PERFORMANCE MANAGEMENT

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Resource:
Louisiana Division of Administration, Office of Planning and Budget
Performance Management

Strategic Planning Process
- Linkage Between Goals and Objectives

Introduction To Performance Measurement

Developing Performance Measures

Reporting Results

Evaluating and Responding to Results

Lessons Learned
STRATEGIC PLANNING PROCESS

Key questions:

Where are we now?
What makes your organization unique?
Where do we want to be?
How do we get there?
How do we measure progress?
1. Where are we now?

Internal Assessment
External Assessment
2. What makes the organization unique?
   - Vision
   - Mission
   - Values
VALUABLE EXAMPLES

We are committed to earning the public’s trust, holding to the highest moral, ethical and professional standards.

We respect our co-workers for their dedication, skills, diversity and responsible actions.

We strive for high quality, ensuring the best product possible.
3. Where do we want to be?
   - Goals
     - Goals are broad
     - States the end result
     - Long term
   - Objectives (S.M.A.R.T.)
OAL EXAMPLES

Continuously improve the performance of DOTD
Deliver cost-effective products, projects, and services
Improve customer service and public confidence
Effectively develop and manage our human resources
Efficiently manage DOTD’s financial resources
TRATEGIC PLANNING PROCESS (cont’d)
SIMULATE GOAL SETTING

Where do we want to go?
In what direction should the organization be heading?
What do we want our organization to be like by (year)?
What issues are we in the best position to address?
What programs or activities do our strengths support?

- How can we successful in the future?
- How can we better meet the needs of our customers?
- How should current programs and activities be changed?
- Should some be eliminated?
- Should some be expanded?
- What new programs or activities should be developed, either to stand alone or support existing programs or activities?
STRATEGIC PLANNING PROCESS (CONT’D)

Properly stated goals:

- Balance with Vision, Mission, and Values
- Provide Direction
- Address Policies and Priorities
- Reflection Strategic Direction
- Reflection of internal/external assessment
- Longevity
- Challenging, Realistic and Achievable
- Prioritized
Objectives

Specific and measurable targets for accomplishment
WRITING PERFORMANCE STANDARDS

S  specific
M  measurable
A  attainable
R  result
T  timed
## TRATEGIC PLANNING PROCESS
### CONT’D)
### SMART Objectives

<table>
<thead>
<tr>
<th>Elements of S.M.A.R.T.</th>
<th>Example of SMART Elements</th>
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<tbody>
<tr>
<td><strong>Specific</strong></td>
<td>INCREASE THE PERCENT OF ERROR-FREE INSPECTION REPORTS SUBMITTED… RATHER THAN “IMPROVE INSPECTION REPORTS”</td>
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<tr>
<td><strong>Measurable</strong></td>
<td>INCREASE THE PERCENT OF ERROR-FREE INSPECTION REPORTS SUBMITTED TO 90% IS A CLEAR TARGET WHICH ALLOWS US TO TRACK THE PROGRESS</td>
</tr>
<tr>
<td><strong>Progressive but Attainable</strong></td>
<td>INCREASE CUSTOMER SATISFACTION TO 100% IF CURRENT LEVEL OF SATISFACTION IS 60%, THEN INCREASING TO 100% MAY NOT BE ATTAINABLE IN THE TIME FRAME. ADJUST TO MORE REASONABLE OBJECTIVE. INCREASE CUSTOMER SATISFACTION FROM 60% TO 80%</td>
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<tr>
<td><strong>Result-Oriented</strong></td>
<td>REDUCE THE NUMBER OF HIGHWAY ACCIDENTS BY 5% STATES THE OUTCOME IS A REDUCTION</td>
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<tr>
<td><strong>Time-bound</strong></td>
<td>BY MARCH 21 2010. PERFORM 25 INSPECTIONS FOR THE PERFORMANCE YEAR PUTS A DEADLINE ON ACHIEVEMENT OF THE OBJECTIVE</td>
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STRATEGIC PLANNING PROCESS CONT’D)

How do we get there?

- **Strategies**
  Methods to accomplish goals and objectives
- **Action Plans**
  Detailed descriptions of how strategies will be implemented
STRATEGIES AND ACTION PLAN EXAMPLE

Increase customer satisfaction from 60% to 80%.

- Develop survey for limited number of customers
- Select customer sample
- Distribute surveys
- Analyze data
- Evaluate data to identify improvements
How do we measure our progress?

Accountability
INTRODUCTION TO PERFORMANCE MEASUREMENT

Benefits
- Improves Decision Making
- Enhance Accountability
- Supports Strategic Planning
- Determine Best Use of Resources
Performance Measurement Improves Decision Making
Performance Measurement Improves Internal Accountability
Performance Measurement Enhances Public Accountability
Performance Measurement Supports Strategic Planning and Goal Setting
Performance Measurement Allows Entities To Determine The Best Way To Use Resources
DEFINITION OF PERFORMANCE MEASURES

Performance Measures are the tools used to measure the performance, progress, and accomplishments of policies, plans and programs.
Before Measuring Ask Questions

What decision does this support?
What really is being measured?
Why does this matter to the decision being made?
USE PERFORMANCE MEASURES TO GAUGE PERFORMANCE

Types of Performance measures/indicators

- Input
- Output
- Outcome
- Efficiency
- Quality
How to select performance indicators?

- Look for ways to measure progress towards objectives
USE PERFORMANCE MEASURES TO GAUGE PERFORMANCE

Valuable Performance Indicators are:

- Meaningful
- Responsibility-linked
- Organizationally acceptable
- Balanced
- Clear and simple
- Comparable
- Credible
- Cost-effective
- Compatible
REVIEW & UPDATE PERFORMANCE INDICATORS

Good performance indicators evolve & improve with time
Update as necessary
Collect & report data consistently
RACK AND UPDATE PERFORMANCE INDICATORS

Set up a routine method for monitoring & reporting performance

Usually a bottom-up process

Individual Activity

Develop a plan to track your performance indicators
WHY PERFORMANCE MEASURES???

“What gets measured, gets managed; What gets managed gets done.”

Peter Drucker
LESSONS LEARNED

Don’t work on improving your measures until you’ve established your focus.
Performance measures need to be integrated into the management process.
Targets can limit performance - rather compare with best in industry or best in class.
Technology is essential to measurement.
Don’t wait for perfect measures.
Hold individuals accountable.
QUESTIONS AND ANSWERS

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