

# Performance Management Workshop

## Welcome and Introductions

- a. What are we trying to accomplish?
- b. Measuring what matters
- c. Outcomes Model
- d. Types of performance measures
- e. Scottsdale Performance Management Process
- f. Identifying Targets and Standards

## Today's Goal

- develop a consistent and intelligent method to measuring performance in your department and
- identify a set of initial measures to track efficiency and effectiveness of your department

## Today's Agenda

1. What do you do? Describing your purpose
2. Why do you do it? Identifying outcomes
3. How do you do it? Counting inputs and outputs
4. How well do you do it? Measuring efficiency & effectiveness
5. Can you explain it to others?

## Wrap-up and Next Steps

- a. Where do I go from here?
- b. We'll schedule a one-hour follow-up in 30-60 days
- c. Question, comments, observations

## How to develop a consistent and intelligent approach to performance measurement

### Goal:

- develop a consistent and intelligent method to measuring performance in your department and
- identify a set of initial measures to track efficiency and effectiveness of your department

### Steps to identifying a set of initial measures:

#### 1. What do you do? Describing your purpose

- Write a short description of your area. Briefly write down a one-sentence description of your organization. Why does it exist?

#### 2. Why do you do it? Identifying outcomes

- What strategic goal(s) does your department most help achieve? Why?
- Who are your customers? Briefly write down the customers that your department serves
- What desired results are you trying to achieve? Briefly write down the desired result (outcome) that your organization is striving to achieve from the perspective each customer.
- What external requirements or demands impact how you provide services? Such things as: Legal requirements, government regulations, number and types of customers/calls for service

#### 3. How do you do it? Counting inputs and outputs

- What services do you provide? Write down the significant services your organization provides to your customers
- What are your top priority services? What service benefits the most customers? Which service can only be received from your organization? Which service uses the most resources (\$\$\$, time, staff)? Which service is most closely identified with your organizational unit.
- What resources (inputs) do you have available?
- What activities (outputs) do you perform?
- Thinking about your outcomes, which activities most impact your outcome?

#### 4. How well do you do it? Measuring efficiency & effectiveness

- How can you best measure the efficiency of your area?
- How can you best measure the effectiveness of your area?
- Thinking back to your description, which combinations or measures lead to the best overall snapshot of performance in your area?

#### 5. Can you explain it to others?

- Review your proposed measures through three filters to determine it is a consistent and intelligent approach.
  1. From your customers' perspective
  2. From the organization's perspective (management and employees)
  3. From the City Council's perspective
- Ask - Is this relevant, understandable and complete?  
If not, what changes are needed?

## Three reasons employees don't like their jobs

From Patrick Lencioni. 2007. *"The Three Signs of a Miserable Job."*



### **Anonymity**

We need to be understood and appreciated for our unique contribution.

What we do.

### **Irrelevance**

We need to see how our work impacts others.

Why we do it.

