

# PERFORMANCE MANAGEMENT



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# ◆ Introductions

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## ❖ John Wheatley – President of ICS



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## ❖ Last Presentation

↪ Jane N. Kusiak – *Executive Director, CoVF*

Commonwealth of Pennsylvania  
Senate Appropriations Subcommittee

Virginia's Approach to Performance Leadership  
and Accountability

Jane N. Kusiak,  
*Executive Director, CoVF*

John Wheatley  
*President, ICS LLC*

August 6, 2009



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# ◆ Today's Presentation

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◆ Performance Measurement

◆ Recommendations



# ◇ Performance Measurement

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## ❖ Pro's

- ↪ The ability to measure the effect of specific investments.
- ↪ The ability to make decisions to continue investments and at what level.
- ↪ To improve focus on specific issues.
- ↪ Bring a level of accountability.
- ↪ Ability to measure from an outcome (strategic) and productivity (operational) perspective.
- ↪ A good performance measure can sometimes reveal program/performance issues not previously addressed. (Invoke a discussion “*Why are we doing this?*”)
- ↪ *etc. etc. etc.*



# ◇ Performance Measurement

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## ❖ Con's

↪ Initial investment. (*Money*)

↪ Maturity. (*Time*)

↪ Culture change. (*People*)



## ◇ Va Performance Measures

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- ❖ Governor Tim Kaine used key performance indicators when making budget reduction decisions. \*
- ❖ When agencies are requesting increase in funding one of the questions asked is “does this link to a key performance indicator, what does historical performance look like”. \*
- ❖ The quality of decisions has improved, now that the decision makes have data available. \*
- ❖ Performance measures can be used to identify low performing programs & activities. *Example; The state Department of Human Resource Management ran an annual job/recruitment booth at the annual state fair. Having establish a performance measures to look at the recruitment rate against dollars invested the return was seen to be to low and the activity was discontinued.* \*

\* Source: Assistant Director, Virginia Department of Planning & Budget

# ◆ Va Performance Measures

## ❖ Agency response to use & benefits of measures

How do you use the measures?	
<ul style="list-style-type: none"> <li>• To manage staff performance; for performance evaluations (top to bottom)</li> <li>• To measure agency performance</li> <li>• To manage processes</li> <li>• To track costs</li> <li>• To promote the agency's mission to receive needed funding</li> <li>• To report to Virginia state government, the federal government, and funding sources</li> <li>• For media updates and public updates</li> <li>• To share information with stakeholders and advisory groups</li> </ul>	<ul style="list-style-type: none"> <li>• To pay attention to, design and implement programs to meet targets</li> <li>• For planning</li> <li>• To establish internal and external accountability</li> <li>• To set standards</li> <li>• For resource allocation</li> <li>• To get signals to redirect management attention</li> <li>• To get benchmarks (baselines) to target better performance</li> <li>• For communication that leads to corrective action</li> <li>• For delegation (management → individual reports)</li> <li>• For outreach to outside audiences</li> </ul>
What benefits have you derived from your use of measures?	
<ul style="list-style-type: none"> <li>• Supported alignment with policy and regulatory boards.</li> <li>• Productivity measures were used to identify a large difference between the cost of issuing a license and the actual fee that was being charged for the license. The agency is currently in the process of requesting a license fee increase.</li> <li>• Data from a customer satisfaction measure resulted in a change in policy.</li> <li>• Data from a productivity measure was used for resource allocation.</li> <li>• Made changes in how accidents were reported.</li> <li>• Provided information on reports of negative incidents.</li> </ul>	<ul style="list-style-type: none"> <li>• Identified shortfalls sooner.</li> <li>• Helps us keep central agencies happy.</li> <li>• Modified contractor performance.</li> <li>• Justified a new telephone system.</li> <li>• Data collection determined effectiveness.</li> <li>• Sends a message on goals to the public and employees.</li> <li>• Used for enhancement/refinement of operations: more training, management involvement.</li> <li>• Improved consistency of service delivered.</li> <li>• Improved sense of accomplishment among employees.</li> <li>• Used to focus resources.</li> <li>• Used to identify things that have gone wrong.</li> <li>• Used to improve quality and process.</li> </ul>



# ◇ Va Performance Measures

## ❖ Agency response to challenges & needed changes

Why aren't measures being used?	Changes needed to ensure measures are used
<ul style="list-style-type: none"><li>• It is dependent on management buy-in.</li><li>• People probably don't use the measures to the extent that is required. Most employees probably don't know what the measures are.</li><li>• Systems are outdated and not linked; affects availability of data.</li><li>• Some things are difficult to quantify.</li><li>• The measures are not meaningful.</li><li>• Due to budget cuts, there is no funding to collect the data.</li><li>• There are competing measures in large agencies.</li><li>• Functions don't match service area structure making measurement difficult in some instances</li></ul>	<ul style="list-style-type: none"><li>• Communicating information about the strategic plan and its measures to all employees.</li><li>• Including related measures and targets in EWPs.</li><li>• Measures need to be tied to functions.</li><li>• Measures need to be relevant, flexible, and meaningful.</li><li>• During the transition to the new administration, look for agency heads who are committed to strategic planning and performance management.</li></ul>



