

# PERFORMANCE MANAGEMENT: ANALYSIS AND DECISION-MAKING

# INTRODUCTION

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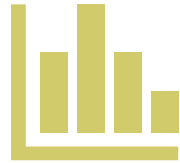
Research Focus: Organizational  
behavior, Strategic Planning,  
**Performance Management**, Program  
Evaluation





## **Strategic planning**

Mission and goals



## **Performance measurement**

Measuring progress using indicators

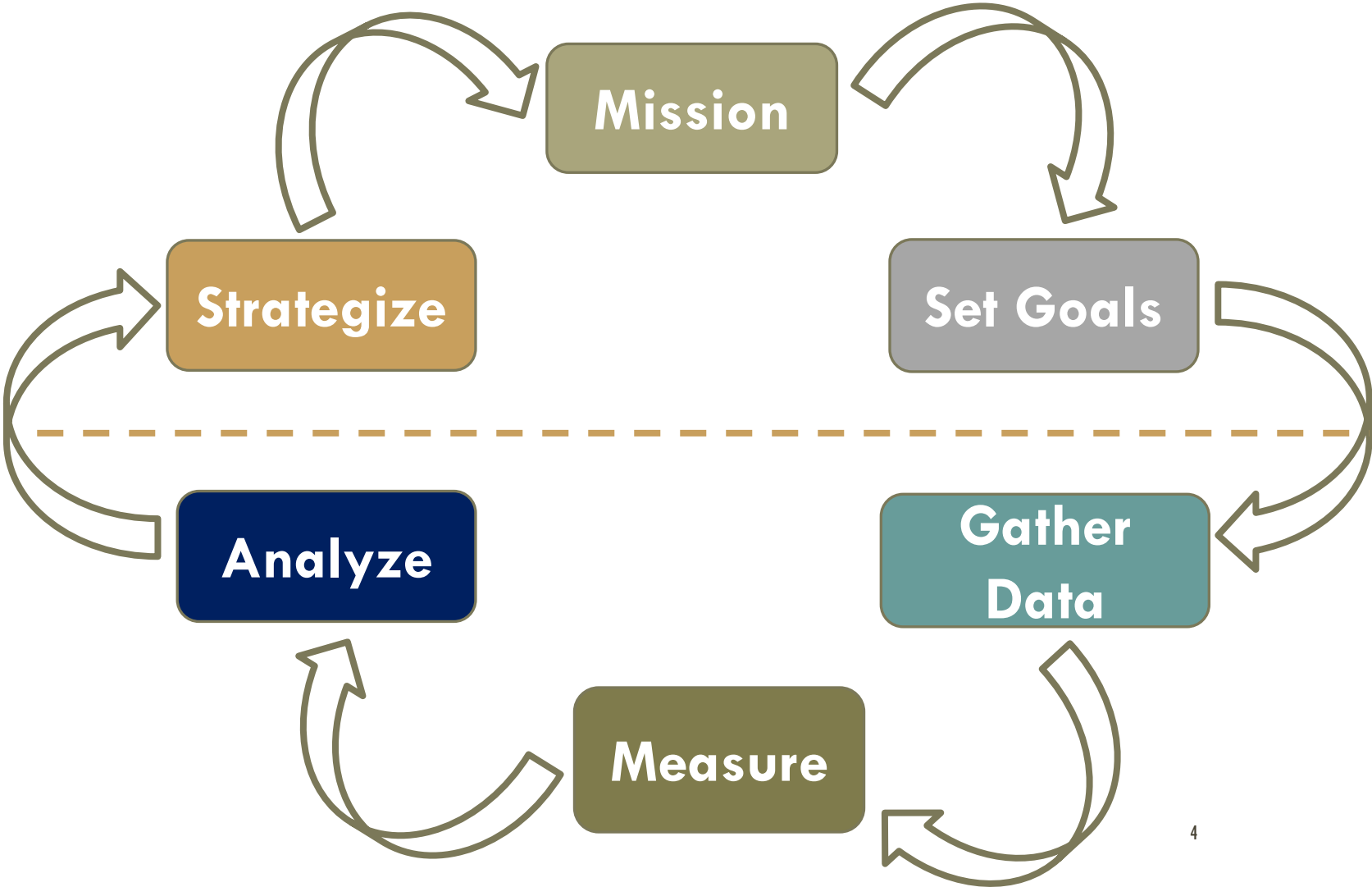


## **Performance management**

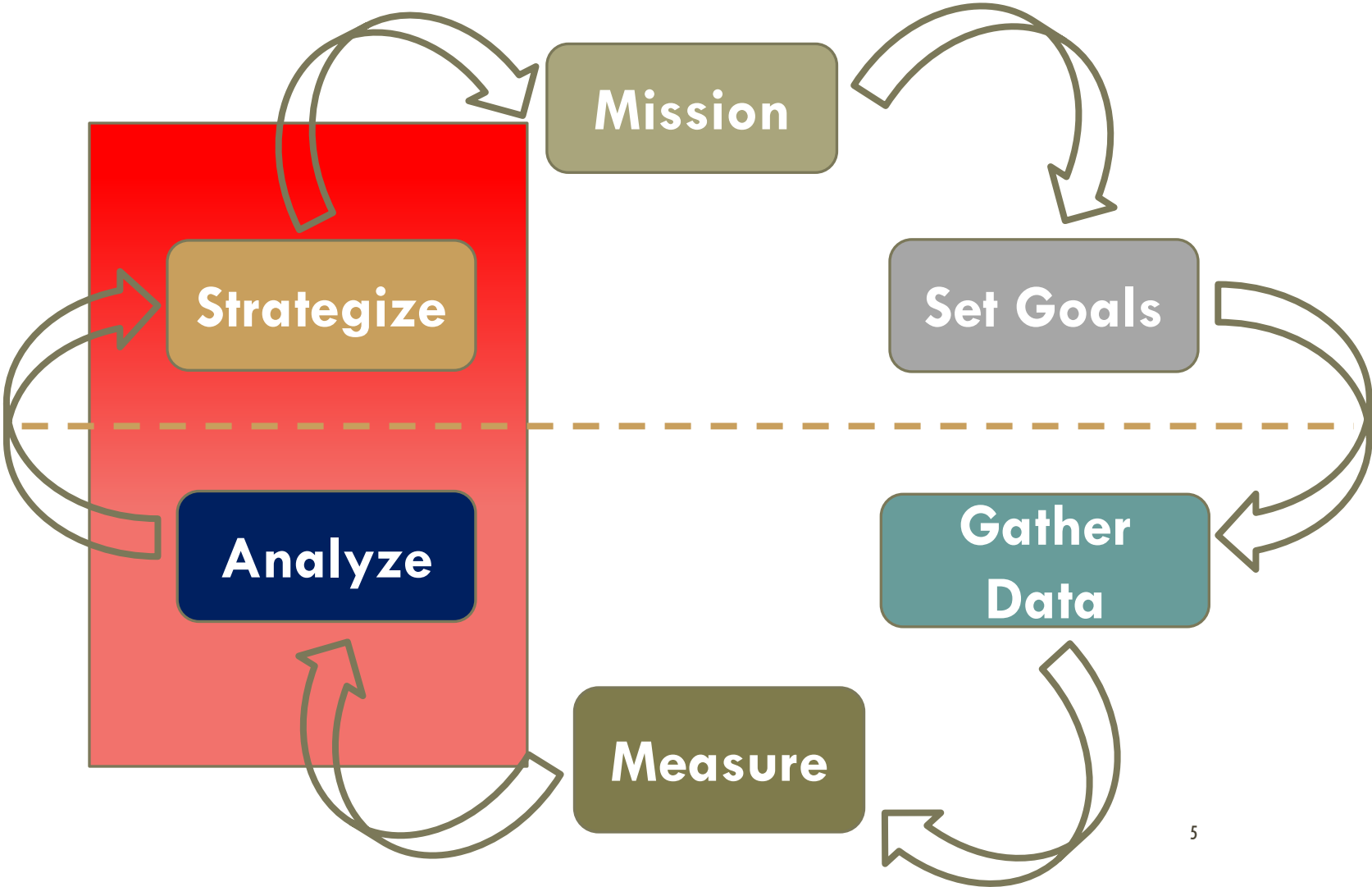
Making decisions that are reflected in strategic plans

