Creating a Meaningful Performance Management System

Arapahoe County: Director of Performance Management, Sarah Godlewski

September 19, 2013
Manifest excellence beyond a paradigm of betterment with magnitude for implementation of probity and cohesion with coalescence and diversity of purpose steadfast, bounded only by our prescience and predestination as we gloriously emanate eminence for the divine unified triumph toward quintessential destiny!

“I’m not satisfied with the new mission statement. I can still understand parts of it.”
Organizations struggle with strategy and performance management

**Common Shortfalls**:  

– 90% of organizations *fail to execute their strategies* thus crippling effective performance management

– 70% of organizations do not link *strategy to performance*

– 60% of organizations do not link *strategy to budgeting*

– 95% of a *typical workforce does not understand its organization’s strategy* making developing performance measures/scorecards challenging and often inaccurate

– 86% of executive teams spend less than one hour per month *discussing strategy and reviewing performance*

* Source is the Palladium Group
Arapahoe County was no different

1. **Performance Management:** Employees stated they are not aware of overall County measures nor how these measures relate to their Department/Office
   - *County’s Performance:* 91% of employees stated they did not know how the County as a whole was performing (or how it was measured)
   - *Review:* 88% of employees do not participate in meetings that involve the review of performance data
   - *Improvement:* 80% of employees stated they can use measurement info to make improvements
   - *Office of Performance Management:* 75% of employees stated they were not aware of the Office of Performance Management

2. **County’s Strategic Plan:** 82% of employees said they were not aware of the County’s long-term strategy
   - *Department Plans:* Employees stated they do not know how their Department/Office is supporting the County Strategy
   - *Align Arapahoe:* Employees stated Align Arapahoe needs to be simplified and better account for day-to-day work
Comments about the County’s previous Balance Scorecard effort?

**Positive Comments:**
- It was a good effort to encourage *interdepartmental cooperation*
- Helped to establish *goals* across the County
- The support of the Board was instrumental in getting the project underway and *continually emphasizing its importance*
- It was the first step *to demonstrating effective use of tax payer money*

**Challenge Comments:**
- Minimal focus on execution and outcomes; *over-emphasis of the confusing strategy maps*
- *Overly complicated*- 17 objectives and over 36 initiatives. Where do I focus?
- *Staff did not have a clear understanding on* “how” the performance management worked. How does this relate to me?
- *Measurement without a purpose*. Developing measures to meet requirements on a checklist
Arapahoe County’s performance management framework

OPERATIONS

Mission
*Purpose*

Function/Services
*What we do*

Program
*How we do it*

STRATEGY

Vision
*Desired Future State*

Goal
*How to achieve vision*

Outcome
*What the future results will bring*

**Operations**: Day-to-day activities and processes that define County programs and services which are fulfilled by the **Departments**

**Strategy**: The long term vision for the **County** which uses goals and outcomes to achieve a desired result
County & Department Scorecards

The performance management system will be comprised of two types of scorecards:

1. **County Scorecard**: Provides a high-level assessment of the overall progress towards achieving the County’s **strategy**. *Note*: strategic priorities are limited in number to ensure achievement.

2. **Department Scorecard**: Provides an assessment of the performance of the Department’s **core functions and programs** and indicates progress towards achieving **selected strategic outcomes**.
Align Arapahoe Strategy Map

Customer/Stakeholder
- Improve Customer Experience
- Enhance Quality of Life
- Improve Trust in Government

Financial Stewardship
- Optimize Use of Financial Assets
- Maximize Financial Sustainability

Process
- Improve Services
- Optimize Use of Resources
- Improve Internal & External Communication
- Increase Inter-Departmental Cooperation
- Increase Community & Regional Partnerships
- Improve & Align Business Processes
- Increase Customer/Stakeholder Input

Organizational Capacity
- Optimize Use & Capabilities of Technology
- Enhance Quality of Workforce
- Increase Accountability
- Increase Employee & Volunteer Engagement
- Improve Organizational Leadership

Arapahoe County
Colorado's First
Feedback on the County’s Strategy

Arapahoe County wanted a performance system that …

- Make sense
- Simplify
- Prioritize
- Align to their job
- Easy to explain to customers/citizens
Arapahoe County’s Strategic Goals and Outcomes

