



Performance management and connectedness in public sector organizations

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Overview

- Background
- Disconnects in Performance
Management processes
- Case studies of connectedness: federal,
provincial and municipal experiences
- Questions

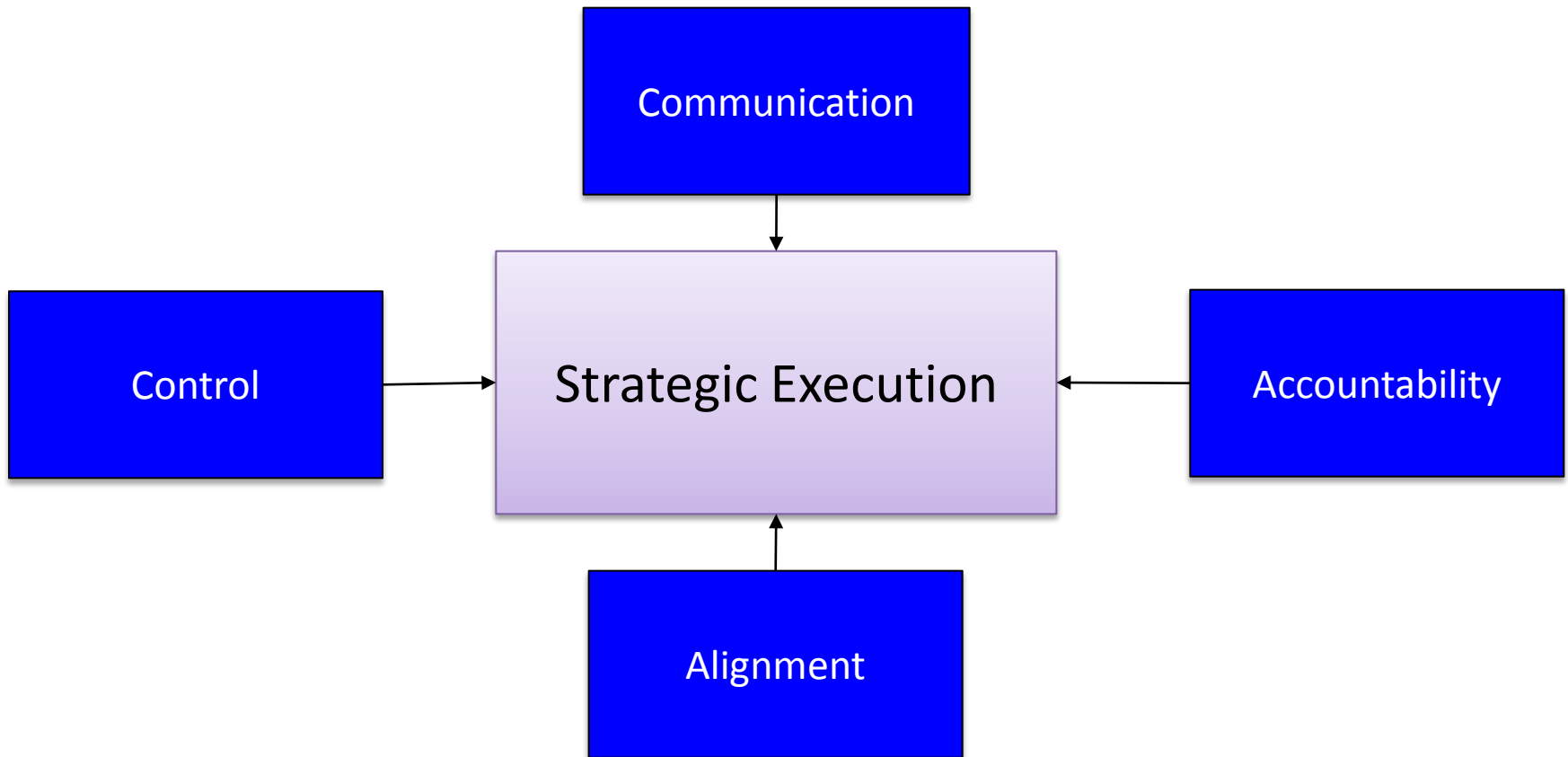


Background

- Performance Management as Control and Coordination-notion of Management Control Systems (MCS)
- MCS as Strategic Execution
- MCS as “structure”: diagnostic, boundary, belief, and interactive control systems (Simons, 2000)
- Processes in most public sector organizations: the three-pronged approach-plan, measure, report
 - Same organization, different business units



Contribution of PM systems





Case study 1: Large Crown Corporation

- Avoid another “corporate” exercise
 - Integrated unit: plan, measure, report
 - “System” of Performance Management
 - Education and training



Case study 2: Small Crown Corporation

- Strategic, operational, individual, process-based planning and measurement
- Deputy head's involvement and interest
- Dedicated PM units and individuals
- One person the “go to” individual



Challenges

- Data
 - Effectiveness of measures; overabundance of measures;
 - Effectiveness of technology;
- Alignment
 - Links from measures to strategic intent



Case Study 3: Municipalities

- A) Across Canadian municipalities
 - Over 75 percent usage rate for performance measures
 - More measures for ‘hard’ services than ‘soft’ services
 - More *efficiency* than *effectiveness* measures
 - Effectiveness measures more desirable
 - Greatest use
 - Budgeting and resource allocation
 - Reporting to elected officials
 - Comparing performance with targets
 - Program management



Case Study 3: Municipalities

- Increased desired use for external reporting
 - CICA recommended practices for non-financial performance reporting (2006)
- For all purposes (efficiency and effectiveness measures) greater use desired than occurs
 - Measures need verification for accuracy and credibility
- Requires IT capable of collecting, analyzing and reporting measures in cost-effective manner
- Greatest obstacles
 - Ambiguous objectives
 - Difficulty identifying good measures
 - Data unreliability



Case Study 3: Municipalities

- B) Example: Ontario Model
 - Ontario Municipal Performance Measurement Program (MPMP)
 - 58 measures for 12 programs reported to Ontario Ministry of Municipal Affairs and Housing (MAH) annually in prescribed format
 - Ontario Municipal Benchmarking Initiative
 - Voluntary consortium of 15 municipalities
 - 68 measures for 22 programs
 - Common methodology
 - More output and effectiveness measures
 - Benchmarking reports



Case Study 3: Municipalities

- Municipal Information and Data Analysis System (MIDAS)¹
 - Program of Association of Municipalities of Ontario (AMO), developed with MAH
 - Can convert financial information and MPMP data into meaningful reports
 - Allows sharing information, benchmarking across municipalities, and implementing best practices

¹*Recipient of Award of Merit by National Quality Institute's Canadian Quality Criteria for Public Sector Excellence*



- # Conclusions and the way ahead
- “Connectedness” -intra and inter-organizational becoming more important.
 - Have to figure out “intra” before “inter”
 - **In municipalities, significant emphasis on “inter-connectedness” across external stakeholders**
 - Lessons learned:
 - Need a single point of coordination
 - **Need systems-level IT integration as enabler**
 - Need engagement of line managers
 - Need direct, visible engagement of deputy head and senior management team
 - Needs to become “the way we do business”



Questions?