PERFORMANCE MANAGEMENT LIFE CYCLE

# PERFORMANCE MANAGEMENT PROCESS



# PERFORMANCE MANAGEMENT PROCESS



## PERFORMANCE MANAGEMENT PROCESS

- Mission: Why do we exist?
- Objectives: **Specific, Measurable, Achievable, Realistic, Timebound**
- Measurement: Periodic collection through instruments
- **Analysis: Compare against other units, set targets, past performance**
- **Decision: Bonuses, promotions, resource, training, sanctions, etc.**

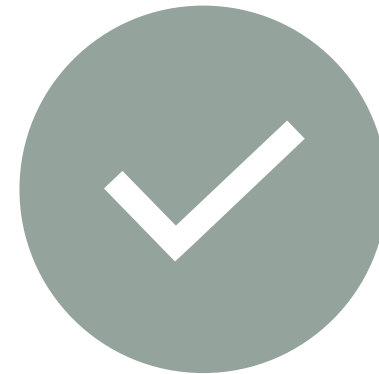
# ANALYSIS



PAST  
PERFORMANCE



TARGETS



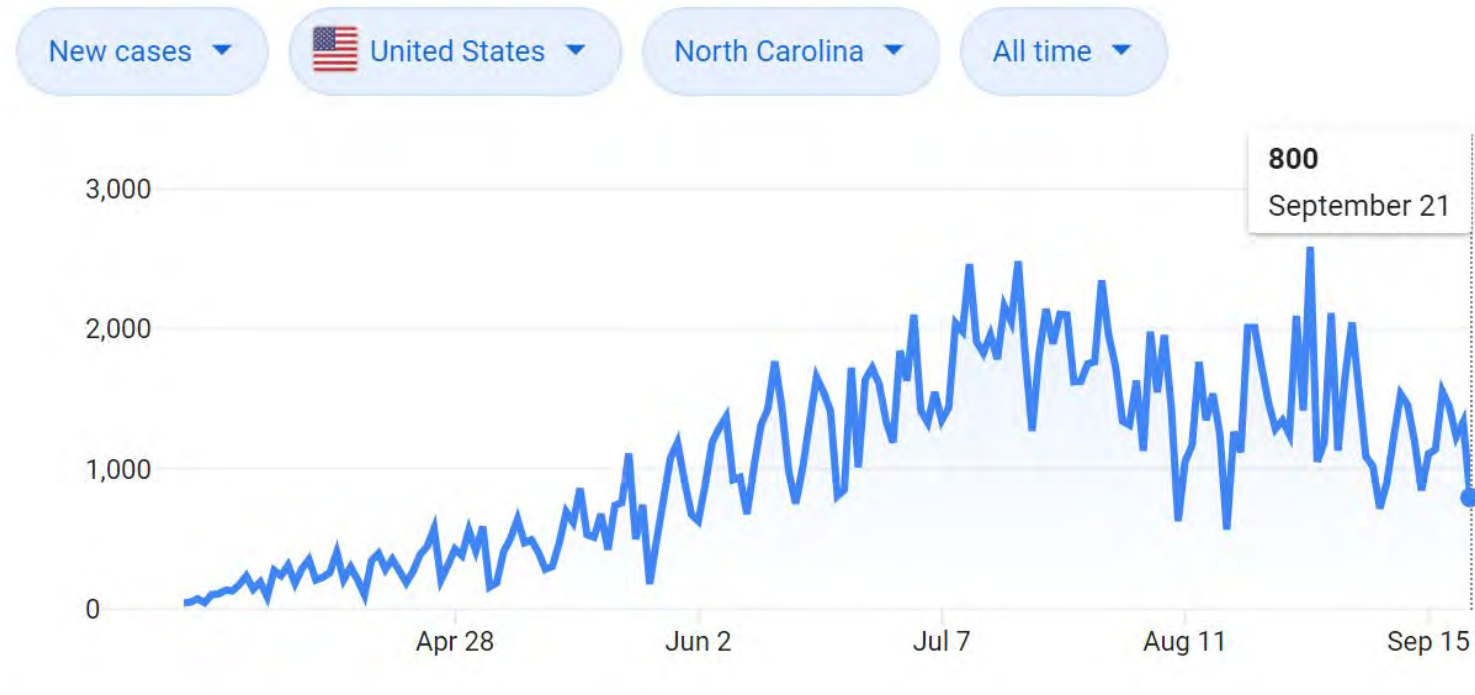
BENCHMARKING

# ANALYSIS — PAST PERFORMANCE

- Compare performance measures against past performance
  - Trends
  - How have we been doing over the past few years/months/weeks etc.?
  - Example: COVID-19 infection trends
  - Example: Fatal crashes