- Quality of Life
- Performance Based Culture
- Service First
- Fiscal Responsibility

Foster safe communities
Foster a healthier and vibrant County

- Improve the County’s economic environment
- Improve process efficiencies
- Improve access to County services and information
- Achieve customer service excellence
Making the strategy actionable

**STRATEGY**

**Vision**
* Desired Future State

**Goal**
* First level of how to achieve Goal

**Outcome**
* Strategic policy or program

**Priorities**
* Further defines the specific area to measure for the outcome

**Result Measure**
* Measures the end performance or result

**Activity Measures**
* Predicts future performance and is within area of control

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**Quality of Life**
* Service First
  * Fiscally Responsible

**Foster safe communities**

**Violent Crime**
* Property Crime
  * Juvenile Recidivism

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**Reduce the violent crime rate from 5% to 3% by 2014**

**Increase number of police on night patrol from 3 to 5 per violent district**

**Provide educational courses to every violent offender**

First in Colorado, First in Service, Your County of Choice

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**First in Colorado, First in Service, Your County of Choice**

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**First in Colorado, First in Service, Your County of Choice**

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**First in Colorado, First in Service, Your County of Choice**
Arapahoe County’s Scorecard

Vision
Desired Future State

Goal
Set of priorities that identify the areas of focus to achieve the vision

Outcome
Describes the desired future end-state of a goal area

Priorities
Further defines the specific area to measure for the outcome

Result Measures: Measures the end performance or result (X to Y by Z)

Activity Measures: Predicts future performance and is within area of control
## Arapahoe County Scorecard

### County Scorecard

<table>
<thead>
<tr>
<th>Category</th>
<th>Goals</th>
</tr>
</thead>
</table>
| Improve Access to County Services and Information | 1a. Accessibility  
1b. Public Awareness | ![Image](image.png)
| Achieve Customer Service Excellence | 2a. Citizen Satisfaction  
2b. Employee development |
| Improve the County’s Economic Environment | 3a. Programs to encourage economic environment  
3b. Responsible use of taxpayers’ money |
| Improve Process Efficiencies | 4a. Improve external processes  
4b. Improve internal processes |
| Foster Safe Communities | 5a. Public safety  
5b. Emergency and disaster preparedness |
| Foster a Healthier and vibrant County | 6a. Positive environment  
6b. Prevention, intervention, and safety nets for vulnerable populations |

### Foster Safe Communities: Public Safety

**Crime:** Reduce the violent crime rate by 15% from current levels by 2015
- Increase # of nightly police patrols
- Increase # of street lights and security cameras

**Suicide:** Reduce the suicide rate by 25% from current levels by 2015
- Increase # mental health professionals
- Increase # suicide awareness events
Measuring Operations – Department Scorecards

**Mission**
- Purpose

**Function/Services**
- What we do

**Program**
- How we do it

**STRATEGY**

**Vision**
- Desired Future State

**Goal**
- How to achieve vision

**Outcome**
- What the future results will bring

**Where we’re going**
- How are we going to get there?

**What we do**
- How can we improve?

**Operations**: Day-to-day activities and processes that define County programs and services which are fulfilled by the **departments**

**Strategy**: The long term vision for the County which uses goals and outcomes to achieve a desired result
Department Scorecard At A Glance - Focus on Operations

**Operations - 80%**

- **Mission Vulnerable Populations**
  - **Workforce Readiness**
  - **Adult Education**
  - **Elementary Ed Program**
  - **College Prep**
  - **Program**

**Core Function**

- **Job Training** => % of individuals gaining employment
- **% of enrolled obtaining GED**
- **% of youths in after-school programs**
- **% of participants who are college ready**
- **Result**

- **# of trainees**
- **$ per training**
- **# of classes**
- **$ per class**
- **# of programs**
- **# of volunteers**
- **# of tutor hours**
- **$ of tutors**

**Strategic - 20%**

- **Service First**
- **Customer Excellence**
- **Priority (focus area)**

**Result**

- **Activity**
- **Activity**
Example of Operational Measurement Cascade

Mission

To provide quality services to Arapahoe County’s most vulnerable populations

Purpose

Mission

Function

Core components that achieve Mission

Program

Collection of services that support delivery of a competency

Result

Desired performance improvement

Activity Measures

Measures output, demand, resources, efficiency, workforce

Operational

Educated Youth  Elder Care  Healthy Families

Workforce Readiness

Job Training

% of individuals obtaining & retaining employment longer than 6 months

OUTPUT:

# of individuals trained

DEMAND:

# of individuals requesting training

RESOURCE:

Expenditure per individual
How do I measure programs/activities?

