

Public Performance
Measurement & Reporting Network



Common Mistakes in Implementing Performance Management

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Research and Consulting Center



GFOA Experience in Performance Management

- ◆ Sourcebook Project (2006-2009)
 - ❖ Interview 2000+ jurisdictions
 - ❖ 600+ cases of PM documented
- ◆ National Performance Management Advisory Commission (2009-2010)
 - ❖ 20+ leading organizations on performance management
 - ❖ Additional case studies, research review, etc.
- ◆ BFO / Performance Budgeting Research (Current)
 - ❖ Additional case studies
 - ❖ Variations of performance budgeting (What works / what doesn't)
- ◆ Consulting
 - ❖ GFOA consulting on performance management, budgeting, fiscal stress
- ◆ Training
- ◆ Conferences



The Promise of Performance Management

- ◆ Accountability
- ◆ Transparency
- ◆ Better decision making
- ◆ Greater efficiency, effectiveness
- ◆ Better results for the public



Current State of Performance Management

- ◆ 40-60% of all governments self-identify as having an established performance management system
- ◆ Over 50% of performance management users indicate disappointment/need to improve
- ◆ Current demand for performance management information and improvement



What is performance management?





What is performance management?

Performance management is an ongoing, systematic approach to improving results through **evidence-based decision making**, continuous organizational **learning**, and a focus on **accountability** for performance.



How does performance management relate to other processes?

- ◆ Budgeting
- ◆ Purchasing
- ◆ Planning
- ◆ Human Resources
- ◆ Service Delivery
- ◆ Public Participation
- ◆ Communication / Reporting
- ◆ Performance Management?



Performance management as a separate process?

- ◆ Performance management as a program
 - ❖ What is the purpose of that initiative?
 - ❖ What are the goals?
 - ❖ How will we best achieve those goals?

- ❖ What happens if performance management doesn't exist?

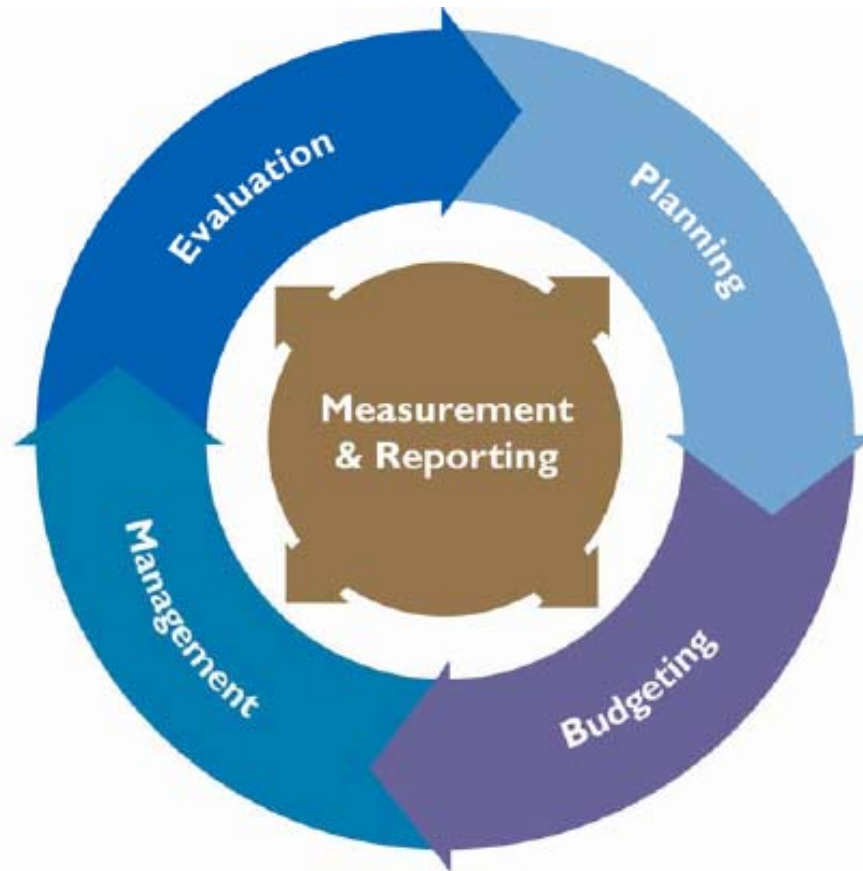


Should organizations de-emphasize performance management?

