

# Performance Management Recommendations for Next Administration

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# Overview

- **Current approach constructive, but**
- **Weaknesses to be fixed**
  - Backward-looking and judgmental not future-informing
  - Subjective, lacking value of multiple perspectives
  - Stove-piped review, analysis, and feedback reinforces problems GPRA intended to reduce
  - Too much attention to target attainment and commitment fulfillment instead of tracking performance trends and finding causes of change
  - Compliance-oriented rather than strategic
  - Favors punishment over performance improvement

# GPRA

## ■ Strengths – GPRA got agencies to:

- Articulate priority objectives
- Enhance coherence across organization
- “Step back” to ask why
- Measure progress
- Armed champions with ammunition for change

## ■ Weaknesses – GPRA:

- Emphasis placed on completing report, not using goals and measurement
- “Let people off the hook” because no one checked if done and how well and no consequence for not doing or doing poorly
- Easy-to-use measures chosen, diverting resources to lower priorities
- High level strategic plan and annual goals too high; did not link (“cascade down”) to program level
- Context provided for understanding target selection and measurement interpretation often lacking

# PART Strengths

## ■ Concept:

- Agencies and Congress generally liked PART questions

## ■ Practice:

- "Gave us reason to do things we should have been doing anyway."
- Translated high-level GPRA goals to familiar program level
- Pushed agencies to find outcome goals and measures
- Encouraged consideration of program re-design
- Encouraged data analysis that had not previously been done
- Made more info available to public and across agency
- Created action steps and did not go away
- Gave credit where (over) due
- Brought attention to problems long recognized but ignored

# PART Weaknesses

## ■ Congressional Complaints

- Unwieldy – PAR guidelines (A-136), not GPRA
- Incomprehensible
  - Unfamiliar
  - When look, only find target attainment status, not
    - Why targets selected
    - Where performance changed
    - Why changed
    - Strategies tried and effect
    - Strategies/adjustments planned

## ■ Agency Complaints

- Inconsistent
- Unfair
- Focusing on wrong things (wrong measures including efficiency measures, target attainment)
- Silo-reinforcing
- Increased workload to complete all the requirements

# Underlying Problems

- **Inadequate attention to audience—who, why, where, when to communicate goals, measures, strategies**
- **Targets are valuable but target attainment/commitment fulfillment not goal; outcome improvement is**
  - Need to understand/accept why targets selected if focus on targets
  - Conversation with Congress about target appropriateness essential
  - Summary charts (agency, OMB) exacerbate problem if report only target attainment
- **Performance trends hard to find**
- **Measurement lacks context for interpretation** (e.g., comparison to past and peers)
- **PART just part of problem**
  - PAR guidance - heft of performance reports
  - ExpectMore.gov - conveyed OMB opinion; but trends, relevant studies, rationales hard to find
  - Results.gov –lack of sorting; lack of citation
  - Budget and Performance Integration Scorecard – motivated adoption of practice not problem reduction or performance improvement; elevated efficiency over effectiveness

# Underlying Problems

- **Subjective, lacking multiple perspectives**
  - Compare Olympics gymnastics/diving scoring
  - OMB has cost-cutting cognitive bias
  - OMB staff lack performance management (and subject) expertise
- **Judgmental language**
  - Expect More message: Don't be lazy? Demand more money?
  - PART assesses, not assisting or improving. "Effective" & "ineffective" look backward and static. Forward-looking, dynamic alternative: strong, needs improving
- **Scoring problems**
  - Cannot earn a perfect score every year because cannot get Y for setting and meeting ambitious targets questions
  - Finite, binary scores encourage compliance, not continuous improvement
  - Some examiners limited number of measures agencies could use even when measuring multiple aspects of performance made sense
- **Lacking link between GPRA goals and program targets. Lacking links where shared goals.**
- **Motivational mechanisms muddled. Motivated wrong goals and people with mis-aligned incentives.**

# Recommendations

1. More attention to data presentation, delivery, audience
2. Communicate performance trends, not target attainment
3. Encourage more data “diagnostics” and experiments
4. Keep central office role but change focus from oversight and threats to assistance, except for seriously negligent
5. Keep PART questions but not for rating; fix a few and add a few questions
6. Fix other parts of White House performance management, including Scorecard red-yellow-green check list and PAR
7. Establish appropriate accountability expectations and align incentives to motivate first with inspiration, only with fear as last resort
8. Use it or useless! Manage with the targets and collected data. Make central to management discussions at all levels.