# ◆ Pa Recommendations

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- ❖ Provide Direction
- ❖ Establish an authority/board that would:
  - ↳ Develop a vision and goals for Pennsylvania.
  - ↳ Establish societal measures.
  - ↳ Provide oversight and make recommendations on PA's performance management system.
  - ↳ Ensure transparency of the system.
- ❖ Direct entities to establish their own plans & measures align to the vision and goals for Pennsylvania.
- ❖ Invest in programs/activities based upon alignment to the vision and goals for Pennsylvania.



## ◆ Pa Recommendations Cont...

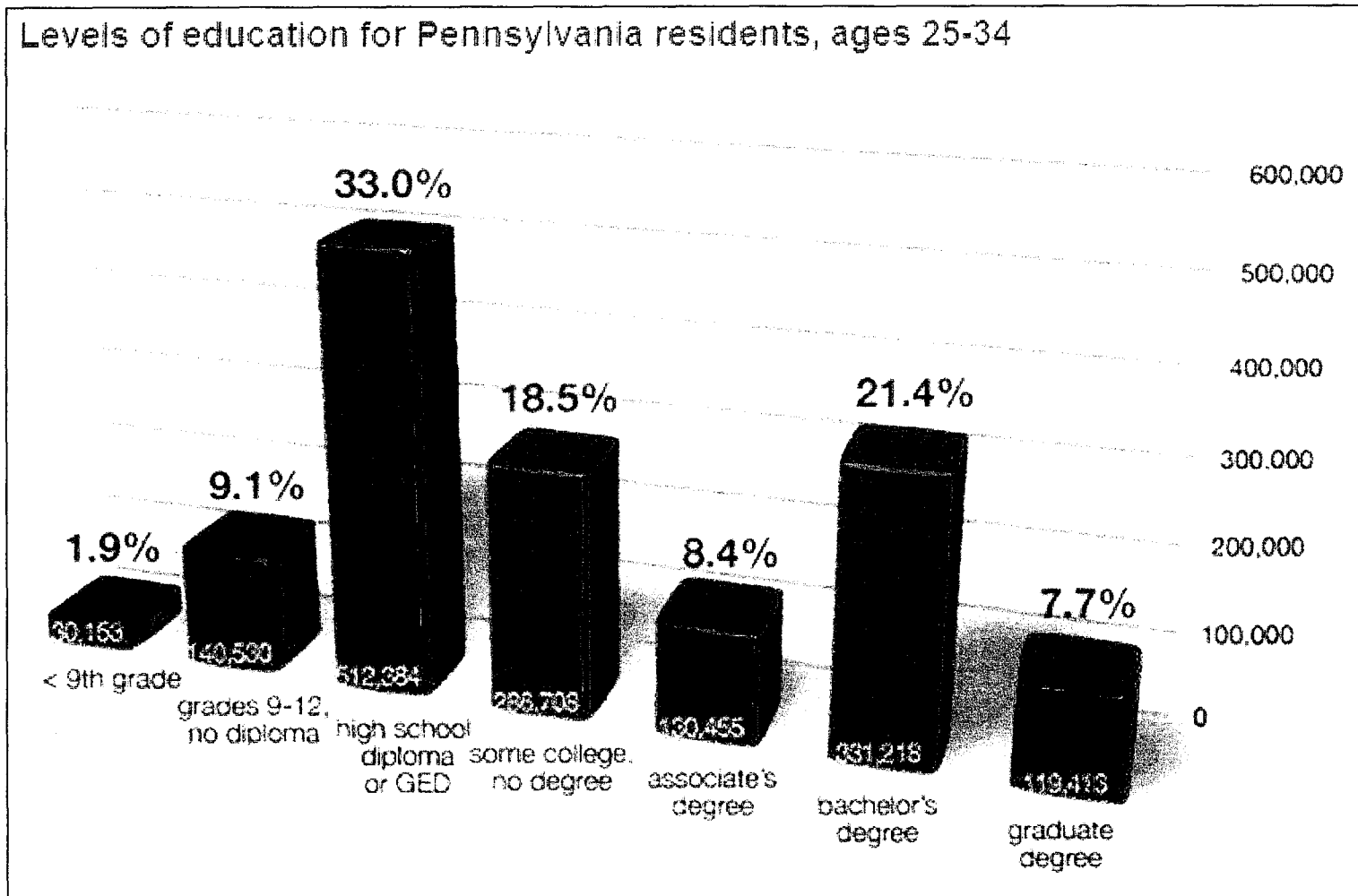
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- ❖ Understand how the data will be used.
- ❖ Make measures transparent.
- ❖ Mature the performance management system.