Example facilitation exercise:

The purpose of the ____ (Program) is to provide ____ (Services) to ____________ (Beneficiaries) so they can _______ (Result)

RESULT:
• % of individuals w/disabilities obtaining & retaining employment < 6 months

OUTPUT:
• # of job training classroom sessions
• # of individuals w/disabilities provided job training services

DEMAND:
• # of jobs training classroom sessions requested by the customer
• # of individuals w/ disabilities requesting job training services

RESOURCE:
• Expenditure per job training classroom session delivered
• Expenditure per individual w/disabilities trained
County Budget Process- Aligning Performance and Resources

RESULT:
• % of individuals w/disabilities obtaining & retaining employment < 6 months

OUTPUT:
• # of job training classroom sessions
• # of individuals w/disabilities provided job training services

DEMAND:
• # of jobs training classroom sessions requested by the customer

RESOURCE:
• Expenditure per job training classroom session delivered
• Expenditure per individual w/disabilities trained

Budget Process

Performance Data will be used for budget requests and justifications

Use performance data to make adjustments; using numeric data to illustrate the current

Review performance data continually to determine trends & use information for quarterly budget reviews
Next Steps

**Fall 2013:**
- Complete the County Scorecard (identify measures and targets)
- Start to develop the Department Scorecards
- Execute change management plan
- Outline the governance structure
- Outline the performance based budgeting approach

**Winter 2013/2014:**
- Finish Department Scorecards
- Conduct Leadership Workshop (Kick for performance meetings)
- Begin County-level performance review meetings
- Finalize the performance based budget process (ready to implement)
- Develop the IT performance tool
- Begin staff trainings
Closing Thought....

“**In god we trust, in data we manage**”
- Mayor Michael Bloomberg

- Performance data foster an *improvement-oriented, learning environment* – not a punitive environment
- *Foster engagement* through competition; if you don’t know who is keeping score, why care?
- An ongoing, living process – strategy and performance should not be a one time event rather an ongoing process where information is used regularly to make decisions
- It is a balance *between top-down (leadership) and bottom up (staff)*; all need to be engaged, understand, and support the system
Contact & Additional Information

- Please feel free to contact me if you have any comments, thoughts, etc.
  - **EMAIL:** sgodlewski@arapahoegov.com
  - Office: 303-795-4667
Questions
Appendix
One accurate measurement is worth a thousand expert opinions
Grace Hopper
You can’t manage what you can’t measure – Peter F. Drucker

**Management** is doing things right; leadership is doing the right things  -- Peter F. Drucker

In god we trust, in data we manage – Michael Bloomberg

What gets measured gets done – Mason Haires

Performance management in the public sector is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance. Performance management is integrated into all aspects of an organization’s management and policy-making processes, transforming an organization’s practices so it is focused on achieving improved results for the public.

If you torture the data enough, nature will always confess – Ronald Coase
My idea of a perfect government is one guy, in a small room, sitting at a desk, and the only thing he's allowed to decide is who to NUKE.

Ron Swanson
"I enjoy government functions like I enjoy getting kicked in the nuggets with a steel-toe boot, but this hotel always serves bacon-wrapped shrimp. That's my number one favorite food wrapped around my number three favorite food. I'd go to a banquet in honor of those Somali pirates if they served bacon-wrapped shrimp. Excuse me."

I have so many ideas. Some are simple like take down traffic lights and eliminate the post office. The bigger ones will be tougher, like 'bring all this crumbling to the ground.'

It's never too early to learn that the government is a greedy piglet that suckles on a taxpayer's teet until they have sore, chapped nipples.

- Ron Swanson
what would you say ya do here?
WHO'S IN FAVOR OF PERFORMANCE-BASED PAY?

