



The Performance Management Toolkit

By Michael J. Mucha

Organizations can build up expertise internally and develop effective performance management systems without significant external expense; they just need a simple set of tools to help with a do-it-yourself approach to performance management.

One of the most common reasons for not getting more involved with performance management is a lack of resources and the inability to hire “high-priced” consultants. And while it is true that many large organizations have hired consultants to help them implement a performance management system, many other jurisdictions build up the expertise internally and develop very effective performance management systems without significant external expense. Many organizations just need a simple set of tools to help with a do-it-yourself approach to performance management.

Most organizations struggle with the same common elements related to focus, data, improvement, and accountability. This article provides a performance management toolkit — a small collection of tools that are readily accessible to performance management leaders — describing useful resources and tips to help overcome these common challenges. These tools are intended to help organizations answer four of the most important questions about using performance information effectively:

1. Why are we here?
2. What are we doing?
3. What is working?
4. How do we know?

FOCUS TOOLS

Performance management efforts should always start with focus tools that are designed to help diagnose the right problem, even before starting with measurement. Before deciding what to measure, organizations and their leaders need a clear understanding of what is important, who is served, and what successful government involvement will look like. The following simple tools will help with this initial step:

- **Citizen Surveys.** Organizations that have trouble determining what is important to their citizens can use citizen surveys or other tools designed to help gain an understanding of how people outside the organization view and value the services government performs.
- **Mission and Purpose Statements.** Most organizations have a mission statement. Most departments and agencies probably also have mission statements. But few of them fully understand that mission statement — why the organization exists and what it is supposed to accomplish. The first step in helping determine what is important, therefore, is to have a serious discussion about the purpose of an organization, agency, or program. Everyone in the organization should be able to clearly articulate the purpose, and they should know why it’s important. Purpose statements that are overly broad or overly optimistic do

not help with this critical level of understanding.

- **Goals.** Whereas mission statements describe the overall purpose and reason for existence, an organization's goals are the specific items it aims to accomplish in the near, mid-, or long term. Goals are action oriented and can ultimately be judged as being successful or not. Given that, all goals should have: 1) a specific target that is valued by the public, 2) a stated timeline, and 3) an objective and clear means of measuring progress and success. When identifying goals, organizations should make sure the target that is identified is actually the outcome that is sought. The target should contribute directly to the mission, not to some intermediate step.

DATA TOOLS

For performance management to be effective, leaders and other decision makers must be able to trust the data that is collected and find it useful in supporting decisions. This means that organizations must not only track data, but track the right data. Determining what to measure can be difficult, and many organizations have found themselves collecting unnecessary information while missing the data that would actually be useful. The following tools can help an organization determine what to measure:

- **Cause and Effect Maps.** Cause and effect maps (also sometimes referred to as strategy maps) help people organize their thoughts and zero in on what conditions ultimately affect the desired outcome (and thus what conditions are worthy of measuring). Cause and effect

maps can take just about any shape and can be used both formally, as part of an organized, organization-wide effort, or informally, as an exercise in brainstorming. To create a cause and effect map, start with the desired outcome and then think of all the factors that can influence that outcome, both positively and negatively. Working backward, you then describe the secondary factors that influence the original factors identified. Factors and secondary factors, which can be under or outside the control of the jurisdiction, can then be assigned a performance measure. When the map is complete, you can review it and determine what measures should be tracked for future decisions.

- **Logic Models.** Logic models are similar to cause and effect maps, but they focus on the link between government services (programs) and their outcomes rather than showing the impact various factors have on the outcome. The focus of the logic model is typically on service level and how one change typically has additional effects. For example, increasing funding for a particular program will allow the organization to provide a higher level of service, which in turn leads to better outcomes. Between the changes and the end outcome, logic models typically list activities, tasks, programs, outputs, and outcomes. Additional performance measures can be identified for each step in the logic model, if they are worthy of tracking. Whereas cause and effect maps are meant to understand the situation, logic models are geared toward managing the jurisdiction's impact on the situation.

CORRECTIVE TOOLS

Developing a mission statement, setting goals, and identifying appropriate measures provide governments with access to performance data, but these steps do not necessarily mean the data will be used to improve the organization. The tool kit has two simple tools geared toward actual improvement:

- **Process Mapping.** The key to most efficiency gains in government is streamlining processes to eliminate steps that don't contribute to the overall success of the process. One way to identify these steps is through process mapping, which visually depicts an entire process flow. Incorporating all stakeholders, participants, and steps on one diagram makes it much easier to: 1) understand the totality of the effort required to complete the task, and 2) identify steps that can be modified or eliminated to streamline the task. Such a map helps everyone involved in the process understand how their roles lead into the next and where they fit into the big picture — and how they ultimately contribute to the outcome. An advanced form of process mapping is Lean process improvement. Lean holds particular promise for government because it uses a structured, continuous approach to improvement and is action oriented.¹
- **Executive Lead Performance Meetings.** Performance-based organizations make performance data prominent in their meetings and everyday discussions. Many organizations use stat-style meetings² to hold managers accountable for results and make sure data lead to improvements. Taking a formal approach isn't always necessary,

however; simply asking questions and creating the expectation that data will be required is a huge step in the right direction. Organizations where these meetings are most effective generally exhibit the following characteristics:³

- Meetings are widely attended by all those who have an active role in contributing to positive performance. This can include administrative support functions such as human resources, contracting, and information technology, as well as direct operations and program staff.
- A common component of meetings is generating commitments — specific actions that the agency, department, or unit will commit to undertaking before the next performance review meeting to improve results. Future meetings are then used to continuously compare actual results with the plan and to determine whether further corrective strategies are warranted.
- Meetings are held on a regular schedule to reinforce the jurisdiction's commitment to results and to monitor the effect corrective actions are having on results. The meetings provide the forum where alternative performance strategies are explored, discussed, and prioritized.

COMMUNICATION TOOLS

Performance data will not yield results unless the information is communicated effectively. Effective communication requires more than distributing reports — it means that the target audience has access to and understands the point of the information. Providing this information is essential

to engaging managers, policymakers, and staff in improving results and keeping stakeholders informed and actively interested in their government.

One way to provide information is by using scorecards, which provide a quick assessment of progress toward targets and high-level performance indicators. Many scorecards take the form of a stoplight analysis (green, yellow, red) or a simple identification of trends (getting better, getting worse). Organizations that have access to technology can automate scorecards with computer dashboards that pull real-time information from other systems or combine that information with other data sets (such as geographic information systems, or GIS). This level of sophistication is not required, however; organizations can produce simple scorecards using spreadsheet tools.

CONCLUSION

In addition to the tools listed above, successful performance management also requires organizations to think from a different perspective. This can be difficult and requires staff to ask questions, and keep asking questions. In fact, the best performance management tools might be the questions “Why?” and “How?” ■

Notes

1. GFOA has a Lean Process Improvement whitepaper, which is available at www.gfoaconsulting.org/researchreports.
2. Stat meetings are modeled after successful approaches in New York City, with CompStat, and the City of Baltimore, with CitiStat.
3. From *A Performance Management Framework for State and Local Government*, available at www.pmccommission.org.

MICHAEL J. MUCHA is a senior manager in the GFOA's Research and Consulting Center in Chicago, Illinois.

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by John Ruggini

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