



MONITORING GOVERNMENT PERFORMANCE

TOWARD A LEAN-INFORMED APPROACH

BY MICHAEL JACOBSON AND SHAYNE KAVANAGH

A well-run and financially sustainable local government must monitor performance to ensure that resources are used wisely. Monitoring assures stakeholders that resources are being put to good use, making it more likely that they will be willing to support the government. Monitoring systems will be most effective when they are continuous, and those involved with daily government operations are closely involved.

When performance measurement first gained prominence in public management, many governments began by measuring outputs or efficiency, such as the number of potholes filled. These measures could help public employees, but didn't speak to whether constituents were better off. With the Government Performance and Results Act of 1993, the pendulum swung away from focusing solely on output and efficiency measures.¹ Public management emphasized measuring results such as perceptions of public safety, literacy rates, and infant mortality.

However, outcome measures don't lend themselves well to the two features of an effective monitoring system described above. Outcome measures can seem removed from the daily operational concerns of staff.² And it's often impractical to measure outcomes frequently enough to make it feel like a continuous process. Short-term monitoring may provide little more than random variation or statistical noise. For example, year-over-year school graduation rates often aren't useful — meaningful trends take years to emerge.

Over the last 10 years, King County, Washington, has been one of the more active local governments in measuring, monitoring, and managing organizational performance. This article traces the evolution of King County's approach from a Stat model to its current system, which is Lean-informed, in an attempt to strike a balance between operational measures of daily value to public managers and outcome measures that address the broader value of county services while making the monitoring process a continuous part of how work is done there.

IN THE BEGINNING: KINGSTAT

In 2006, King County launched a new performance monitoring system, KingStat, after hearing about Baltimore's widely imitated CitiStat program. These systems are known as PerformanceStat programs.³ They feature regular reviews of performance data, with meetings chaired by a prominent official such as the mayor, county executive, or city manager. These regular meetings have a singular focus on data (including mapping data) to inform local government service adjustment.

After developing a set of linked output and outcome measures, the King County leadership team holds regular, frequent, integrated meetings as part of a strategy designed to achieve specific public purposes. At these meetings, the leadership team:

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- Uses current data to analyze specific, previously defined aspects of recent performance.
- Provides feedback on performance versus targets.
- Follows up on previous decisions and commitments to produce results and learn from efforts to improve.
- Identifies and solves performance-deficit problems and sets the next performance targets.

King County put its own spin on the PerformanceStat concept by focusing more on outcomes such as improved mental health, reduced jail recidivism rates, and preventable injuries and deaths caused by automobiles and firearms.

When a new executive took office in 2010, the county changed KingStat to focus on operational measures in the county's divisions that delivered the day-to-day services to residents. KingStat had emphasized outcome measures relevant to county departments, not their constituents. The change proved to be crucial. The revised system, called Performance Forums, helped the administration focus on the operational details of the county and helped the executive office provide feedback to each division on its strategic and operational direction.

THE LATEST: TIER BOARDS AND ROUNDING

Part of the county executive’s vision was continuous improvement and Lean management. As the county’s work with continuous improvement deepened, it adopted a tool from Lean called visual management for conversations about performance. Making performance issues more visible in chart form makes them easier to notice and address. Problems that can’t be seen can’t be fixed.

King County creates visual management boards to display performance objectives and measures for successive levels of the organization, from the executive’s office to the front line. Each level’s objectives and measures are intended to cascade and link to the level above. The county calls these “tier boards,” with Tier 5 representing the executive office; Tier 4, a department; Tier 3, a division; Tier 2, a section; and Tier 1, a unit or individual. The county’s tier boards are on white boards so everyone can easily access and modify them as needed.

The measurements featured on the tier boards change over time. The tier boards initially focused on projects with definitive schedules and milestones. Now, the boards address measures of ongoing services as well as projects or initiatives. Ideally, tier boards contain measures of both a service’s desired outcome and the process for providing that service, though the service measures are emphasized because they can be updated more frequently. The county has been trying to avoid performance measures that are only updated once per year, or at least to find ways to show useful data on a weekly or monthly basis. Targets are established to set expectations for performance levels the county hopes to achieve.

Exhibit 1 provides an example of the tier board for the Department of Adult and Juvenile Detention (DAJD). The board includes measures divided into four categories. For DAJD, service measures include the number of inmates in restrictive housing — the goal is to reduce that number. The board also features measures of workforce morale, including the results of employee engagement surveys.

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Under the People section, DAJD monitors the prevalence of employee development plans. Cost measures aim to control overtime and help DAJD stay within its training budget. Data are updated weekly and countermeasures — actions to respond to issues or gaps in performance — are identified, with a responsible person and due date assigned.

Tier boards alone are not sufficient to create an effective performance monitoring system. There must be

accompanying processes and supportive culture. This starts with “rounding,” or the rounds that the executive office makes of the of the Tier 4 departmental boards every Friday morning.

An executive rounding includes the senior leadership from the executive office, performance and budget staff, the department director, deputy, and any additional staff relevant to the discussion. A rounding lasts approximately 30 minutes, and participants huddle around the department’s tier board, which imparts a greater sense of urgency to the meeting.