AND WHICH WAY SHOULD WE IMPLEMENT IT?
Defining Performance

Vision
Desired Future State

Goal
Set of priorities that identify the areas of focus to achieve the vision

Outcome
Describes the desired future end-state of a goal area

Priorities
Further defines the specific area to measure for the outcome

Result Measures:
Measures the end performance or result (X to Y by when)

Activity Measures:
Predicts future performance and is within area of control

Fiscal Responsibility

Improve the County’s Economic Environment

Encourage New Business

Educated Workforce

What are we trying to measure?
- X to Y by when?
- Aim to select two

Fiscal Responsibility

Process Time

# of people served

# of request

Efficacy of planning process

Responsible use of taxpayer’s money:

Promote economic environment
Increase the potential revenue stream through the development of sound economic practices.
How does measurement fit in?

**OPERATIONS**

- **Mission**
  - Purpose

- **Function/Services**
  - What we do

- **Program**
  - How we do it

- **Sub-Program (as necessary)**

**STRATEGY**

- **Vision**
  - Desired Future State

- **Goal**
  - How to achieve vision

- **Outcome**
  - What the future results will bring

- **Priorities**
  - Further defines the specific area to measure for the outcome

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**Result Measure**

*Measures the end performance or result (X to Y by Z)*

**Activity Measures**

*Measures efficiency/quantity (input, output, efficiency, workforce)*

**Resources**
Key to implementing effective performance management is to **custom**ize an approach to best meet the needs and unique characteristics of Arapahoe County.

There are four key components that require customization for successful performance management capability:

What process will continuously manage and execute performance management seamlessly throughout the county?
The Next Three Months….Approach for Environmental Scan

Purpose

- To assess the current performance management effort of Arapahoe county to include Align Arapahoe

Key Activities

- Review strategy and performance documents
- Conduct interviews with the following:
  1. Elected Officials
  2. Directors
  3. Key Personnel
  4. Citizen Groups/Surveys
- Perform analysis on current performance management framework
- Identify overarching themes
- Create a menu of recommendations
- Brief results at the Strategic Planning Workshop (?)

Work Products (2)

- Stakeholder Interview Guide and Environmental Scan and Recommendations Report

Period of Performance:
Dec 2012 through Feb 2012
Cascading Strategy Pyramid

Mission

Vision

A Team’s Statement of Intent

Goals (i.e. Priorities)

Outcome Statements

Objectives

Initiatives

Enduring Components

Describes the organization’s purpose (enduring)

Communicates a desired end-state (enduring)

Interprets the Vision and Mission and provides guidance on achievement of the desired end-state

Action-based statements that represent the overarching priorities for achieving the Vision

Descriptions of the intended result that will occur from performing the goal

Define how the Goals and Outcome Statements will be achieved

Define how programs, processes, and policies will support achievement of the Objectives
Governance

An effective governance ensures accountability, communication, collaboration, and adaption needed to achieve optimal results.

<table>
<thead>
<tr>
<th>Scorecard Level</th>
<th>Ownership</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Corporate</td>
<td>Surgeon General</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Sub Corporate</td>
<td>Deputy Surgeon General</td>
<td>Monthly</td>
</tr>
<tr>
<td>Objective</td>
<td>General Officers</td>
<td>Bi Weekly</td>
</tr>
<tr>
<td>Initiative</td>
<td>Objective Teams</td>
<td>Weekly, as needed</td>
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1. Surgeon General’s Scorecard:
   - Provides a high-level assessment of the overall performance of the AFMS Strategy
   - **Scorecard Inputs:** Goals, Outcomes, Objectives

2. Goal Owner’s Scorecard:
   - Provides an assessment of the performance of the Goals supporting the higher-level strategy
   - **Scorecard Inputs:** Goal, Outcome, Objectives, and Initiatives

3. Objective Owner’s Scorecard:
   - Provides an assessment of the performance of the Objectives that support the Goals
   - **Scorecard Inputs:** Objective, Initiatives, Action Plans
Role of the Strategy Management Office (i.e. OPM)