## Daily change



Each day shows new cases reported since the previous day · Updated less than 2 hours ago · Source: [Wikipedia](#)  
· [About this data](#)

# EXAMPLE: COVID-19 INFECTIONS

# EXAMPLE: NC ROAD CRASH FATALITIES

2018 January - December							
	2013	2014	2015	2016	2017	13-17 Avg.	2018
<b>All Crashes</b>							
Total Crashes	220,271	226,552	251,638	267,494	275,067	<b>248,204</b>	281,685
Fatal Crashes	1,158	1,181	1,273	1,340	1,287	<b>1,248</b>	1,324
Injury Crashes	69,547	71,029	78,857	82,603	81,865	<b>76,780</b>	80,653

Source: Nc DMV Cash Facts Report 2018

# ANALYSIS — TARGETS

- Compare performance measures against targets
  - Mandated by legislature, budgeting guidelines, industry standards, internal process
  - Did we meet the mandated expectations?
  - Example: Crash fatalities should be under 1,000 in 2020
  - Example: Crash fatalities in 2020 should be below the 5-year average

# ANALYSIS - BENCHMARKING

- Compare performance measures against other comparable units
  - Understand our place in the region
  - How well are we doing compared to our peers?
  - Example: Compare COVID-19 trends in NC against SC or Virginia
  - Example: Compare road fatalities per 100 million miles travelled in NC against
    - New Jersey or New York State (because lowest rates)
    - Other southeastern states (to show NC as a leader)
    - U.S. average (NC rates are comparable to national rates)
    - E.g., National Conference of State Legislators, NASBO, National Governor's Association Center for Best Practices, other state agency websites.

# EXERCISE #1

Discuss the comparison methodologies that are used in your departments:

- Past performance
- Set targets
- Peers

# PERFORMANCE MANAGEMENT PROCESS

- Mission: Why do we exist?
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- Measurement: Periodic collection through instruments
- **Analysis: Compare against other units, set targets, past**
- **Decision: Bonuses, promotions, resource, training, sanctions, etc.**

# DECISION-MAKING

- Making strategic decisions based on the analysis
- Going back to the strategic plan to figure out what worked
- What strategic alternatives should be strengthened or discontinued
- What can we do differently to get better results?

# DECISION-MAKING

- If we are doing good:
  - Promotion, salary adjustment, awards, celebrate
  - Enhance the strategies that are working (e.g., OSBM annual review and refresh)
  - Look for ways to do even better (e.g., OSBM's Expansion Budget Request list)
  - Expand services in new areas (Performance Management Academy)
  - Resource decisions
    - Increase to strengthen current activities
    - Divert to other areas that need more attention
    - E.g., OSBM's Budget Development Brainstorm



# DECISION-MAKING

- Continuous improvement:
  - Training, hiring, reassignment of responsibilities
  - In-depth analysis of areas of improvement
  - Abandoning or changing current strategies
  - Adopting innovative strategies
  - Resource decisions
    - Increase to support services
    - Decrease to motivate future effort
    - E.g., OSBM's internal process improvement pilot

# EXAMPLE

- Higher than expected numbers of crash fatalities might lead NC DOT to:
  - Revise targets because NC weather conditions lead to higher crash rate
  - Raise speed limits on safe roads to divert traffic from inner-roads
  - Improve lighting and signage visibility
  - Add turn-only lanes on hotspots
  - Redesign bad roads and intersections
  - Establish public road safety education and awareness programs
  - Offer grants to municipalities and counties to incorporate safety in planning
- Each of these decisions would impact the strategic plan

## EXERCISE #2

Discuss two strategies your department has adopted to enhance your departmental performance based on performance data.