Exhibit 1: Tier Board for the King County Department of Adult and Juvenile Detention



Each rounding follows a standard agenda designed to create a productive conversation, with four main questions:

1. Are there any follow-ups from the executive team's last visit?
2. What are you currently doing to help achieve the executive's strategic priorities?
3. How are you doing on achieving your outcomes? What are your successes and challenges? What are your countermeasures (the next steps that move you closer to achieving the outcome)?
4. How can the executive team help?

Between executive office roundings, department directors are expected to conduct review huddles with their management teams at their own Tier 4 board, tracking progress, managing within the measures, and sharing strategic direction and priorities. Department directors are expected to do their own rounding on their divisions' Tier 3 boards.

The roundings and huddles are collegial, with numerous questions, observations or suggestions. Leadership always asks, "What can we do to help you?" An important part of making roundings and huddles productive is to make the "red" indicators, which are not meeting targets, safe to discuss. Otherwise, staff might become defensive, make excuses, assign blame, downplay performance problems, or otherwise miss opportunities to explore issues and find solutions. Ideally, performance problems are seen as golden opportunities to make improvements, not embarrassments to be swept under the rug.

Of course, the conditions that support productive monitoring of performance take time to fully develop. Many rounding sessions over the years have been a unidirectional sharing of information without any problems being addressed or resolved. The organization's leadership needs to be sufficiently familiar with the work of subordinate units to thoughtfully evaluate and question the data and targets. They need the interpersonal skills to raise questions and engage in dialogue about what the county

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Targets: A Hit or A Miss?

Setting targets in a performance monitoring system can be risky, as it can lead managers to manipulate or fabricate performance information in order to hit a target. This is most likely to occur when a manager faces the prospect of negative reinforcement for not hitting a target. King County has been careful to present targets as learning opportunities. The goal is to get all measures trending in the right direction, and the target defines that direction. King County's goal isn't necessarily for all indicators to be green, because that would imply there are no opportunities to improve performance — and there are always opportunities. "No problem is a problem" is one of its performance-oriented mantras.

is trying to achieve and the willingness to offer help in breaking down silos and obstacles. Also required is the commitment to maintain the schedule, follow the standard procedures for running roundings and huddles, and hold themselves and departmental leadership accountable for follow up and achievement.

King County has found that holding the roundings and huddles within each department's own physical location and looking at data on the wall helps to honor the work of the departments and improves the department's ownership of the measures and data. As departments hold their own huddles

and rounding on their tier boards with division and section staff, performance monitoring and management is becoming more deeply embedded in the culture at King County.

REFLECTIONS ON THE JOURNEY

There have been many significant changes to the form, content, and process of King County's performance monitoring and management efforts since 2006. Exhibit 2 describes the most important of these changes.

Exhibit 2: Changes in King County’s Performance Management Form, Content, and Process

Now (Performance Forums)	Then (KingStat)
Focus on process measures in order to provide information that can frequently be used. Outcome measures are used, but are not the primary focus.	Focus primarily on outcome measures.
More frequent (weekly/monthly) monitoring, allowing better follow-up on performance issues.	Monitoring occurred once every two months or once a quarter.
Executive team goes to the departments to review the measures.	Departments present their measures to the executive.
Red is OK, as is asking for help.	Red is bad, and is to be avoided.
Departments conduct their own management huddles and roundings.	The executive holds reviews, and departments might or might not use the measures to monitor and manage performance.
Departments are expected to use their data. Roundings are designed to review data, compare performance targets, and help align the county organization with goals.	Performance monitoring is mainly used by a small group of top county leadership.

The KingStat program did produce many valuable gains for the county, and as such, many of its practices have been carried over. Some of the most important are:

- Constructing relevant measures that adequately capture processes, outputs, and outcomes of interest.
- Collecting timely and quality data to monitor those measures.
- Identifying the cause-and-effect relationship between programs/services and the results that King County wants to create for the community.
- Creating reasonable performance targets.
- Gathering data and creating visual representations of the data.
- Standardizing the approach to monitoring and managing performance across the county.
- The commitment of top county leadership and their active support for performance monitoring and management.

CONCLUSIONS

The core idea of performance monitoring and management in King County hasn’t changed from KingStat

to the present. The county executive actively monitors agency performance and works with agencies to produce better results for residents. However, the act of monitoring and managing has become more focused on process metrics, visual presentation to highlight potential performance issues for all to see, and a standardized approach to engage staff in performance management. These changes help ensure performance monitoring and improvement continues as an executive priority, promote a culture of daily use of data in operational decision making, and create alignment with the county’s strategic direction. ■

Notes

1. Harry Hatry, *Performance Measurement: Getting Results*. Urban Institute Press, 2007.
2. Shayne Kavanagh, “Lessons from Performance Measurement Leaders: A Sample of Larger Local Governments in North America.” Government Finance Officers Association, 2013.
3. Robert D. Behn, *The PerformanceStat Potential: A Leadership Strategy for Producing Results*. Brookings Institution Press/Ash Center, 2014.

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