1. The Strategy Management Function plays a **PRIMARY** role in managing the following sub-processes:
   - **Strategy Coordination** – Coordinate between multiple entities to ensure an integrated approach and prevent redundancies
   - **Environmental Scanning** – Conduct environmental scans to provide inputs for strategy development
   - **Performance Management** – Design and report on the measures for strategic objectives
   - **Strategy Communication** – Communicate and educate employees about the strategy; publish strategy materials
   - **Strategy Review** – Facilitate strategy feedback and conduct strategy reviews to shape the agenda for strategy development sessions
   - **Organization Alignment** – Assist MTFs in aligning their local strategies to the corporate strategy

2. The Strategy Management Function plays a **SECONDARY** role (e.g., facilitating, coordinating) in managing other sub-processes:
   - **Strategic Planning** – Help the SG and NOVA participants formulate and adapt the strategy (Primary owner: AF/SG, AF/DSG)
   - **Initiative Management** – Assist Portfolio Teams in identifying and overseeing execution of strategic initiatives (Primary Owner: Portfolio Teams)
   - **Planning/Budgeting** – Link financial, human resources, and information technology to strategy (Primary Owner: Panels, SG8P, SG8E)
   - **Workforce Alignment** – Ensure all employee’s goals, incentives and development plans link to strategy (Primary Owner: SG1)
Further, I’ve seen additional obstacles that have caused performance management efforts to *fail* with government agencies

<table>
<thead>
<tr>
<th>Fatal Flaws</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td><strong>1 – Lack of a Performance Definition</strong></td>
<td>▶ Success undefined—what’s the vision/desired results?</td>
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<td></td>
<td>▶ Employees do not understand how to support/achieve performance</td>
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<td></td>
<td>▶ Citizens’ needs go unmet or unaddressed</td>
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<td></td>
<td>▶ Resources unfocused/suboptimized</td>
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<td><strong>2 – Mistaking Measurement for Performance</strong></td>
<td>▶ Organization focuses on activities versus results or operations instead of both strategy and operations</td>
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<td></td>
<td>▶ Data and information overload occurs—too many metrics</td>
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<td>▶ Measurement tasks often become “second job” or “additional duties”</td>
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<td><strong>3 – Lack of consistent governance and clarified roles and responsibilities</strong></td>
<td>▶ Inability to reinforce desired performance is not maximized</td>
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<td>▶ Non-performance or excellent performance go unrecognized</td>
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<td>▶ Acute problems become chronic</td>
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<td>▶ No feedback loop and lack of transparency around performance</td>
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<td></td>
<td>▶ Little time or ability to plan and act strategically</td>
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<td>▶ “Fire drill” mentality becomes pervasive—reactive instead of proactive</td>
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<td><strong>4 – Performance Management is not customized and overly prescriptive and rigid</strong></td>
<td>▶ Performance Management is overly complicated and not understood by employees and stakeholders</td>
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<td></td>
<td>▶ Strategies and measures are unable to evolve and best measure/accurately capture intended result</td>
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<td>▶ Lack of participation and enthusiasm for performance management from key stakeholders and employees</td>
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<td><strong>5 – Ineffective policies &amp; procedures in place to make performance part of the organization’s Enduring Culture</strong></td>
<td>▶ Performance capabilities not trained</td>
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<td>▶ Performance not sustained</td>
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<td>▶ Performance-driven culture not maintained</td>
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<td>▶ Lack of buy-in</td>
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Benefits of Performance Management…

Performance Management fosters…

- **Strategy Focused Organization**: Fosters a strategically focused organization by monitoring progress towards achieving desired results (e.g., goals, outcomes, and vision)

- **Accountability**: Provides the means to hold an organization accountable for results both internally and to the citizens of Arapahoe

- **Objective Decision Making**: Generates information that enables decisions based on objective data and facts

- **Return on Investment**: Captures how taxpayer money is being used and the results achieved

- **Performance Based Culture**: Fosters a performance based culture focused on achieving and improving results

- **Transparency/Communications**: Provides the data/information to communicate results to a variety of key stakeholders (e.g., citizens, elected officials, directors, employees)

- **Citizen Engagement**: Encourages citizens/employees to provide feedback and get involved to improve performance and

- **Effective Use of Resources**: Justifies use of funds based on performance and impact

- **Trust in Government**: Improves citizen’s confidence in the capability of government by systematically holding government departments and agencies accountable for results