strategic Goals: Preserve meaningful <u>open space</u> ; Enhance <u>neighborhoods</u> ; Seek <u>sustainability</u> ; Support economic <u>vitality</u> ; Advance <u>transportation</u> ; Value Scottsdale's unique lifestyle and <u>character</u> .		
			Action Words: achieve; activate; apply; accelerate; allocate; assist; assure; begin; build; complete; conduct; continue; coordinate; create; design; develop; devise; enhance; ensure; expand; facilitate; hire; hold; identify; implement; improve; increase; initiate; invent; maintain; manage; maximize; modify; monitor; produce; provide; reduce; supply; support; sustain; translate; utilize		
			SMART Objectives and Initiatives are: Specific, Measurable, Achievable, Relevant, and Timely		

Why measure?

**If You Don't Measure Results,
You Can't Tell Success from Failure**

**If You Can't See Success,
You Can't Reward It**

**If You Can't Reward Success,
You're Probably Rewarding Failure**

**If You Can't See Success,
You Can't Learn From It**

**If You Can't Recognize Failure,
You Can't Correct It**

**If You Can Demonstrate Results,
You Can Win Public Support**

David Osborne and Ted Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector.*



What are we asking you to do?



1. Review services and existing objectives to ensure they are linked to the strategic and/or general plan goals, and make adjustments as needed



2. Review existing measures to ensure you are measuring the efficiency, effectiveness, and cost-effectiveness of services and create new measures, if needed



3. Identify standards and targets for each measure to ensure that you have context for evaluating success



4. When measures do not meet identified targets or standards, develop objectives, initiatives and measures to improve performance



How can we improve this workshop?

Questions, Comments, Feedback?

- **What worked well?**
- **What didn't work well?**
- **What questions do you still have?**

Scottsdale Guiding Principles

The Scottsdale Performance Management Framework is:

- **Aligned** with City Council and General Plan mission, goals, priorities
- **Results focused.** Strategies, processes, and decisions are designed to achieve desired results
- **Relevant.** Matters to both the city government and the community
- **Transparent.** Easy for stakeholders to access and understand
- **Timely, Accurate and Pertinent.** Data drives decisions and processes
- **Transformative.** Continuously improves the organization, management decision-making, and policy-making processes
- **Sustainable** over time and across organizational changes

Adapted from National Performance Management Advisory Commission. 2010. *"A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving."*

Identified Best Practices

To be successful, our program should move towards having these components of other best practice programs:

1. **Visible Leadership.** A clear champion both citywide, and in each division
2. **Reasonable Approach.** Measure the critical few -- performance pyramid
3. **Regular Reporting.** Annual isn't enough -- quarterly at first, perhaps monthly
4. **Regular Review.** Management evaluates on a regular basis for trends
5. **Compare with others.** Measure internally, with peer cities, and with industry
6. **Ask for feedback.** Customer evaluations provide a critical measure of our performance
7. **Drives Resource Allocation/Rewards.** Use as part of the budget evaluation process, and connect to employee/contractor performance evaluations
8. **Consistently Utilized.** Measures, practices and terminology are consistent throughout the organization and industry*
9. **Strategically Aligned.** A key component of the strategic planning process*

Adapted from National Performance Management Advisory Commission. 2010. *"A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving."*

* Added for FY 2012/13



Is your measure? If so, then it will be:

Critical	Measuring a vital component of, or outcome from, the work done by the unit
Clear	Easy to understand what is measured
Controllable	Directly related to clearly-stated objectives for the program and matched to the specific unit responsible for and capable of acting to improve performance
Comprehensive	Inclusive of major aspects of the program
Credible	Based on accurate data sources and methods, not manipulated or distorted
Comparable	Useful to make comparisons; for example, can be compared from period to period, with peers, rules-of-thumb, targets, etc.
Constructive	Identifies when improvement is needed

Different measures are used for different purposes

Purpose	Key Question	Characteristics of measures
Evaluate	How well are we performing?	Comparison against past performance, peers, industry standards or political expectations
Control	How can I ensure we are doing the right thing?	Measure compliance with requirements or regulations
Budget	On what should we spend the public's money?	Efficiency measures (effectiveness or outputs measures divided by reliable cost or staff data)
Motivate	How can I motivate others to improve ?	Almost-real-time "lead" measures or outputs to compare with established targets
Promote	How can I convince others we are doing well?	Efficiency and effectiveness measures conducive to interesting and meaningful peer comparisons
Celebrate	What successes are worthy of celebrating?	Periodic and significant targets that, when achieved, provide sense of accomplishment
Learn	Why is it working or not working?	Wide variety of measures with potential to detect unexpected and significant results
Improve	What should we do differently to improve?	Data to help understand or predict how inputs, environment and operations you can impact causes improvements in outputs or outcomes

Adapted from Robert Behn. 2003. "Why Measure Performance? Different Purposes Require Different Measures."

