PRACTICAL PERFORMANCE MEASUREMENT

THE PUBLIC SECTOR MANAGER’S GUIDE TO UNDERSTANDING AND IMPLEMENTING PERFORMANCE MEASUREMENT

A PRS PRACTICAL GUIDE
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INTRODUCTION

At some point in your career as a Public Sector manager, you will be required to report on the performance of your work unit. Reporting may be a requirement of a particular program or project you are responsible for. Or it may be that your performance report will be ‘rolled up’ as part of a larger reporting framework, like a Departmental Performance Report (DPR).

The good news is, meeting these requirements does not have to be difficult. The better news is that an appropriately designed and properly implemented performance measurement system will provide you with valuable information to help you manage better.

Remember that the ultimate goal is performance, not performance measurement. Measurements don’t solve anything. They must be accompanied by action. To improve performance you have to understand it; to understand it you have to measure it. Then take action based on that understanding. A practical and effective performance measurement and reporting system will provide information to support business planning, allocation of resources, continuous improvement, and ultimately customer...
satisfaction. From the manager’s perspective, those are the real benefits to be obtained from developing a robust performance measurement system.

But performance measurement must be supported by a structure in which business and operational plans and performance reporting are linked through a feedback process. Measurement provides the feedback necessary to improve decision making in order for the organization to progress towards the attainment of its vision, mission and objectives. This is a continuous process improvement.

When the PRS partners began working in the area of performance measurement, we faced many of the same challenges we see managers struggling with today. There was a wealth of information about performance measurement available; the challenge was to find what was actually useful, and figure out how to apply it to the particular circumstances.

Through research, mentoring, experience and practice, we have developed a methodology to create a practical, useful performance measurement system. By writing this book we have tried to give you the benefit of our experience; by explaining essential language and concepts; by documenting quick and
practical methods for identifying key performance measures; and by providing tools to assist in collecting and reporting performance information.

The information presented here is winnowed from our own experience in performance measurement. In our opinion, it's what actually works; therefore it is light on theory and long on practical application. This book forms the basis for PRS' own practice of creating and implementing Public Sector Performance Measurement Frameworks.

We hope is that by reading this book, you will avoid having to read 10 other books to get the practical insights you need to make performance measurement work for you.

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Here's a key point we've learned over the last decade or so: performance measurement is 20% knowing how, and 80% knowing why. Public sector managers are facing both external and internal pressures to measure performance.

Central agencies at all levels are increasingly focused on evidence-based reporting. For example, the Treasury Board Secretariat Program Activity Architecture (PAA) is comprised of 4 elements:

- clearly defined and appropriate strategic outcomes;
- complete program inventory aligning departmental programs and program activities to the strategic outcome(s) they support;
- performance measures for each level of the department's PAA;
- departmental governance structure that defines decision-making and accountability by outcome and by program.
But from the manager’s perspective, performance measurement has to be about **telling the story** of your work unit’s success in meeting defined objectives. To create a credible performance story, you the intelligent manager needs to understand how your work unit contributes to the bigger picture in the organization.

You need to understand what your boss expects, and what clients expect. Understanding how business activities support outcome achievement
provides a means to assess progress and direct future activities. And you need information to support planning, decision-making, and resource allocation.

An appropriately-designed and successfully performance measurement framework will provide invaluable information to improve programs and then determine if the improvements make the intended difference.

Performance information can be a powerful motivator of staff, who now can observe the progress they are making in a consistent, tangible manner. And performance data can help position the department/agency as a successful organization, a very good thing around budget time.

Most managers are familiar with business planning. A business plan is a supposition: the manager supposes that if the work unit consumes the budgeted resources in the planned activities, the things (goods, services, information, policies, etc) produced will lead to desirable results for the work unit, and the larger organization.
Performance measurement is the complementary process to business planning. A **Performance Measurement Framework** provides the structure for your performance story. It helps you identify the key **activities, outputs and outcomes** (see GLOSSARY for definitions) that will meet the expectations placed on you. It tells you where to find the specific information you need to understand what is working well, and what needs improvement.

Frameworks are valuable; however, the process of populating the framework has to be understood if it is to be of any use. Appropriate performance measures must be identified, introduced and ultimately used to manage the business. This book documents a practical and tested approach for developing a performance measurement framework, populating it with relevant measures and indicators, and using that information to develop a system to help make decisions, allocate resources, and drive improvement.

