

Institute of Government for County Officials

Measuring County Performance

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MEASURING COUNTY PERFORMANCE

Via Reno Gazette-Journal

Reno City Manager Andrew Clinger deserves praise for making the city the first in the state to provide complete information on its payroll online and available to all citizens.

Online at www.reno.gov/open, the website provides information on salaries and benefits by department and individual employee. It complements an earlier initiative by Clinger to open up the city's checkbook to citizen scrutiny. (That information, and a lot more, is also available at RGJ.com/section/data.)

Just a few years after the Reno Gazette-Journal had to file a lawsuit to prove that the city's fire department payroll was public information, Reno today is providing a model of transparency and citizen accountability for other governments in Nevada.

The RGJ began posting salary information online a couple of years ago. It was joined by the Nevada Policy Research Institute's transparentnevada.com, which publishes salary data, state spending and public-employee contracts.

The trend may be uncomfortable for government workers who would rather that their friends and neighbors not know how much they earn. But the importance of transparency goes well beyond simple curiosity. **With 80 percent of Reno's budget dedicated to personnel costs, the salary information, like the online checkbook, gives the taxpayer a needed view of what kind of stewards of public money their elected representatives are, the decisions they make and the kind of workplace they run.** It's the tradeoff that public employees agree to when they go to work for government agencies. (The website does not provide any personal information beyond the salary-and-benefit data.)

So it's good to see Reno officials, led by Clinger, embracing the trend toward more transparency in government and access to information by the citizens. It's one that other governments at all levels should join as quickly as possible.

Introduction

What is your measure for determining if your county government is performing successfully?

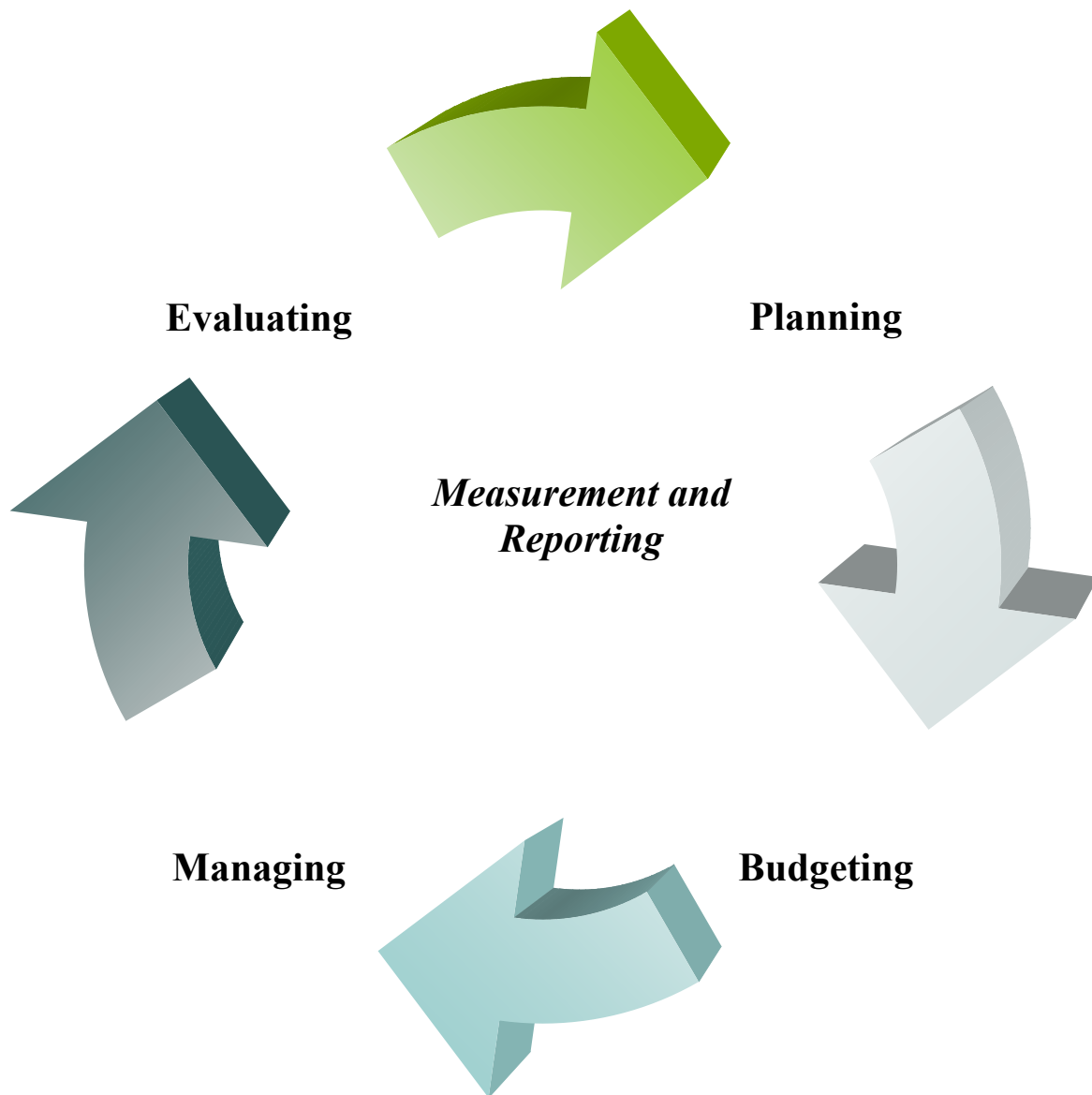
What measures do your citizens use for determining county government performance?

