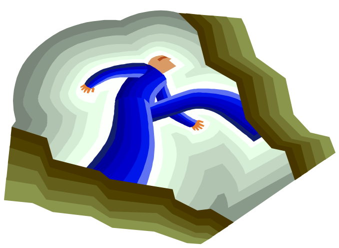
Developing a System of Performance Management at Your Agency

Background: Managing for Results (i.e., Outcomes)
In 1993, Congress enacted the **Government Performance and Results Act.** Also known as the Results Act, GPRA may prove to be the most fundamental government reform in decades. For the first time federal agencies are mandated specifically to become results-oriented. GPRA shifts the focus of federal agencies from accountability for *effort* to accountability for *results*. Not simply, "Did the program spend the correct amount of money in a proper manner?" but **"What did the program actually *accomplish* with the money it spent?"**

The Department of Justice is now encouraging, and soon may require, the states' grant administration agencies to report data that describe the results of services for clients. Other funders (e.g., United Way) are moving in this direction, too. Finally, the state agencies responsible for allocating funds fairly and effectively also need an analytical basis for deciding how to distribute funds, whether budgets are shrinking or growing.



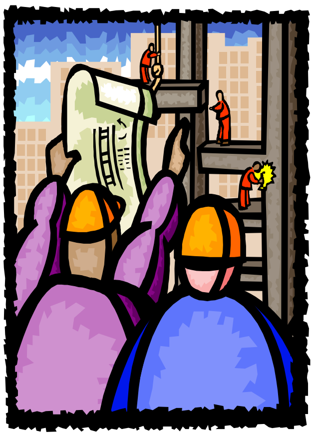
In Tennessee the Office of Criminal Justice Programs is working on ways to help VOCA, STOP and Family Violence grant agencies bridge the gap to produce data on agency activities and clients' outcomes. *Output reporting* has continued to focus on traditional tracking of the agency's activity and efforts, such as demographics (e.g., client ages, races, locations) and "headcounts" (e.g., numbers served). *Outcome reporting* is focusing on those specific changes in a client's behavior or living conditions that suggest the services were beneficial, and that the agency achieved its purpose. STOP, VOCA and Family Violence grant recipients have been reporting client *outcome* data as well as *output* data, since their annual reports of July 2001. In 2002 OCJP also began helping its law enforcement and prosecution agencies (Byrne grant sub-recipients) to clarify their programs' purposes so they could capture better data on results for their annual reports.

So, let's assume your agency is thinking about identifying and collecting data on client outcomes and agency efforts. What are the key questions to ask?

Question#1: "We are thinking about starting up a performance management system at our agency. What key stages of development should our agency's leaders plan for?"

OCJP and Performance Vistas recommend a five-stage process of transition to a system of performance management:

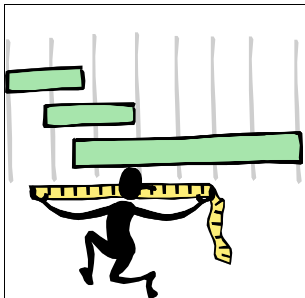
1. Plan ahead for performance management:



- Decide whether there's a need for this change:
  - Why should your agency be measuring performance?
  - Consider analyzing Strengths, Weaknesses, Opportunities, Threats (SWOT) to decide where your agency's performance might need to improve.
- Decide your agency's goals for the performance management effort (e.g., compliance with funders' policies, internal process improvements, strategic program re-designs, etc.).
- Develop an action plan with a task list, due dates and assigned responsibilities.

Tools: <u>Measuring Up!</u> by Jonathan Walters; TN OCJP's <u>Managing for Results</u> guidebook; PVI's website for other aids.

2. Learn the basics:



- "Logic Model" (program design) concepts and terms:*
  - Purpose (Needs and Goals);
  - Inputs (Resources);
  - Activities (Service Delivery);
  - Outputs (Program Efforts);
  - Outcomes (Client Changes).
- Process evaluation & performance measurement concepts:
  - Process description & analysis;
  - Performance Indicators and Measures;
  - Goals and Standards;
  - Quality, efficiency, effectiveness.
- Outcome evaluation concepts:
  - Client outcomes (results);
  - Impacts, cost-benefits.
- Data Needs, Data Sources, Data Collection Methods.

Tools: Same as above; Urban Institute's <u>Evaluation Guidebook</u>.

** A logic model, according to the Urban Institute, is a logical way of describing how your program is supposed to work to accomplish the results you are in business to achieve.*

3. Mobilize support:

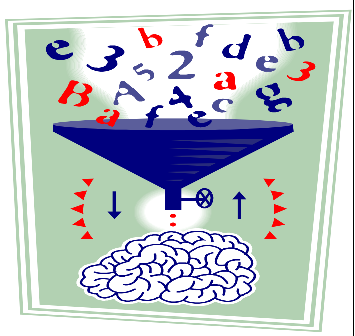
- Inform stakeholders (staff, board, funders, clients, service partners, etc.) and promote the planning & evaluation initiative;
- Identify your stakeholders and their expectations, your target populations and their needs, then clarify your agency's mission, vision, and values;
- Build or clarify your agency's or program's "logic model" (i.e., program design):
  - Program's purpose (target population needs, program goals);