Developing a robust performance measurement system is a distinctive experience for each manager who undertakes it. The employees of the work unit have a large influence on the success of performance measurement. Our experience suggests the single most important factor in determining if
performance measurement is adopted in a work unit is the attitude of the personnel who must implement and operate the system.

You can initiate performance measurement without a lot of support from your boss. You can start without a lot of ‘high-tech’ tools. And you can start without a perfect understanding of the process, and learn and improve as you go.

But it is critical that your employees perceive performance measurement as positive and not punitive. A solution that is less than perfect from a technical perspective, but that is well thought out and adapted to the needs of your employees is always better than the consummate system no one will believe in or use. In our practice, we always remember the dictum that it is impossible to do good performance measurement to someone; you can only do it with them.

The other reality is that a robust performance measurement system takes time to evolve; usually several reporting cycles. This does not mean that useful data cannot be collected and used fairly quickly. Rather, it demonstrates the need to start as soon possible, have tolerance for the
necessary learning curve, and take steps to ensure everyone is on board for the journey.

This book is intended to support that desirable outcome. It will help you clearly articulate expected results, develop meaningful measures of success, and report on accomplishments in a fair and credible manner. We’ve documented a step by step approach to building and populating a performance measurement framework, that can be quickly ‘customized’ for your work unit.

The PRS partners and associates have facilitated many Public Sector working groups on performance measurement; the discussions among employees and their managers about how things really work are always interesting and informative. It is not unusual to have problems resolved ‘on-the-spot’, just because everyone has focused his or her attention on the issue.

We wish you the best of luck in your own efforts; if you start with a manageable scope, follow a structured process, and commit to regular review and improvement, you are almost guaranteed to create a useful performance measurement system.
PERFORMANCE MEASUREMENT AND PLANNING

I’ve said that performance measurement is a means to an end, and not an end in itself. A little context will be helpful in understanding how performance measurement fits into the management systems of the organization.

Performance measurement brings together strategy, decision making and organizational learning. Performance measurement provides feedback to the manager on all aspects of the operation - resources, processes and consequences. The goal of performance measurement is to help optimize the interaction of these elements.

A performance measurement system also enables understanding of cause-and-effect relationships—e.g. what are the key business drivers and the desired outcomes and how are they correlated. A performance measurement system provides a means of ensuring that strategy and work activities are linked, and that the link is two-way i.e. the organization learns and improves.
Within Government of Canada departments and agencies, there should be alignment from the Program Activity Architecture (PAA), to work unit
business plans, program goals, performance measurement strategies, and managers’ performance agreements. Performance measurement supports this structure from many perspectives:

**Strategic**: measuring key results and the impact of business line strategies;

**Business Planning**: evaluating results against plans and priorities;

**Financial**: performance measurement of risk management and commitment control systems;

**Operational**: measuring the effectiveness of work plans, performance accords/management agreements;

**Program/project**: performance measurement and evaluation of program outcomes.

The challenge here lies in identifying the 'critical few' measures to meet the various reporting needs.

**TBS** offers the following:
Departments should ensure consistency of information between transfer payment PMF and the PAA - i.e. PAA information should be derived from RMAFs where there they exist

- Have program managers be integrally involved in developing this information and signing off on them
- Ensure that a system will be in place for collecting the data
- Ensure that the resources are available for collecting the data

And while it is not explicitly stated, you also need processes and resources for **analyzing, evaluating and using** performance data (see FIGURE 4 following).

PRS has conducted a number of **Performance Measurement Gap Analyses** and can confirm that gaps commonly fall in the area if these last three.
FIGURE 4: Performance Measurement Process Model*

* Adapted from the NPR Performance Measurement Process Model
So, from every perspective, public sector performance measurement needs to focus on identifying information that is **useful to the manager** 'at the coal face'. If you are successful in this, you will be able to respond to any higher-level reporting requirements.

The next section presents a step-by-step methodology to build and implement a Performance Measurement Framework. This is the approach PRS follows in our performance measurement practice.
STEP-BY-STEP METHODOLOGY

1. SETTING THE STAGE
   - Assessing Where you are Now
   - Building Capacity
   - Educating the Organization

2. BUILD THE FRAMEWORK
   - Identify ‘Why’
   - Document Program Logic

3. CREATE MEASURES
   - Tracking the Process: Efficiency Measures
   - Evaluating the Progress: Effectiveness Measures

DELIVERABLES

4. OPERATIONALIZE
   - Document Data Collection Strategy
   - Design Performance Reporting

5. IMPLEMENT
   - Pilot test and adjust
   - Confirm Governance
   - Design Communication Strategy
   - LAUNCH
1. SETTING THE STAGE

Like any project or program, performance measurement requires some preparatory work. You and your staff need a basic understanding of the context, concepts and language of performance measurement. Appropriate positive messages must be communicated to your employees. The advantages and benefits of performance measurement must be ‘sold’ to your employees, and perhaps to your boss.