Improving performance Inside Out

Coaches Working from the Outside In

Set goals for employees and get their buy-in

Instruct, persuade, force or cajole employees to improve performance

Micromanage employees to make sure things get done

Be accountable for results

Coaches Working from the Inside Out

Provide employees with tools to set & reach goals

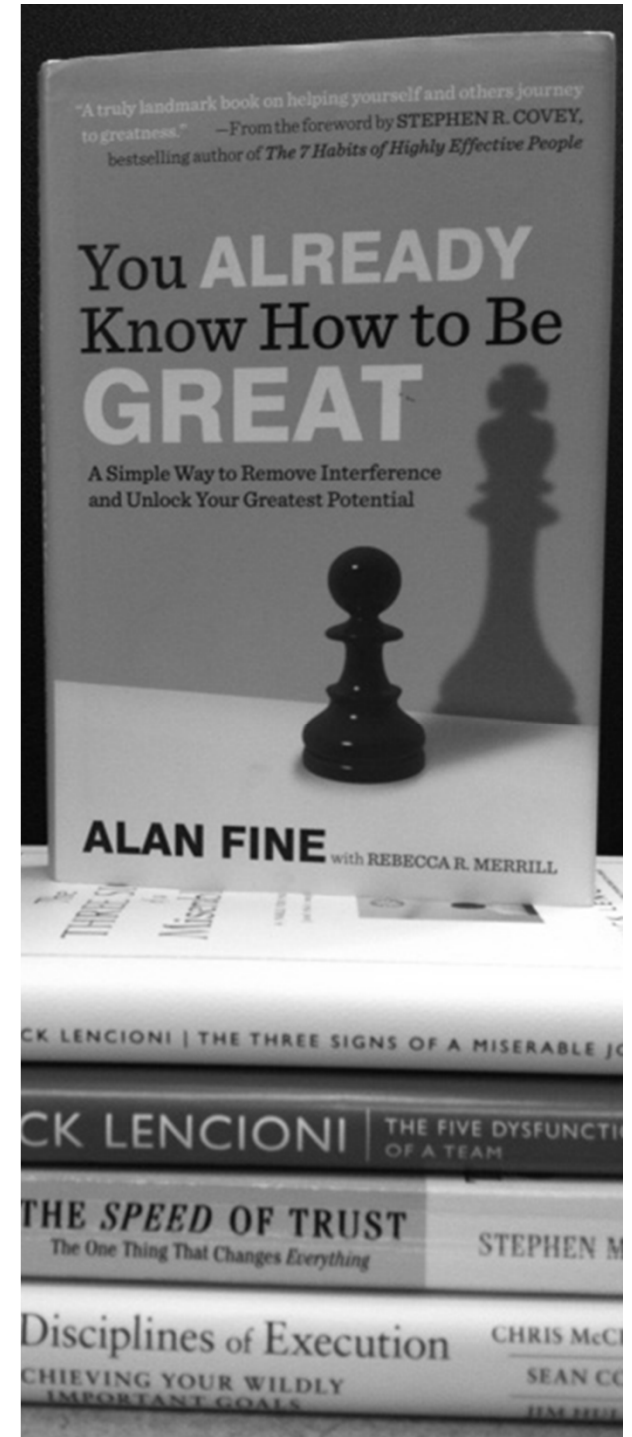
Help employees identify solutions and remove barriers

Check progress and help focus attention and efforts

Hold employees accountable



Alan Fine. 2010. *"You ALREADY Know How to Be GREAT: A Simple Way to Remove Interference and Unlock Your Greatest Potential."*



Why should I invest in this?

Strong skills in performance management help you do your job better, and can assist with career advancement.

Performance management is related to a number of Foundational Skills that are a set of standards that exemplify superior performance towards which all employees may work to improve.

Managers and Supervisors:

- Managing Performance
- Resource Management
- Strategic Thinking

Executive Directors and Directors:

- Establishing Focus
- Results Orientation

More information at:

http://citylink.ci.scottsdale.az.us/Employees/Employee_PerformanceManagement