### **Immeasurability**

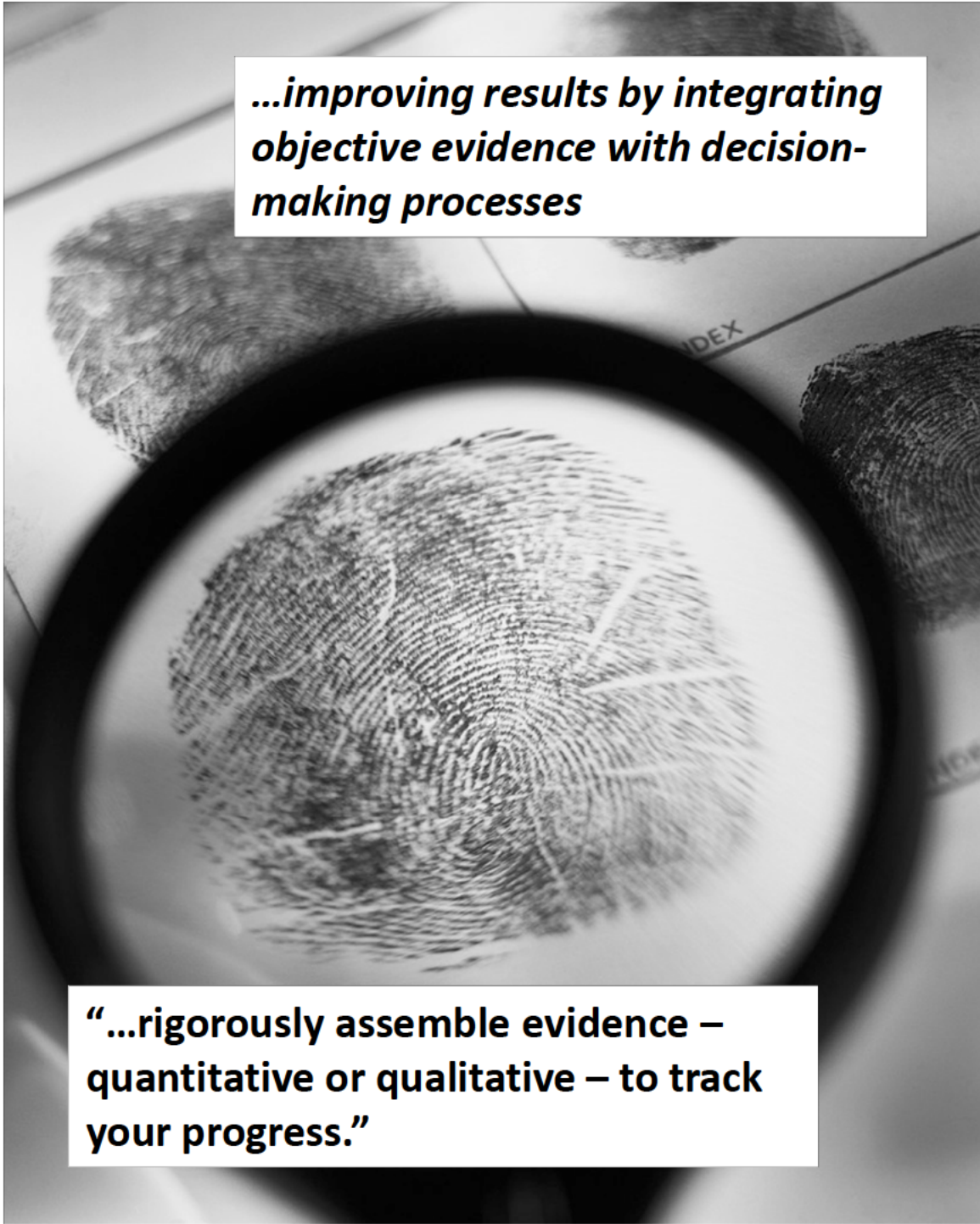
We need to get a daily sense of accomplishment.

How well we do it.

# 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.”

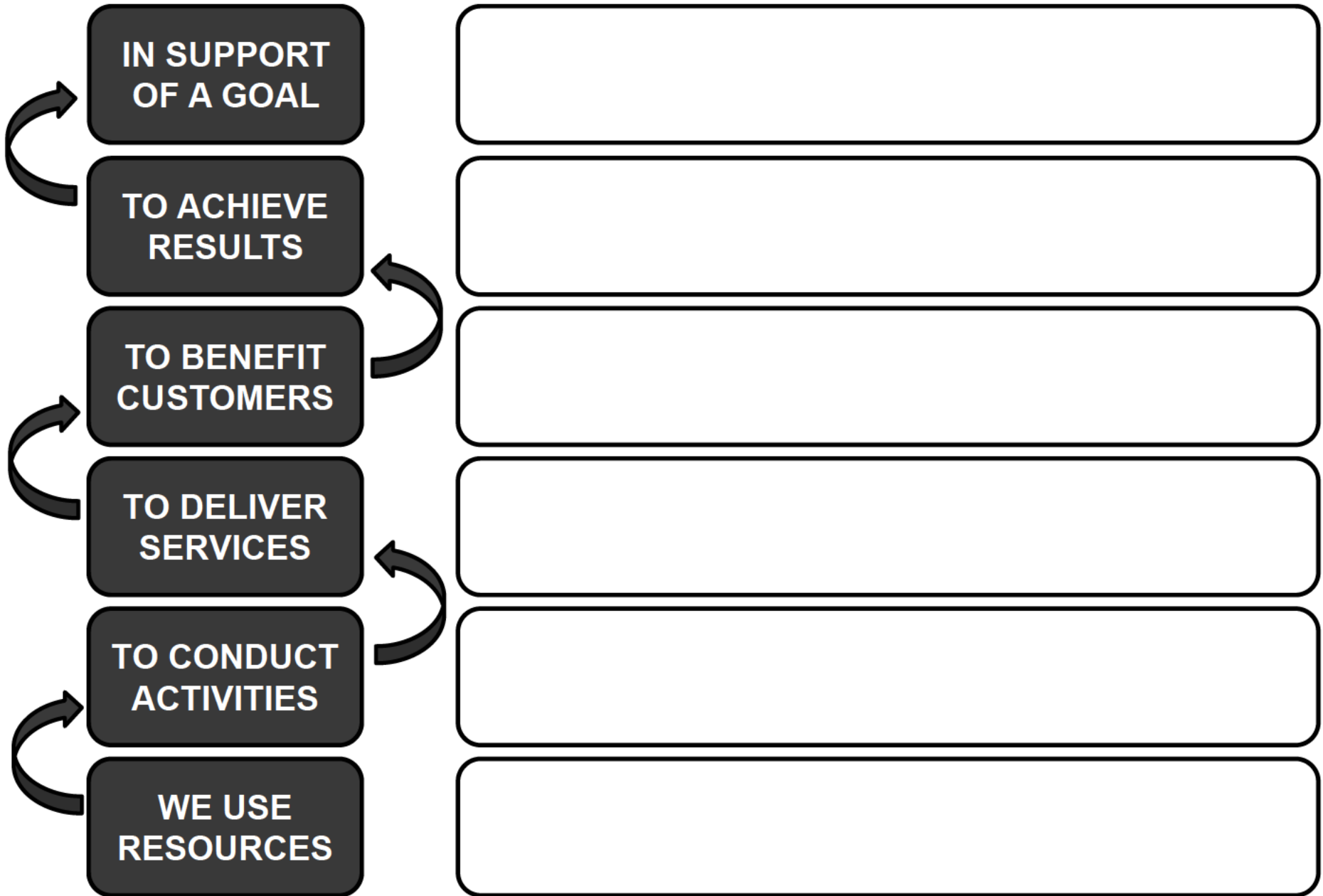
Jim Collins. 2005. *Good to Great and the Social Sectors.*