	• Indicators of intended client and community out*comes*; • Program inputs (resources); • Program activities (key service delivery processes, service models); • Indicators and measures of actual Outputs (units of service, efforts); • Indicators and measures of actual Outcomes (how do we recognize changes in client knowledge, behavior, condition, attitudes, etc.?). *Tools: Staff meetings, training sessions, brainstorming techniques, cards & markers, contact spray & sheets – and the resource materials mentioned above.*

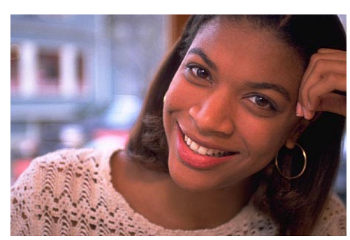
4. Develop the data collection approach:

	• Identify measures for the *crucial* indicators; • Identify data needs for all measures; • Identify data sources for each measure; • Identify data collection strategies for each measure; • Develop, test, refine and improve data collection tools and processes. *Tools: Existing agency service models, values and assumptions, existing agency data systems, peers' approaches, TN OCJP Guidebook, PVI's website, other aids.*

5. Collect and analyze the performance data. Learn from it. What do the data say?

	• Are we doing what we said we would be doing? • How much are we doing? Whom are we serving and what groups are we under-serving? How efficiently are we using our resources? • How well are we performing our key casework processes, according to our stakeholders (including our clients)? How might we improve our processes? • **How are the clients doing?** How have they changed while they were involved with us and since they left us (knowledge, attitudes, skills, conditions, etc.)?

Question #2: "How should we use performance data to improve our performance?"



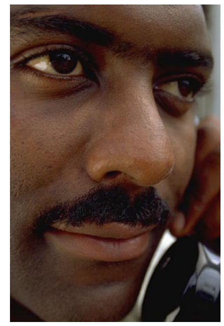
OCJP and Performance Vistas, believe there are basically two places to concentrate your self-improvement energies:

1. INTERNAL to your organization:
- Provide reinforcement and direction for staff;
- Identify training and technical assistance needs;
- Find targets for process improvements (improved policies, procedures, practice);
- Support operations planning (resource re-allocation and caseload management);
- Inform the budgeting process and support new resource development;

- Support strategic planning (mission clarification and new program development).

2. **EXTERNAL to your organization:**
   - Recruit talented staff members, volunteers and board members;
   - Promote the program to potential funders, contributors and clients;
   - Identify and engage partners for collaboration;
   - Improve the agency's public image;
   - Educate stakeholders and others about programmatic issues.

Question #3: What are the pitfalls to avoid? And what about some tips for success?



The agency directors we have worked with offer the following eight bits of hard-won wisdom from their experience implementing performance measurement systems. (You can find out more about them on the website at www.PerformanceVistasInc.com):

PITFALLS	**TIPS for SUCCESS**
Lack of direction or "going through the motions."	Doing outcome measurement just to comply with others' expectations robs you of the necessary motivation for improving your program and leading its staff to a level of excellence. *Look for ways to make it your <u>own</u> improvement process, learn what you need to lead your agency, and share what you learn with your funders and stakeholders.*
Assuming the value is in getting the "right answer" for a report or an application.	Those who are committed to it say that the benefits of performance measurement do NOT lie in pleasing the authorities or funding agencies. You will realize real value when your entire set of stakeholders commits to two ongoing processes: *paying attention to how clients' lives are changing,* and *learning how to improve services in order to create more of those beneficial outcomes.*
Failing to involve the right people.	Leadership must support it, but it should be a "grassroots" effort! *Experienced leaders say, "Get the staff involved early!"*
Over-complicating the concepts.	Many experienced leaders say they were surprised to discover that outcome measurement was easier than they had believed it would be. They had been looking for a magical formula for client outcomes, only to find they had possessed the knowledge they needed all along… They just had to think it out for themselves: *How do I recognize it when I see that a client is better off? What's that look like?*

PITFALLS	TIPS for SUCCESS
Over-simplifying the concepts.	Many others say they assumed performance management was just like any other "soup of the day" approach to accountability reporting: 'Been there, done that.' As a result they failed to clarify their understanding early on, and approached it as a compliance exercise "to be a good politician." After they struggled a while to catch up, they realized that like any good idea, the approach is only as effective as what one puts into it. Their advice? *Ask questions til you "get it," then stick with it until you can make the concepts fit your own processes and plans for continuous improvement!*
Substituting easy answers for the best answers.	Do not assume that all you have to do is start asking clients how they liked your services, or how they were treated by your staff. Client satisfaction surveys and exit interviews will yield good management information about the quality of your efforts. But client satisfaction is seldom the best source of client outcome data. Finding out how clients' lives have changed is hard work! *You have to ask them, even when they are hard to reach…*
Trying to rely on the data you already have, not gathering what you really need.	Existing agency service records will help a lot, as will case review staffings and other parts of case management (e.g., progress on safety and treatment plans). *But you should also look for gaps in the existing data, and develop new data sources that clarify how your clients are doing.*
Trying to be "perfect" too early.	If you are just now starting, it is too early to install a whole host of measures. Don't even think about trying to set performance goals or individual performance standards. Leave the cost-benefit analyses to the consultants and educators. Don't kill a good thing by trying too hard to change things overnight. *Just try to get better consistently. Walk before you run. Commit to a long-term, continuous process of learning and getting better!*

And, ask for help when you need it…