# ◆ Societal Measure Example

## ❖ Education Attainment Rates



Source © 2009 Lumina Foundation

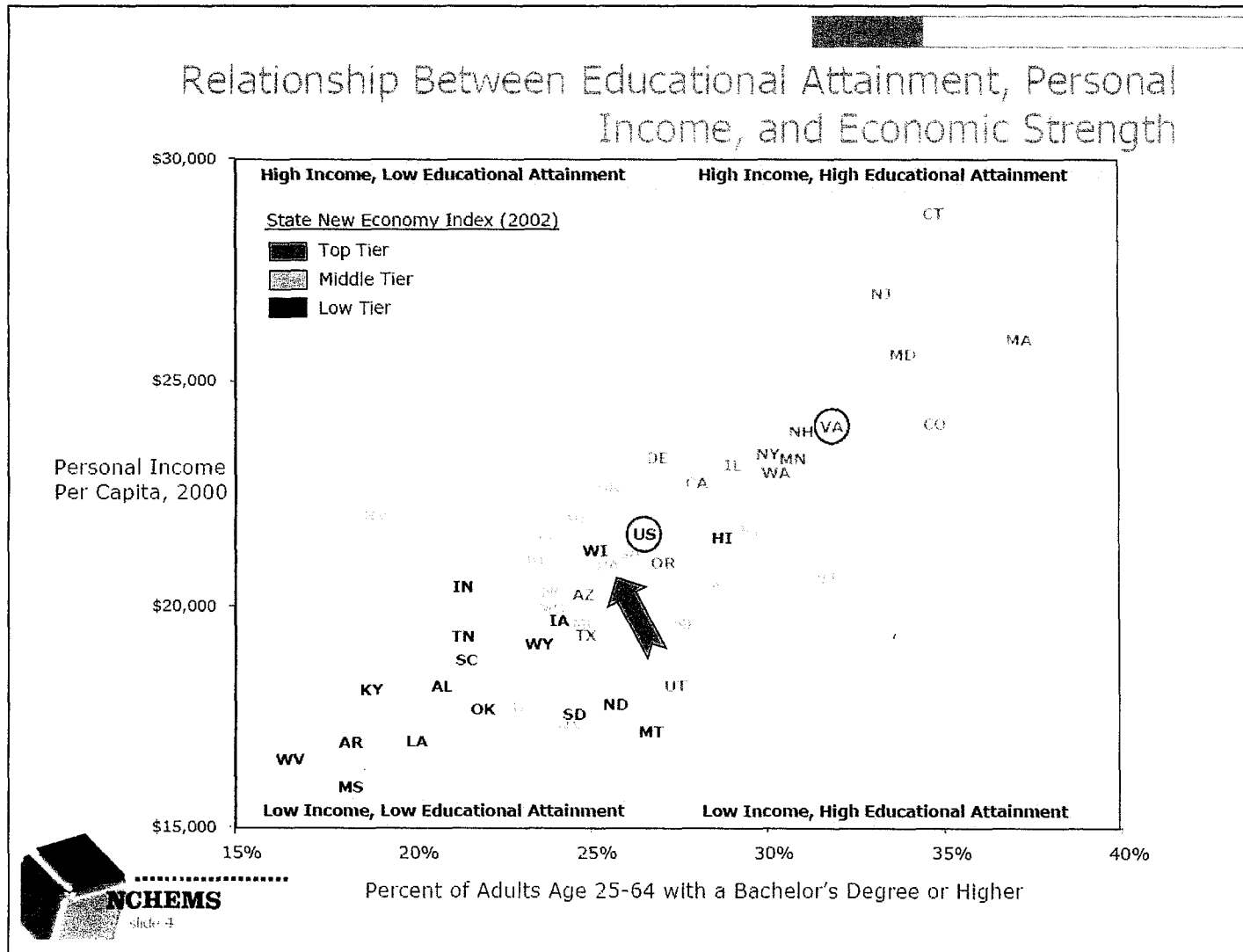


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# ◆ Societal Measure Example Cont ...

## ❖ National Center for Higher Education Management Systems



## ◇ Societal Measure Example Cont ...

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### ❖ Pennsylvania Goal:

↳ "Increase Educational Attainment & Citizens with Associate's and Bachelor's Degrees".

### ❖ Potential Benefits:

↳ If a highly skilled work force is available, then it should attract employers.

↳ Per capita income increases.

↳ More disposable income.

↳ More jobs needed in retail and services industries.

↳ State tax revenues increase.

↳ More money to invest in education.