How would you demonstrate “performance” to the various stakeholders in your county?

Performance Management

*Performance management comprises the concerted actions an organization takes to apply objective performance measurement information to **management** and **policy making** in order to improve results.*

David Ammons
Leading Performance Management in Local Government



Strategic Planning and Performance Measurement

If we have performance measurement without strategic planning, we know how fast we are going, but we do not know whether we are going in the right direction.

If we have strategic planning without performance measurement, we know we are going in the right direction, but we do not know whether we are getting there.

The Real Story

Even those organizations that are recognized as the leaders in this area admit they have areas for improvement. The ideal model on page two may be very different from the “real world.” Listed below are several challenges organizations may face:

- Silo approach
- A single champion who leaves
- Political leaders not focusing on the strategic goals
- Policy by “anecdote” or exception
- “Gotcha” or fear factor
- Assumption of performance measures leading to performance improvement
- “Check it off the list” approach or “term paper effect”
- Getting the performance information to stakeholders

Guidelines for Developing a Successful Performance Measurement System

- Measures are SMART
- Linked to the goals of the department and ultimately the organization (strategic plan)
- Few, simple outcome-focused measures
- Data can be segmented
- Valid and reliable
- Sensitive to collection issues (cost/benefit analysis)
- The data are used to make decisions and report results

Performance Measurement 101: Nuts and Bolts

Listed below are terms and definitions that are necessary for developing meaningful measures.

1. Goals –

*A goal is a statement of desired outcome that explains **what** the organization/ department is trying to achieve.*

2. Objectives –

*An objective is a measurable, clear statement of the department's performance intentions. Objectives include the performance targets you are trying to reach and should tell you whether you are reaching your goals. The focus is on **what** you are trying to accomplish, **not how** you plan to accomplish it.*

3. Measures –

A measure gives a quantitative or qualitative indication of the extent to which objectives are being met. A measure is normally a phrase embedded in the objective that shows if you are reaching your performance target.

4. Strategy –

*A strategy describes **how** the department will accomplish the objectives/ measures.*

A good performance measurement system tells you what you are accountable for, and if you are achieving that.

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Performance Measurement 101: Examples

<i>Goal 1</i>	Enhance customer service
<i>Objective</i>	To increase the percentage of businesses paying business license fees on-line by 25%
<i>Measure</i>	Percent change in businesses paying business license fees on-line
<i>Strategy</i>	Send flyers explaining the on-line process to businesses. Offer a 1% reduction for first time users.

<i>Goal 2</i>	Contribute to a clean and healthy environment through regular collection of refuse from properties in the county
<i>Objective</i>	To complete 98% of routes on schedule per day
<i>Measure</i>	% of routes completed on schedule per day
<i>Strategy</i>	Supervisors will analyze the workload of each route bi-monthly and revise routes as necessary. Results will be shared with the crews.

<i>Goal 3</i>	Enhance the quality of life for all citizens, customers, and visitors
<i>Objective 3a</i>	To increase the number of housing units by 25%
<i>Measure</i>	% increase in the number of housing units
<i>Strategy</i>	Implement a low interest loan program for first-time homeowners.
<i>Objective 3b</i>	To reduce the number of substandard housing code violations by 40%
<i>Measure</i>	% reduction in the number of substandard housing code violations
<i>Strategy</i>	To create a cross-functional team with members from law enforcement, fire, public works, codes and parks and recreation departments to address violations

Performance Measurement 101

In small groups revise the following goal statements.