1.1 ASSESSING WHERE YOU ARE NOW

When I ask people about their perceptions of performance measurement and what it means to them, I typically get responses like the following:

- You can’t measure what we do;
- That’s been tried and it didn’t work;
- I don’t know how to do it;
- I don’t know what to measure, or why;
• I don’t know where to find data, or what data is important;
• I already do too much reporting, and I’m swamped by data;
• It’s too complicated;
• We don’t have the resources;
• Why can’t someone do it for us;
• I have too many other priorities.

This kind of reaction is normal when people are presented with unfamiliar things. People are often reluctant to embrace change in their work environment, because change can mean more work/more responsibilities/more challenges without necessarily any payback (for them).

**How do you change these attitudes?** Start by acknowledging them, and finding out (through focus group meetings, one-on-one interviews, surveys) the particular ‘sore points’ in your own organization. Your employees may
have had less-than-successful previous experience with some form of performance measurement. They may fear that performance measurement will become a tool that will be used against them. They may believe that performance measurement is another ‘flavour of the month’ improvement initiative, and if they ignore it long enough it will go away.

Ignorance is not bliss; it is a source of fear and confusion. You can begin to dispel negative perceptions of performance measurement by a campaign of communication and education. The goal of this campaign is to convey clear and consistent messages about why you are starting performance measurement, what you hope the benefits will be, and what your employees role will be in making it a success.

Some positive messages that need to be communicated by you and also by your boss (if he or she is on side):

• The goal of our performance measurement initiative is to improve organizational performance, not to target individuals for scrutiny (i.e. positive not punitive);
• We will provide the training you need to understand and apply performance measurement in your own work;

• We will provide the time and resources to support performance measurement;

• We are committed to building a performance measurement system that will provide valuable information about organizational achievements to the employees as well as the managers.

This kind of communication and reassurance will be an ongoing requirement throughout the development and implementation of a performance measurement system. Since getting and keeping your employees support is critical to success, and since you should be keeping other stakeholders (your boss, your peers, etc) informed as well, I suggest you develop a formal communication strategy.

Again, this does not have to be complicated. It simply requires deciding what messages you want to communicate to which audiences at what time in the
process, and then developing and delivering those messages via an appropriate medium (e.g. briefings, presentations, e-mail, newsletter).

You don’t have to draft the entire communication strategy at once; but you should be prepared to report progress and respond to inquiries appropriate to the stage of development of the initiative. And have a good answer ready when they ask you ‘**why are you doing this**’, (also known as ‘what’s in it for me?’) You want to convey the message that, even if all the steps in the process are not yet clear, you do know where you are going and why.

When you have achieved some consensus with your staff about the value of performance measurement, a good next step is to find out who has skills that may be useful in building the system. Interviews and focus groups are a good way to develop a skills inventory of your employees, and will help promote their engagement in the process. They will be able to see a role for themselves, and understand that they can have a lot of control over the final product.

At this point you will probably want to recruit a team to assist in the process the (the skills inventory will help with this, and volunteers should be
welcomed). Your team can begin immediately by conducting a performance information exploration of your/their work unit.

The purpose of this exploration is to uncover information that will assist in diagramming the logic of the program or projects delivered by the work unit (see Logic Modeling). The team should assemble documents that identify the mission, mandate and objectives of the work unit. They should document ongoing or planned improvement initiatives. And they should identify any existing performance measures currently being used.

Supporting documentation that may be used include existing vision and mission statements, strategic and business plans, concept papers, process maps, activity and output frameworks, and performance management agreements. This material will be used to develop a draft Logic Model.