- ◆ Separate performance management programs have been associated with additional work with little return
 - ❖ Benchmarking
 - ❖ Budget book reporting
 - ❖ Never used reports
- ◆ Other governmental processes are “the way it is”
- ◆ Implementation of performance management becomes more difficult when it is allowed to become the issue
 - ❖ Fears of performance management
- ◆ If performance management is an additional program, it can also be taken back
- ◆ Put the focus on introducing elements of performance management to existing programs



Performance Management Cycle





Mistake 1) Not recognizing the focus of performance management

- ◆ Performance management is a best practice
 - ❖ Why?
- ◆ Too much focus on performance management activities without direct link to outcomes
 - ❖ Collect measures, create reports, populate budget templates
- ◆ The focus of performance management should be on improving existing processes, not creating new ones



Mistake 2) Too much focus on process and rules

- ◆ Performance management can happen naturally
 - ❖ Staff may need training, but fully developed systems are not required
 - ❖ Without a system, performance data will be used
- ◆ Governments have created a negative image for performance management that is associated with
 - ❖ Wasted time
 - ❖ Little value
 - ❖ Diversion from what is actually important
- ◆ Overall, performance data should begin the discussion, not end it.



Mistake 3) Not understanding the audience

- ◆ Too many performance systems ignore the needs of various stakeholder groups
 - ❖ Creates resistance as costs exceed benefits
- ◆ Performance management = communication
 - ❖ The message must be received.
- ◆ Avoid placing too much emphasis on choosing the right measures before asking the right questions
 - ❖ Need to determine what is important before identifying how to measure it



Different audiences require different information

1



2



3

American Airlines
ARRIVALS
EID# Q0582716

Time	Remarks	Flight
12:10p	On Time	AA 60
1:59p	On Time	AA 41
11:00a	Now 10:49a	AA 6
11:20a	Cancelled	IB 4
1:40p	Now 2:41p	AA 6
7:59a	Cancelled	AA
12:44p	Now 12:03p	AA
9:50a	Now 11:12a	LY
2:25p	Cancelled	LA
8:20a	Cancelled	LA
1:55p	Cancelled	LY
11:00a	Now 12:16p	A
3:19p	Cancelled	A

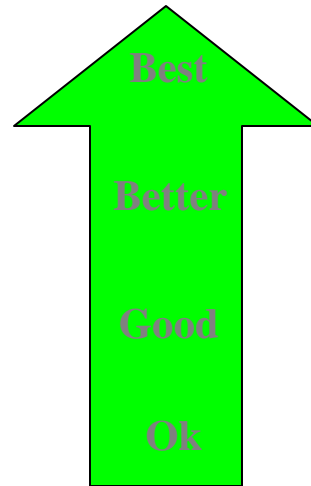
4





Be careful when identifying types of measures

- ◆ Outcomes
- ◆ Efficiency
- ◆ Outputs
- ◆ Inputs



Depends on the audience

Don't ignore stakeholder groups in performance management systems



Common Stakeholders

- ◆ Elected Officials
- ◆ Managers
- ◆ Staff
- ◆ Budget Staff
- ◆ Citizens
- ◆ Other governments



What audience is served by this information?

Financial Health & Economic Development

Key Intended Outcome	2007	2008	2009
Bond Rating	AAA	AAA	AAA
Resident's Value Rating (Citizen Survey)	70%	72%	72%
Non-residential Value as % of Total Taxable Value	20%	20%	22%
Percent Plan Reviews Completed Within 15 days	91%	95%	95%
Customer Service Rating (Citizen Survey)	91%	93%	95%
Customer Service Rating (Business Survey)	90%	91%	92%



Solutions / Suggestions

- ◆ Performance Management does not exist by itself
 - ❖ No such thing as “doing performance management”
- ◆ It is integrated throughout the organization
 - ❖ Planning, budgeting, management decision making, motivating and managing employees, evaluation, communication, etc.
- ◆ Incorporate performance management elements in the elected officials work and discussions
- ◆ Practice skills when others are not looking?
- ◆ Focus on the outcome of both the actual service and your performance management efforts.
 - ❖ Why? Why? Why? How?



Thank You.