Performance-Based Management

*Cathy Iles*
*DHS Performance Measure Coordinator*
Desired Outcomes...

– Understand context around managing for results (performance-based management)

– Understand the basic performance measurement concepts:
  • Gathering inputs
  • Selecting activities
  • Counting outputs
  • Measuring outcomes
  • Impacting goals

– Understand the benefit of benchmarking our work
Definitions

Performance-based management is a systematic approach to performance improvement through an ongoing process of establishing strategic performance objectives; measuring performance; collecting, analyzing, reviewing, and reporting performance data; and using that data to drive improvement.

Performance measurement is the comparison of actual levels of performance to pre-established target levels of performance.
Performance-Based Management Framework

Define Desired Results: strategic direction and outcome oriented goals

Adjust to Improve: adjust priorities, move resources, eliminate or streamline actions

Link Actions to Results: business plans and performance targets

Evaluate Performance: Performance measures and other information that informs on how you are performing
Performance Measures & Benchmarks

- Operational Measures, Program Performance Measures
  - Examples: workforce measures, efficiency, timeliness, caseload, cost, satisfaction, error rates, budget information, process measures, quality indicators
- DHS Key Performance Measures
- Oregon Benchmarks
- DHS Goals
- Oregon Principles
- Oregon Shines Strategic Vision & Goals
### Performance Measurement Line of Sight

**DHS Mission** – Assisting people to become independent, healthy and safe

<table>
<thead>
<tr>
<th>Operational Metrics / Staff Individual Metrics</th>
<th>Internal Agency Performance Measures</th>
<th>Key Performance Measures</th>
<th>High-Level Performance Indicators</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prevention</td>
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<td></td>
<td>Problems are prevented or addressed in the early stages</td>
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<td>Access</td>
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<td>Oregonians have access to the services they need</td>
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<td>Service Quality</td>
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<td></td>
<td>Individuals who receive services are safe and healthy</td>
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<td></td>
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<td>Organizational Effectiveness</td>
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<td>DHS has the capacity to deliver needed services</td>
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</tbody>
</table>

**Process Metrics – Inputs and Outputs**

**Result Measures - Outcomes**
The Lingo

• Inputs
• Activities
• Outputs
• Outcomes
• Goals

✓ In alignment with GASB – the Governmental Accounting Standards Board.
✓ Consistent across Oregon state government
Logic Model - aka “If-Then” Model

IF these benefits to customers are achieved, 
THEN certain changes in people, organizations, communities or systems would be expected to occur.

IF you accomplish your planned activities to the extent you intended, THEN your customers will benefit in certain ways.

IF you accomplish your planned activities, THEN you will deliver a certain amount of product and/or services.

IF you have adequate resources, THEN you can use them to accomplish your planned activities.

Certain resources are needed to do your work.
This creates a “line of sight” between your daily work and your goals.

Reducing hunger

Ratio of Oregonians served by food stamps to the number of low-income Oregonians

• # of food stamps issued
• Timeliness
• Accuracy rate

• Outreach activities
• Training

DHS Staff, local partners

DHS

Goals

Outcomes

Outputs

Activities

Inputs
The Performance “Equation”

\[
\text{Structure} \quad \text{Treatments} \quad \text{Environment} \quad \text{Client} \quad + \quad \text{Managerial} \quad \text{Performance}
\]

Performance \((P)\) is a product of government structure \((S)\), program treatments \((T)\), environmental factors \((E)\), client characteristics \((C)\) and managerial actions \((M)\).
Performance measures drive fact-based discussions and tell you how your process is performing against a target – they should be **SMART**

- **Simple**
  - Does it have a clear definition?
  - Is it easy to understand?

- **Measurable**
  - Is it easy to measure?
  - Do we have, or can we collect, the data required?

- **Achievable**
  - Can we actually influence it?

- **Results-oriented**
  - Is it aligned with our strategy and goals?
  - Does it support higher level outcomes?

- **Timely & Targeted**
  - Can it be measured at a frequency that will allow us to adequately solve problems and make mid-course corrections?
  - Are we aiming at an ambitious, yet realistic, target?
### Performance Dashboard

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Results</th>
<th>Target*</th>
<th>Status</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of children ages 19-35 months who are adequately immunized</td>
<td>74%</td>
<td>85%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Mental Health patients who are employed</td>
<td>17%</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uninsured children</td>
<td>12.6%</td>
<td>7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual staff turnover rate</td>
<td>16%</td>
<td>15.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>63%</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Dummy data

* Informed by benchmarking
Cathy Iles, DHS Performance Management Coordinator, cathy.f.iles@state.or.us

http://www.oregon.gov/DHS/publications/pm_reports

http://www.dhs.state.or.us/tools/transformation/index.html
Definitions

Benchmarking - (also "best practice benchmarking" or "process benchmarking") is a continuous process in which organizations evaluate various aspects of their processes in relation to best practice, usually within their own sector. This allows organizations to develop plans on how to adopt such best practice, usually with the aim of increasing some aspect of performance. ~ Wikipedia
Inputs

Inputs...

• are the resources needed to produce the activity and results
• are the ingredients that go into the project to make it work and grow
• fuel the efforts of the project
• are gathered from many sources

Examples of Inputs:

• Staff, volunteers, contractors
• Equipment
• Fees for providing services
• Grants
• Donations
• Office supplies
• Matching funds
• Population characteristics
• Political support
• Contracts for services
• Service provider partners
Activities

Activities...

• are actions which address the priorities of an organization to achieve desired results.
• should be selected based on research, logic and experience.

Examples of Activities:

• Mentor program
• Family support groups
• Staff training
• Community events and meetings
• Communication via newspapers, radio and television
• After-school activities
• Referrals to partners
• Family decision making meetings
• Multi-disciplinary case staffing
• Involve seniors and people with disabilities in meetings
• Seek input from stakeholders
Outputs

Outputs...
• are produced from the activities
• are the quantity of work, the amount of activities, services, or other countable things or events that are produced by individual efforts, programs, or service systems
• are counts of a program’s work
• account for how much the program produces

Examples of Outputs:
• Number of clients served
• Number of care providers
• Number of community meetings
• Number of youth group activities
• Number of patients in weekly support sessions
• Number of training sessions
• Number of cases staffed
• Number of planning meetings
• Number of home visits
Outcomes

Outcomes. . .

• are the desired measurable changes in people, organizations, or community conditions.
• result in one or more of the following benefits for individuals or groups: new knowledge, increased skills, changed attitudes, changed values, modified behavior, improved condition, increased capacity.
• indicate progress toward impacting goals.
• can be very high level, such as an Oregon Benchmark, of which a single organization may have little impact on alone, but works in partnership with others.
• can be intermediate level of which an organization has a higher level of impact.
• can cover short or long periods, depending on the purpose and scope of the effort.

Examples of Outcomes:
• Decrease rate of teen pregnancies
• Increase independent living skills
• Increase number of youth activities available in a neighborhood
• Decrease lag time between referral and services
• Decrease medical risk factors
• Increase client satisfaction
• Increase high school completion rate
Goals

Goals...

• are longer-term big societal visions that can be impacted by many efforts in coordination.
• are broad results impacted by many actions.
• describe and clarify the broad purpose and vision for doing the project.
• help motivate, focus, and coordinate strategies and outcomes designed to produce the desired broad societal changes.
• are often too broad to measure directly.

Examples of Goals:

• People are safe
• People are able to support themselves and their families
• Economic and social opportunities in communities
• People are living as independently as possible
• Education success
• People are healthy
• Comprehensive and integrated client supports
• Systems change