1.2 BUILDING CAPACITY – EDUCATE THE ORGANIZATION

Your performance measurement team needs to possess or establish a common baseline understanding of performance measurement concepts, context and language. The most important of these is language; there are
a handful of key terms the team must understand and agree on (see GLOSSARY for definitions). These are:

- Input
- Activity
- Output
- Outcome
- Logic Model
- Performance Measure
- Performance Indicator
- Performance Standard/Target

**FIGURE 5** in the next section shows the linkage between these components.

You can expect that **training and orientation** will be required for the rest of the organization, as well as perhaps for senior management. This requirement can be planned in conjunction with your communication strategy.
2. BUILD THE FRAMEWORK

**Why do programs exist?** In order to yield a benefit, programs ultimately have to change people's behaviour. The outputs of the program must be aimed at influencing client groups or target audiences – i.e. The ‘reach’ element—to act in different ways so that the anticipated outcomes can occur (please see GLOSSARY for the necessary definitions).

The rationale for a program (i.e. a program **Logic Model**) can be represented as the answers to a series of ‘why’ questions:

The program consumes inputs (**why?**)

=> To conduct activities (**why?**)

=> To produce outputs (**why?**)

=> To educate, influence or assist our clients and customers (**why?**)

=> To alter behaviours (**why?**)

=> To yield a **benefit** as a result of a change in conditions.
From the preliminary scan of available internal documents, the performance measurement team can develop a draft logic model for validation by the organization’s management team and the wider organization.

Developing and using a logic model has a number of benefits for the manager and the work unit. The process of developing a logic model can help managers and employees achieve consensus on what the program is trying to accomplish, identify the clients/stakeholders of the program, and the relationship between inputs (resources) used, in addition to the impacts or benefits sought and the activities required to get there. The logic model should also make explicit the assumptions about the program, and identify environmental conditions that may affect outcomes.

Following the initial development, the working group should engage in a series of consultations with selected stakeholders and subject matter experts, to confirm and validate, in particular, organizational outputs and outcomes. This will necessitate providing some orientation and/or training to these partners.
## FIGURE 5 – Logic Model Program Linkages*

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>ACTIVITIES</th>
<th>OUTPUTS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What we Use</strong></td>
<td><strong>What we Do</strong></td>
<td><strong>Who we Reach</strong></td>
<td><strong>What we Produce</strong></td>
</tr>
<tr>
<td>Staff</td>
<td>Research</td>
<td>Participants</td>
<td>Goods</td>
</tr>
<tr>
<td>Money</td>
<td>Workshops</td>
<td>Clients</td>
<td>Services</td>
</tr>
<tr>
<td>Time</td>
<td>Counseling</td>
<td>Customers</td>
<td>Information</td>
</tr>
<tr>
<td>Partners</td>
<td>Facilitation</td>
<td>Users</td>
<td>Policy</td>
</tr>
<tr>
<td>Volunteers</td>
<td>Product Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Adapted from a document produced by the Cooperative Extension of the University of Wisconsin.

**FIGURE 5** depicts linkages that provide opportunities for identifying possible indicators to populate the performance framework. By understanding the desired changes in knowledge, attitudes, perceptions and decisions made by your target group(s), opportunities for effective measurement can be discovered.
3. CREATE PERFORMANCE METRICS

With a preliminary consensus as to the outputs and desired outcomes established, the team can begin to develop appropriate performance metrics. For performance measurement to be effective and sustainable, the manager and the team should focus on defining what they would like to know about how well their organization is delivering its outputs and achieving its outcomes. It is also important for the team to make explicit the linkages between desired outcomes and the activities and outputs that drive them. This will ensure the proposed measures and indicators are meaningful and relevant to their business.

Initially, having a handful of well thought out and meaningful metrics is more important than developing indicators for every possible program output or outcome. More metrics can be added once the framework is in place and people are accustomed to it.
3.1 TRACKING THE PROCESS – EFFICIENCY MEASURES

As shown in the performance continuum in FIGURE 2, inputs (what we use), activities (what we do), and outputs (what we produce), are often evaluated from the perspective of efficiency - e.g. metrics related to time, cost, quantity and quality. Efficiency might be defined as ‘doing things right’. The work unit’s Business Plan usually defines how to do things right.

Some examples of efficiency metrics:

- Cost per unit produced
- Accuracy
- Number of employees trained
- Time to complete a task
- Percentage of re-work required
3.2 EVALUATING THE PROGRESS – EFFECTIVENESS MEASURES

Outcomes are often evaluated from the perspective of **effectiveness** i.e. ‘doing the right thing’. The right things to do are usually identified in the Strategic Plan. Metrics can be drawn from existing data or information systems to serve as proxies or surrogates for outcome measurement (e.g. reflecting changes in attitudes, practices, and conditions).

