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 PROCESS

- Set Goals
- Gather Data
- Measure
- Analyze
- Strategize
- Mission
PERFORMANCE MANAGEMENT PROCESS

Mission

Set Goals

Gather Data

Measure

Analyze

Strategize
- 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
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
EXAMPLE: COVID-19 INFECTIONS
### EXAMPLE: NC ROAD CRASH FATALITIES

**Source:** Nc DMV Cash Facts Report 2018

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<tbody>
<tr>
<td><strong>All Crashes</strong></td>
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<tr>
<td>Total Crashes</td>
<td>220,271</td>
<td>226,552</td>
<td>251,638</td>
<td>267,494</td>
<td>275,067</td>
<td>248,204</td>
<td>281,685</td>
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<tr>
<td>Fatal Crashes</td>
<td>1,158</td>
<td>1,181</td>
<td>1,273</td>
<td>1,340</td>
<td>1,287</td>
<td>1,248</td>
<td>1,324</td>
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<tr>
<td>Injury Crashes</td>
<td>69,547</td>
<td>71,029</td>
<td>78,857</td>
<td>82,603</td>
<td>81,865</td>
<td>76,780</td>
<td>80,653</td>
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*Note: The highlighted rows show the significant changes in fatal crashes and injury crashes.*
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
• 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.
Discuss the comparison methodologies that are used in your departments:

- Past performance
- Set targets
- Peers
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
- 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
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.
Discuss two strategies your department has adopted to enhance your departmental performance based on performance data.
- 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)
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

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<tr>
<th>Use performance management to</th>
<th>Learn</th>
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<tr>
<td></td>
<td>Start conversations</td>
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<td>Motivate</td>
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<td>Not to hold public employees accountable</td>
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<td>Beware of unintended consequences, and how to mitigate them</td>
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<td>Focus on long-term strategy instead of short-term goals</td>
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<td>Targets should be internalized and accepted by employees</td>
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THANK YOU!

QUESTIONS OR COMMENTS?

Strategic Planning and Performance Management Resources:

School of Government
UNC-Chapel Hill
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• 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 your 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)
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?

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<th>Title</th>
<th>Date</th>
<th>Key Topics Addressed</th>
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| Performance Management & Assessing Your Agency’s Performance Management Landscape | Oct 15 | • Academy introduction/overview  
• Defining performance management, how its implemented, and its benefits  
• Assessing your agency’s performance management landscape and overcoming barriers |
| Evidence, How to Evaluate It & Bridging the Gap between Evidence and Policy | Oct 22 & 29 | • Theory of change, Identifying types of evidence and how/where to find strong evidence  
• Bridging the gap between evidence and policy |
| Using Strategic Planning for Performance Measurement       | Nov 5  | • Understanding the links between strategic planning, performance management, and customer satisfaction |
| Becoming a Performance Management Champion                 | Nov 12 | • Best practices and examples in implementing change  
• Action planning  
• Success stories from NC state government |