# ALTERNATIVE VIEW

- Difficult to design performance management system due to competing values (e.g. crime, respect, service, constitution)
- Data misreporting (e.g. armed robberies as thefts)
- Cream skimming (e.g. avoiding areas with high crime)
- Humiliation, stress, and demotivation for employees

(Heinrich and Marschke 2010; Radin 2006; Eterno, Barrow, and Silverman 2017)

# COMPETING VALUES - POLICING

## Difficult to design performance management system with competing values

- Crime rates may or may not impact how citizens perceive safety
- Increasing policing visibility might take away resources from investigations
- Increase in patrol might increase crime detection, which leads to higher crime rate!
- Being tough on crime might help reduce crime rate but harm community-relations
- Making a higher number of arrests might lead to an increase in complaints

# EXAMPLES

- Employment agencies - Focus on employable workers and getting short-term jobs
- VA scandal – Secret wait list for patients
- Atlanta Cheating Scandal – Teachers and principals changing answers for students
- Mostly because employees feel under pressure

# OVERVIEW - LESSONS



Use performance management to

Learn  
Start conversations  
Motivate



Not to hold public employees accountable



Beware of unintended consequences, and how to mitigate them



Focus on long-term strategy instead of short-term goals



Targets should be internalized and accepted by employees

**THANK YOU!**

**QUESTIONS OR  
COMMENTS?**

**Strategic Planning and  
Performance Management Resources:**

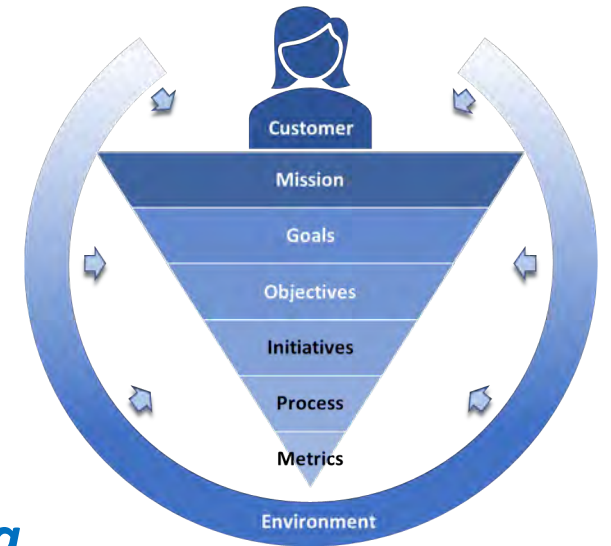
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## Recap

- Strategic Plans articulate a framework of ideas that justifies actions and results in greater focus & collaboration
  - Guidance for the 2021-23 biennium and a strategic plan template can be accessed on [OSBM's website](#).
- Strategic Plan components should derive from you customer, be easy to understand, and should logically align to its higher-level component.
- Performance Management Life Cycle includes: **Strategic Planning** (Mission and Goals) → **Performance Measurement** (indicators of progress) → **Performance Management** (decision-making)





## Homework

**Consider your program/policy and how it fits within your agency's strategic plan.**

- What product/service does the program/policy provide?
- What agency goal does the product/service contribute to?
- How do you determine/measure success for this program/policy?



Source: <https://pixabay.com/photos/book-education-paper-homework-1853677/>



## What's Next?

Title	Date	Key Topics Addressed
Performance Management & Assessing Your Agency's Performance Management Landscape	Oct 15	<ul style="list-style-type: none"><li>• Academy introduction/overview</li><li>• Defining performance management, how its implemented, and its benefits</li><li>• Assessing your agency's performance management landscape and overcoming barriers</li></ul>
Evidence, How to Evaluate It & Bridging the Gap between Evidence and Policy	Oct 22 & 29	<ul style="list-style-type: none"><li>• Theory of change, Identifying types of evidence and how/where to find strong evidence</li><li>• Bridging the gap between evidence and policy</li></ul>
Using Strategic Planning for Performance Measurement	Nov 5	<ul style="list-style-type: none"><li>• Understanding the links between strategic planning, performance management, and customer satisfaction</li></ul>
<b>Becoming a Performance Management Champion</b>	<b>Nov 12</b>	<ul style="list-style-type: none"><li>• <b>Best practices and examples in implementing change</b></li><li>• <b>Action planning</b></li><li>• <b>Success stories from NC state government</b></li></ul>