Stakeholders’ perceptions and ideas about the program may be captured; employee satisfaction can be quantified. Anecdotal reporting of situations or occurrences can demonstrate how well an organization or program was able to respond to certain planned or unplanned events. Some examples of program effectiveness measures:

- Customer retention
- Employee turnover
- Smoking rates among teenagers
- Economic success of select populations
• Birth weights
• Capacity

Some things can be more challenging to measure than others, but everything can be fit into a logic model framework.
4. OPERATIONALIZE THE FRAMEWORK

In order to operationalize the Performance Measurement Framework, your team needs to find data to support the metrics. Performance data may be found in many areas within your work unit, or perhaps external to it (e.g. in a centralized financial system). Developing a Data Collection Strategy will help manage the process of gathering and analyzing performance data.

4.1 DEVELOP A DATA COLLECTION STRATEGY

A **Data Collection Strategy** should identify and document data sources, data types, data collection frequency, data reporting frequency, and other information necessary to begin actual data collection.

It is **critical** to maintain this record; personnel change, and the person generating or collecting the data this year may not be there next year. Maintaining a record of the data collection process also helps ensure accuracy and consistency in performance reporting. This is especially
important if the data is to be manipulated (i.e. subjected to a particular calculation) to support a performance measure.

The team should also make note of any explanatory factors i.e. contextual or procedural information that needs to be considered in the evaluation of the data. This may include assumptions made by the team, or influencing factors beyond the scope of control of the program. It may also be that there are known ‘gaps’ in the data, or some inconsistencies in data capture at the source.

**FIGURE 6** shows one format for a data collection template used to record and organize information to support the Data Collection Strategy.

**FIGURE 6** – Sample Data Collection Template

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Data Source</th>
<th>Data Collection Lead/OPI</th>
<th>Is this data currently collected/reported?</th>
<th>Collection Frequency</th>
<th>Reporting Frequency</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 2</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Indicator . .</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
You will also want to document:

- the rationale for the indicator e.g. what outcome it supports;
- any assumptions or special circumstances pertaining to the collection or analysis of the indicator;
- the standard or expected level of performance with respect to the indicator.

4.2 DESIGN THE PERFORMANCE REPORTING FORMAT

The team must next determine how the data will be organized for presentation. Initially, keep it simple – e.g. present a concise view of data collected in support of each indicator, and progress made toward performance standards and/or targets. Reports may also include comparisons of data between:

- the current and previous reporting period;
- similar organizations;
- industry standards or norms;
• different client groups or segments;
• different Sectors or Branches within the organization.

The actual layout of the report is dependent on the needs of the team and the manager. Note that indicators will require explanatory comments to illustrate the relevance of the data. This interpretation provides the real value of the performance report.

PRS likes use the nomenclature **Situation-Implication-Recommendation (S-I-R)** as a standard way of providing analysis and interpretation of data.

- **Situation** is the 'What'?: it is the occurrence or event being evaluated.
- **Implication** is the 'So What'?: the relevance or importance or impact of this data to the business of the organization.
- **Recommendation** is the 'Now What'?: the action we need to take to ameliorate (or enhance) the results described.

This analysis needs to come from the people **doing the work** that generated the data. They should have the best handle on the S-I-R for their work unit.
The example on the next page is taken from our Performance Reporter Software, developed by PRS to reduce the admin burden of collecting, analysing and reporting performance information. The tool allows comparisons between different reporting periods and work units, and also captures important meta-data.

Note that each measure is clearly linked to an outcome, and that the analysis of the data (the 'What, So What, and Now What') is of primary importance.
Performance Reporter v2.0 Sample Scorecard Screen

### Measure Scorecard

**Budget Adherence**

- **Purpose**: The purpose of this measure is to *lorem ipsum dolor sit amet, consectetur adipiscing elit. Phasellus vulputate, magna non porta interdum. Donec pulvinar condimentum tincidunt. Phasellus tincidunt convallis neque et rhoncus. Cras elementum orci a arcu rhoncus sed ut malesuada arcu dignissim.*

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**Period: Q1 2011**

- **Spending Variance**
  - **> 6%**
  - **2% - < 6%**
  - **< 2%**

---

**Supplementary Data**

**Document**

---

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Branch</th>
<th>Work Unit</th>
<th>O &amp; M</th>
<th>Salary</th>
<th>Cap. Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Actual</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Variance</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Status</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Situation**: The “What”. The particular result or occurrence that is the subject of *lorem ipsum dolor sit amet, consectetur adipiscing elit.*