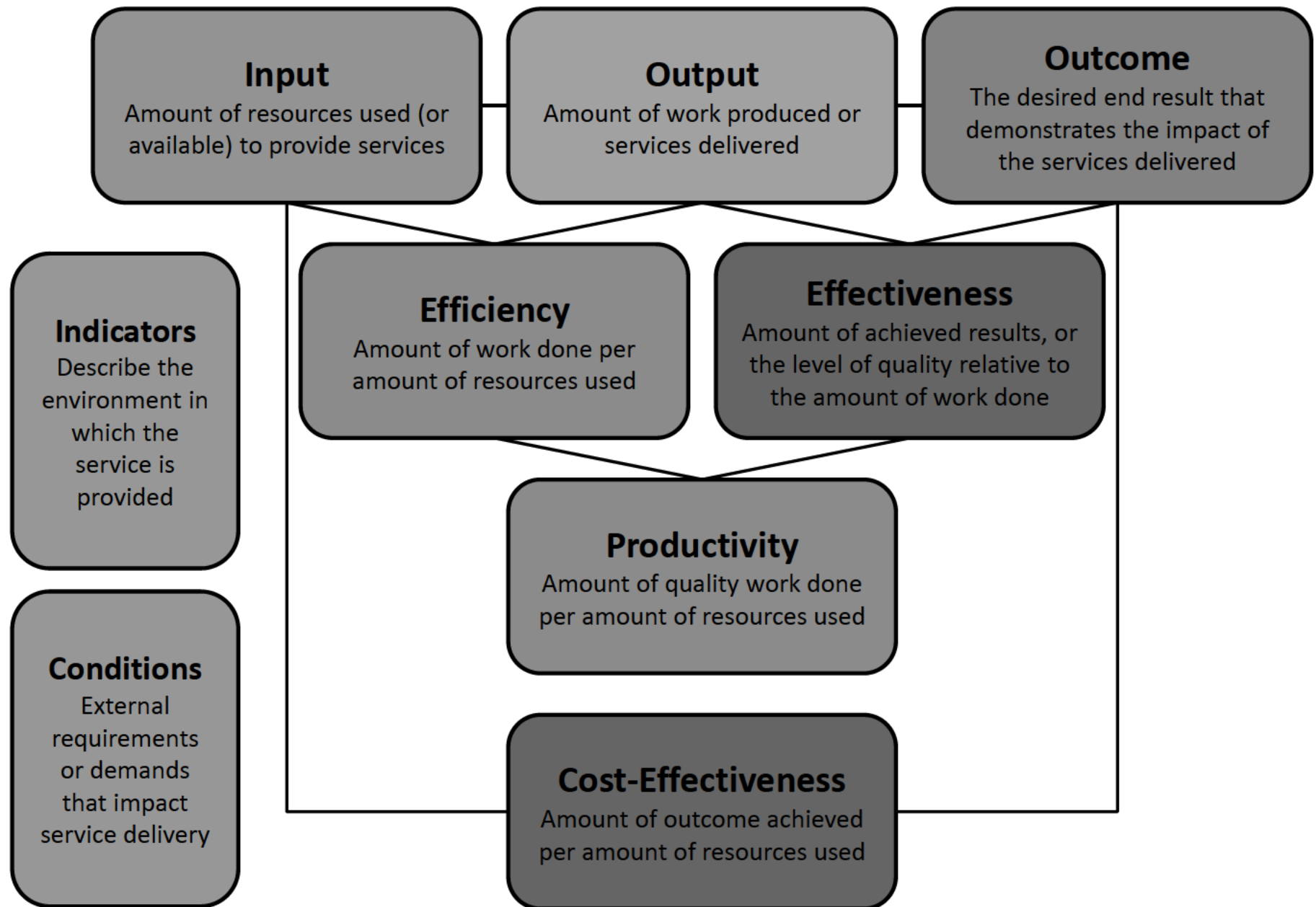
*...improving results by integrating objective evidence with decision-making processes*