# R1: Pay More Attention to Data Presentation, Delivery, Key Audiences

- **Identify key audiences needed to improve performance. Determine need for goals, measurement, strategy info.**
  - Who
  - Why/Uses
  - Where and When...
    - ...do key audiences need data? Plan distribution accordingly.
  - Confirm understanding...
    - ...of what has been delivered and discuss/experiment with ways to increase value to specific audience
  - Treat measurement communication as core tool
- **Organize data to:**
  - Support coordination across parties (e.g., organize indicators by common themes/goals – see NYC)
  - Support learning from own and others' experience
    - Sort by similar program type to see goals, measures, trends, evaluation results, performance gains and declines

# R2: Report performance trends, not target attainment

- **Model Agency/program performance reporting**
  - **New York City Mayor's Management Report**
    - Targets and multi-year trends for multiple indicators supporting departmental objectives, distinguishes critical indicators, includes outcome, output, cost, and activity indicators as appropriate
    - Explains year-to-year variations
    - Describes scope of operations
    - Includes spending and personnel information by department
- **Model Cross-agency performance reporting**
  - **New York City Citywide Performance Reporting**
    - Reports performance trends for key indicators by theme and department
    - Uses red, yellow, green to flag performance improving, steady, declining
  - **US DOT FY2001 report/2002 plan**
    - Common Secretariat goals (e.g., safety), specific targets supporting each goal (e.g., reduced railroad crossing accidents), trends, strategies tried, strategies planned

# R3: Encourage more data “diagnostics” and experiments

- **Useful Useful Useful**
  - Measurement not primarily about reporting, about improving impact
- **Evaluation useful but costly and infrequent**
- **Ongoing data analysis essential—“operations research”**
  - Identify problems and assess relative import
  - See performance trends and variations
  - Identify effective, replicable interventions
  - Identify preventable causes of problems
- **Useful Methods/Analytic Analogies to Increase Capacity**
  - Epidemiological approaches
  - Campaign-style analysis and “tailored treatments”
  - Replication demonstration/social marketing

# R4: Keep Central Office Role, but Support & Motivate Before Control

- **Support learning across organizations**
  - Build websites that help delivery agents (federal government and delivery partners) learn and improve
    - By function & program type show targets, measures, trends
    - Make it easier to find evaluations, strategy descriptions, analyses
  - Provide support (\$ or in-kind) for communities of practice
  - Develop/distribute performance management tools (e.g., pareto charts)
  - Provide performance management training to agency and central office staff
- **Support interagency cooperation to advance shared goals**
  - Build websites
    - New York City Citywide Performance Report shows indicators supporting single theme and agency owner
    - US DOT FY2001 report/02 Plan
  - Create goal-focused teams
  - Designate goal leaders
  - Authorize goal leaders through questions and resources
- **OMB budget or other central office? Research needed.**

# R5: Keep and Fix PART Questions, Drop PART Rating

- **Keep questions and reviews but drop overall rating (total score and effective labels)**
  - Reduce subjectivity of reviews by expanding number of reviewers (other agencies, outside experts?)
  - Invite public comment and suggestions (try Amazon.com; Hotels.com format)
  - Make part 4 of PART first section of review
- **Fix a few questions**
  - “Did you meet your targets” questions
  - Agencies lacking but requesting legal authority to fix programs
- **Add a few questions**
  - How and Why performance changed and adjustments planned
  - Data diagnostics questions
- **More use of milestones for long-term changes**
- **New name: Performance Improvement Instrument (PI<sup>2</sup>) ?**

## R6: Fix Non-PART Parts

- **Connect GRPA goals/measures to program g/m**
- **Eliminate BPI Scorecard red-yellow-green check list**
- **Create red-yellow-green performance trend charts by theme and department focused on indicators (NYC CPR)**
- **Break up PAR so easier to read, find, use**
- **Invest to learn and broadcast lessons re effective performance management practices, e.g.,**
  - Performance-based personnel incentives
  - Performance contracting
  - Performance-focused grant management
- **Invest seriously and strategically in display and distribution of performance information.**

# R7: Establish Appropriate Accountability Expectations; Align Incentives

- **Motivate first with inspiration and other motivational tools tailored to person and organizational culture**
  - Well-set goals, measurement, feedback, group recognition
- **Use graduated penalties only as a last resort**
- **Clarify accountability expectations**
  - Missed targets and performance decline tolerable
  - Failure to set specific targets, measure progress, understand why performance trends are moving as they are, and adjust action plans accordingly is not
- **Link to budget for attention, but**
  - Again, no direct link to target attainment or performance gain
  - Instead, expect:
    - SMART targets – Specific and Stretch, Measurable and Motivational, Achievable and Action-oriented, Relevant and Results-focused, Timely and Time-specific
    - Experience-informed – evidence-based or data-driven
- **Change names and labels to signal attitude change**

# R8: Use it or useless!

- **Manage with the targets and collected data. Central to management discussions at all levels. Central to public communication, but with a face and a story.**
  - Central to President's Management Council meetings
  - Talk about goals and measures; don't just report them
- **Convene goal-focused, data-rich meetings**
  - Shared goals: convene discussions around cross-cutting missions
  - Recurring and serious problems: conduct autopsies, not inquisitions
- **Provide feedback to help agencies improve, not grades**
  - Be specific about problems, suggest paths for improvement
  - Fresh, not stale feedback
- **Communicate with Congress and other key audiences**
  - Discuss goals, measures, presentation format with Congressional committees informally, not just in hearings

*For more information...*

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