## ◆ Agency Measure/Alignment Example

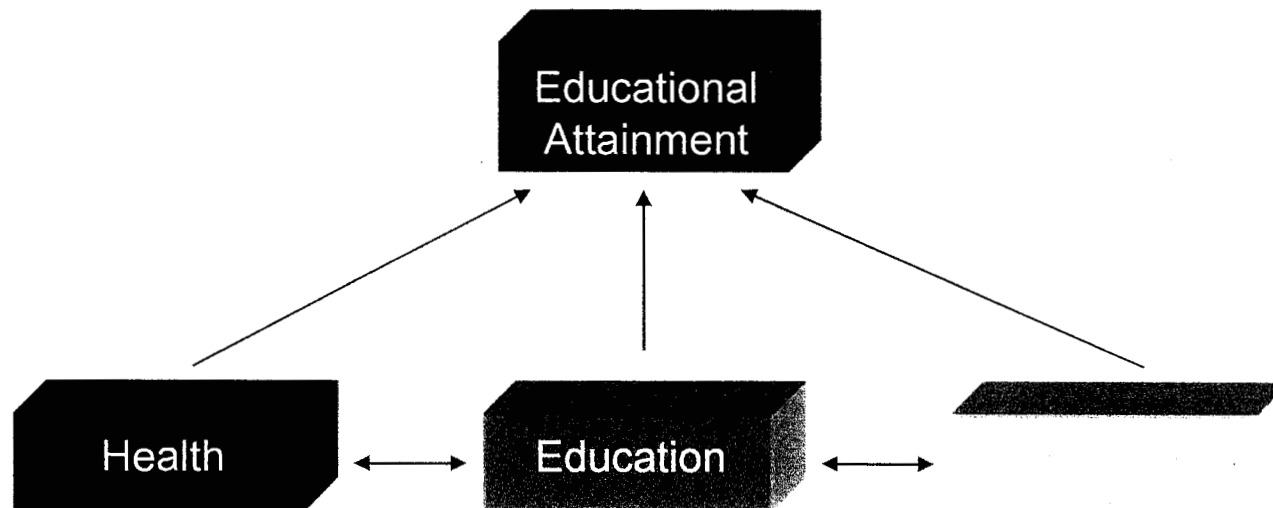
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### ❖ Pennsylvania Goal:

↳ "Increase Educational Attainment & Citizens with Associate's and Bachelor's Degrees".

❖ What is Government/Agencies doing to support this goal?

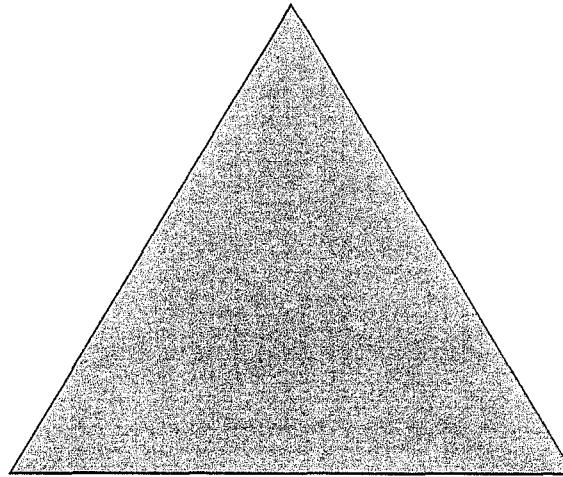
❖ Educational attainment is not just a DOE issue it can be linked to the family unit/environment.



## ◇ Overall Structure

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Establish Strategic Direction  
Identify & Monitor Societal  
Indicators/Outcomes



Enact Legislation to support  
Strategic Direction  
Align budget allocation to  
Strategic Direction

Align activities to support  
Strategic Direction  
Monitor Outcomes relative  
to Investments



## ◊ Words of Caution/Final Recommendations

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- ❖ I believe it would be a considerable undertaking for the I.F.O. to establish executive program and department level measures that would produce meaningful data.
- ❖ It is highly likely that there will be a lack of ownership and consequently the data would could be compromised.
- ❖ Final Recommendations:
  - ❖ Set the strategic direction.
  - ❖ Identify and monitor societal indicators.
  - ❖ Allocate funding based upon strategic alignment and performance.
  - ❖ Have the programs align activities and report progress through their performance measures.
  - ❖ Monitor & mature the performance management system.





## ◆ Sites of Interest

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Virginia Performs: [www.VaPerforms.virginia.gov](http://www.VaPerforms.virginia.gov)

Hampton Roads Performs: [www.HamptonRoadsPerforms.org](http://www.HamptonRoadsPerforms.org)

Council on Virginia's Future: [www.future.virginia.gov](http://www.future.virginia.gov)

Productivity Investment Fund: [www.pif.virginia.gov](http://www.pif.virginia.gov)

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