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

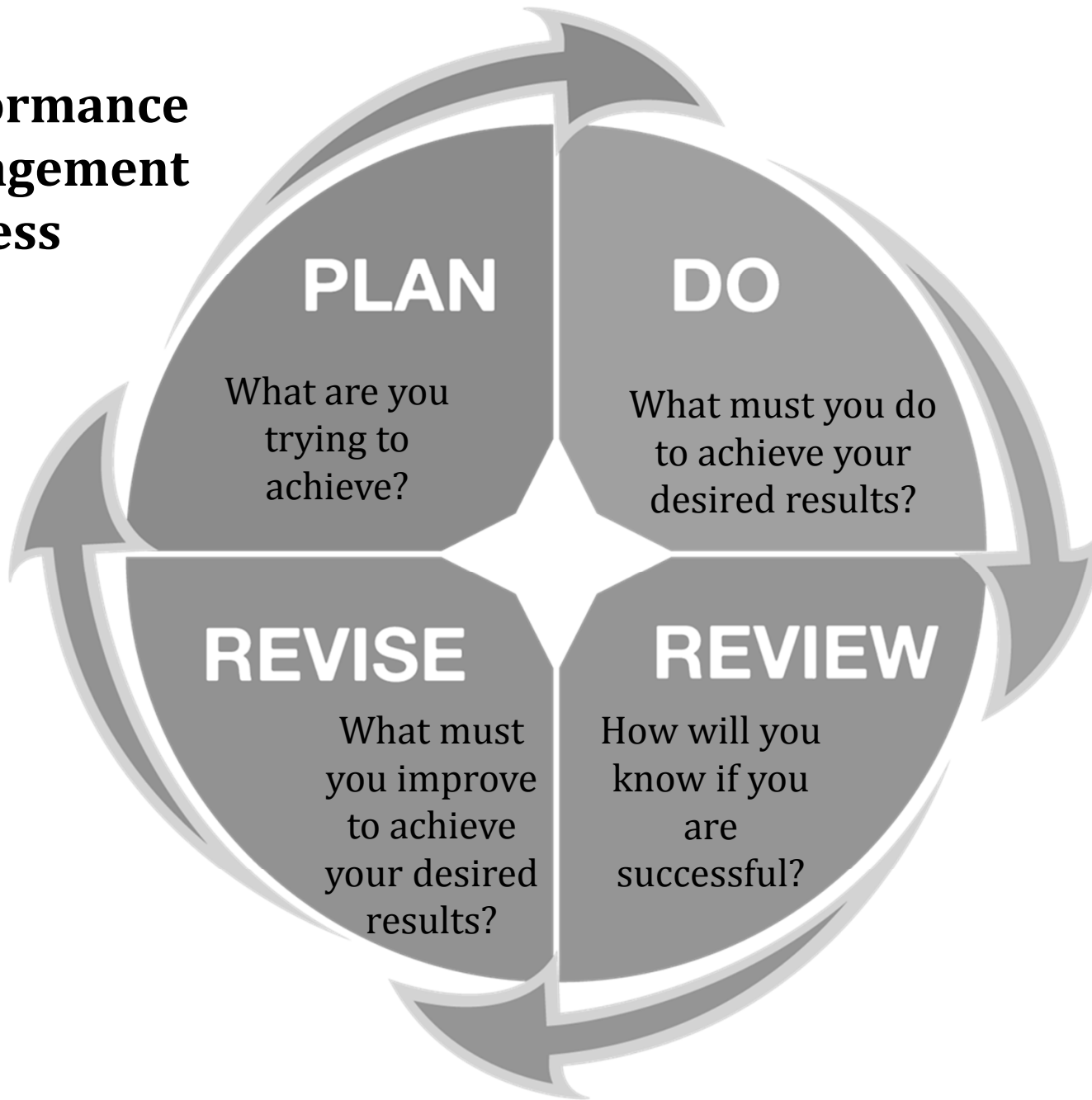
# What's your strategy?




# Types of performance measures



# Performance Management Process







*“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?





# 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 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