1. To provide the shortest total response time to all emergency calls within the county

Objective/Measure:

2. To hire two new employees in the planning and zoning department

Objective/Measure:

3. To install an AVL system for EMS

Objective/Measure:

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Developing Measures

Write two objectives/measures for a department or function in your county. Carefully consider the following:

- ✓ *How would you know if your department is successful?*
- ✓ *What is an appropriate target? How do you know?*
- ✓ *How would your stakeholders define success?*
- ✓ *How will the performance data help you make management and/or policy decisions?*

OBJECTIVE/MEASURE 1:

OBJECTIVE/MEASURE 2:

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Measure Type	<i>INPUT</i> →	<i>OUTPUT</i> →	<i>EFFICIENCY</i> →	<i>OUTCOME</i> →
Definition	Represent the resources available to provide services or the level of service or number of activities/items the department is expected to service.	Represent the work accomplished or activities undertaken in providing services. Focus on the level of activity in providing a particular program or subprogram. Outputs are useful in defining what a program produces. However, they are limited because they do not indicate whether the program goals have been accomplished, nor do they reveal anything about the quality or efficiency of the service provided.	Illustrate the relationship between work performed and resources required. Efficiency measures reflect the cost of providing products or services. Cost can be expressed in terms of dollars or time per unit of output.	Strive to answer the following questions: - Have we performed our job without wasting resources? - Are we meeting the needs/expectations of our customers? - What impact is the program having? Both intermediate and long-term outcomes can be evaluated. Intermediate outcomes can be useful in assessing early results when the primary goals will not be realized for several years. Outcome measures are not always available or practical to measure. It may be necessary to use <i>proxy</i> measures. These measures have a global orientation and may include other functions that are outside of your area's responsibility.

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	INPUT	OUTPUT	EFFICIENCY	OUTCOME
Meters	Number of meter repair employees	Number of meters repaired	Average cost per meter repair	- Percentage of repaired meters functioning properly one year after installation - Reduction in cubic feet of water leakage - Increase in the cost recovery for water usage
Maintenance	Total square footage of buildings	Number of maintenance work orders completed	Average cost per square foot of buildings maintained	- Number of OSHA citations - Percentage of work orders completed within 24 hours - Reduction in deferred maintenance costs - Reduction in building replacement costs

Baking a Cake Exercise

This exercise helps you think about the concept of performance measurement on a different scale. Your objective should be to identify four types of performance indicators in the tables on the previous pages.

1. What ingredients go into making a cake? How would you measure them as inputs?
2. What is it that comes out of the oven? How would you measure it in terms of outputs?
3. How would you measure the efficiency of your cake baking efforts?
4. How would you measure whether the cake you baked is a good cake?
5. If the purpose of baking the cake is to have a happy birthday, how do we know if we had a happy birthday?

Performance Measure Type Quiz

1. Number of customer service requests received _____
2. % of requests responded to within 24 hours _____
3. % annual reduction in accidents _____
4. Number of animal spay-neuter surgeries _____
5. Cost per solid waste load _____

Considerations for Developing Measures

“What gets measured gets done.”

To help ensure that one aspect of a goal is not met at the expense of other aspects, organizations have adopted a Balanced Scorecard approach. Listed below are the four dimensions of this model:

- **Financial –**

This element focuses on improving the financial conditions of the organization.

- **Organizational Capacity –**

The focal point for this dimension is on improving the quality of the organization’s workforce.

- **Internal Processes –**

This component of the model focuses on improving productivity or service delivery.

- **Stakeholder –**

This element focuses on improving stakeholder relationships.

Performance Targets-

- Baseline data
- Benchmark information
- Stakeholder expectations

Sensitive to Collection Issues

- How will data be collected?
- How frequently should it be collected and reported?
- Who will be charged with gathering the data?
- Who will review the data for accuracy?

Identify Data Sources and Collect the Data

The major sources of data for performance measures are:

- Your government's own records
- Trained observer ratings
- Customer/citizen/ surveys

Existing County Records

- Existing equipment for road grading (input indicator)
- Number of building inspections conducted (output indicator)
- Response time by the fire department to emergency calls (outcome indicator)
- Cost per miles of road maintained (efficiency indicator)

The advantages of using government records as data sources are

- Availability
- Low costs
- Familiarity with the data

The disadvantages of government records are:

- You may need to modify existing record collection processes to obtain performance data.
- Records alone seldom provide sufficient information on program quality and outcomes.
- You may need to obtain information from other organizations

Trained Observer Ratings

This can be a highly accurate and reliable procedure if you have a clearly-defined rating system and adequate training of the observers. Examples are:

- Presence and use of exercise equipment in recreation centers
- Condition of roads
- Cleanliness of streets
- Condition of safety equipment in buildings (fire extinguisher, hose, sprinklers)

The advantages of trained observer ratings are:

- They provide reasonably accurate ratings of conditions that are difficult to measure
- If ratings are done several times a year, you can adjust allocation of program resources
- You can present ratings in an easy-to-understand format to public officials and citizens

The disadvantages of trained observer ratings are:

- They are sometimes a "labor intensive" method that requires extensive training of observers
- You need to check ratings periodically to ensure quality observations

Customer/Citizen Surveys

Customer surveys are an important source of information for measuring outcome performance indicators.