**Implication**: The “So What?”. Why is this situation or occurrence important to the *lorem ipsum dolor sit amet, consectetur adipiscing elit.*

**Recommendation**: The “Now What?”. What actions, if any, are recommended to *lorem ipsum dolor sit amet, Phasellus vulputate, magna non porta interdum.*

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Performance measurement challenges? Call PRS Vice-President Charlie Snelling 613 744-4084
5. IMPLEMENTING THE SYSTEM

The system has now been built ‘on paper’, and is ready for testing and implementation. The team should conduct at least one pilot (trial run), using actual data where possible. Communication and training will be required for those collecting and/or reporting data. And an implementation plan should be developed to manage the launch of the system.

5.1 PILOT TESTING

A pilot of the performance measurement system is essential and will lead to improvements in the system. The trial run should last long enough to encompass all key data collection points and must include at least a representative group of program participants.

Note that the pilot test is expected to encounter some problems; that is its purpose. It is important that during planning for this phase, the team ensures that sufficient time is allowed to review pilot results and implement
the final changes needed for the launch of the final Performance Measurement System.

Pilot participants will require orientation and training, both on the performance measurement system as well as their roles and responsibilities during the pilot. The team may also consider developing a formal Communication Strategy, identifying which messages about the pilot that they wish to convey to the different audiences e.g. participants, peers, senior management.

The team will initiate data collection with a preliminary subset of identified metrics within the performance framework, focusing on those that are easiest to collect and/or most critical to the internal decision-making needs of the organization. The first round of data collection and reporting will be imperfect. Have tolerance for ambiguity and variances in data collection and reporting, especially across work units or business lines.

The team should create a sample report using the actual performance information for a set period of time (e.g., a fiscal year, quarter). Once a preliminary ‘test’ report has been produced, adjustments and refinements
can be made. Measures can be added or changed once the system in place and those involved achieve a comfort level with it.

The team must evaluate the usefulness of the data as well as the effectiveness of the collection and reporting process. Gaps and deficiencies may stem from:

- Incorrect or incomplete data - data input or collection error;
- Selection of the wrong or irrelevant indicator;
- Actual flaws in the process used to conduct measurement.

These can all be corrected as time goes on.

5.2 LAUNCH

After at least one round of pilot testing and refinement, the manager and the team can plan the launch of the system. Using lessons learned from the pilot, you will need to develop an implementation plan to address the following points:
• **Performance Measurement Governance Structure** – to whom will the data be reported, and how will it be used to make decisions and who is responsible to act on the findings to improve the organization?

• **Resource Requirements** – what resources are required for data collection, analysis and reporting?

• **Roll-out Planning** – will the system be launched in stages, with a sub-set of measures, in a limited geographical area, or all at once? Will additional training or technical support be required?

• **Risk Management** – what risks does the launch entail, and what is the mitigation strategy?

• **Communication Strategy** – what messages do we have to convey to which audiences?

As I said in the introduction, developing a robust performance measurement system takes time – to plan, to test, to adjust, and to implement. The structured approach introduced here is intended to get you to that point as efficiently as possible. Once this has been done, a process of continual process improvement and refinement can take place.
GLOSSARY

**ACTIVITY:** a task, operation or action that produces an OUTPUT.

**CLIENTS:** the people or organizations who become directly involved in a program through receiving or consuming its outputs. They may also be considered external users or customers.

**INPUT:** human, physical and financial resources used and the time required to produce outputs.

**LOGIC MODEL:** a graphical representation of how a program is expected to work - i.e. deliver a benefit.

**OBJECTIVE:** is a clear statement of what the program is intended to achieve for the target population. It reflects the desired outcome as well as the relevant legislation and government policy.
OUTCOME: the result or consequence of actions or events. A desired outcome is the behaviour or circumstances the program wants to effect wants to occur or the need it wants to satisfy.

OUTPUT: What is produced (e.g. goods, services, information, policies etc)

PERFORMANCE INDICATOR: The quantification or qualification of a performance measure (e.g. percentage of clients that are satisfied).

PERFORMANCE MEASURE: Quantitative or qualitative attributes that must be measured in order to determine whether the expected results are being achieved (e.g. customer satisfaction)

PERFORMANCE TARGET/STANDARD: Desired level of performance for a performance indicator (e.g. customer satisfaction target = 95%)
REFERENCES


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The WA Public Sector Performance Management Framework, Public Sector Management Office, December 1995

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