Information Obtainable from Customer/Citizen Surveys

- Ratings of overall satisfaction with a service and of the results achieved,
- Ratings of specific service quality characteristics,
- Data on actual customer experiences and results of those experiences,
- Extent of service use,
- Extent of awareness of services,
- Reasons for dissatisfaction or non-use of services,
- Demographic information about customers,
- Suggestions for improving the service.

The advantages of surveys are:

- They provide information not available from other sources
- They obtain information directly from program customers

The disadvantages of surveys are:

- They require special expertise or training to develop and administer
- They can be costly
- They are based on respondents' perceptions and memory and are therefore subjective
- People who have had a "bad" experience may be more likely to complete the survey

Data Analysis

Once objectives and measures have been developed and collected, the most important and beneficial step is to analyze the results. This process enables you to transform the data into management information. Organizations that are committed to continuous improvement and invest resources in this step realize the maximum benefits of performance measurement.

There are various tools available to assist in data analysis. Most of these tools can be applied if your data are housed in spreadsheets.

- **Disaggregating Data-**
Overall good results may mask poor results in a particular neighborhood, crew, or shift. Being able to disaggregate data into specific service areas, service units, or individual employees can help a manager focus resources on those areas that need improvement. Spreadsheets allow you to sort data on various categories. GIS software enables organizations to overlay geographical information and performance data which allows more targeted analysis of the performance data.
- **Trend Analysis –**
Looking at one year of data only provides a snapshot of your performance. Reviewing data over time can reveal performance patterns that may not be apparent in one year's worth of data. Multiple years of data may provide a more accurate depiction of performance.
- **Bar Chart –**
Bar charts are commonly used in reporting performance data. They can be helpful in analyzing trends and comparing data across departments, organizations, and measures.
- **Pie Chart –**
Pie charts illustrate percentage breakdowns of components contained within a performance measure. Different funding sources for an organization and response results by category from a satisfaction survey are two examples.
- **Scatter Plot –**
Scatter plots graphically show how one measure may interrelate with another. If you have enough data points, you can perform more sophisticated statistical analysis to show causal relationships.
- **Dashboards –** *Several counties in South Carolina use dashboards to report performance data.*

Considerations for Analyzing Measures

In striving to measure efficiency and effectiveness, there are several factors organizations should consider. These measures are more useful when standardized, allowing more meaningful comparisons within and across organizations. Listed below are examples of standardization methods:

- Per FTE –
This method allows the workload and efficiency comparisons between work crews, departments, etc. This is helpful for internal and external comparisons.
- Per population
Controlling for population is an equalizing factor in comparing among small and large jurisdictions. This method is usually reported per 1,000 population.
- Per service area
Another method commonly used when comparing performance, either internally or externally, is geographic factor (i.e., precinct, service area, district).
- Floating Averages
There are times when you want to control for outliers or spikes in the data. You may want to consider using a multi-year “floating average”.

Data Analysis

Systematic means to review and discuss results-

- Strategic plan review and annual work plans
- Budgeting process
- Specifically review targets

When reviewing the information, you should consider the following questions:

- Were the performance targets met? If so, why?
- If the targets were not achieved, what were the reasons?
- What were the root causes?
- What actions can you take to improve performance?
- What should the target be for next year?

Citizen Engagement

The National League of Cities defines democratic governance as the art of governing a community in participatory, deliberative, inclusive and collaborative ways....where local leaders help find ways to engage people in constructive discussions and positive action to address community challenges. Other than elections and the ability to speak at council meetings, how do communities engage their citizenry?

- Citizen Surveys
- Neighborhood Councils
- “Town Halls”
- Others?

Performance Reporting: Telling Your Story

Performance reporting is more than simply including a few performance measures in your budget document. It encompasses sharing and reporting information throughout the organization and with your governing body and citizens. It is the other half of transparency. It tells others how well you have met your responsibility for managing the financial resources of the city ***and*** achieving goals and objectives set forth by the council.

Creating the Culture

Listed below are several themes common in the organizations that are nationally recognized as striving having a Performance Management culture.

- An understanding that it is an evolutionary process
- A core value of continuous improvement that transcends council terms and upper management tenure
- Strategic and operational plans are linked to budgetary decisions
- A systematic analysis and reporting of performance results throughout the organization
- A strong commitment from leadership
- A devoted staff person(s)
- Employees regularly receive training
- Employees take ownership for the organization's performance