

# PERFORMANCE MANAGEMENT DRIVING QUALITY IMPROVEMENT: MOVING GOVERNMENT FORWARD

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# GOAL OF TODAY:

- To explore why developing performance measures and standards and utilizing quality improvement methods to increase effectiveness and efficiency is not only good for the taxpayers but for employees morale and motivation.

Performance management is the practice of actively using performance data to improve the purpose of your agency.

This practice involves the strategic use of performance measures and standards to establish performance targets and goals.

# WHAT IS PERFORMANCE MANAGEMENT?

- ⦿ A systematic process by which an organization involves its employees in improving the effectiveness of the organization and achieving the organization's mission and strategic goals.
- ⦿ By improving performance and quality, public systems can save lives, cut costs, and get better results.
- ⦿ Enables agencies to be more:
  - Efficient
  - Effective
  - Transparent
  - Accountable

# WHAT IS PERFORMANCE MANAGEMENT?

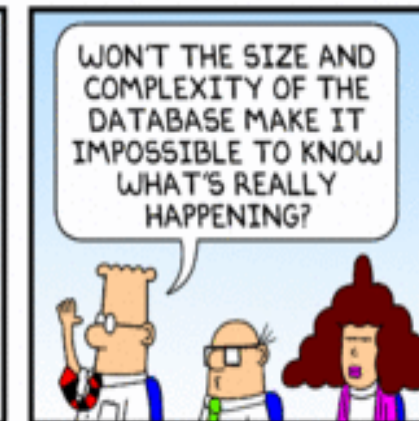
- Core practices and processes generally include:
  - goal setting
  - financial planning
  - operational planning
  - data collection
  - consolidation of data
  - data analysis
  - reporting of data
  - quality improvement
  - evaluation of results
  - monitoring of key performance indicators
- The focus of these performance management activities is to ensure that goals are consistently met in an effective and efficient manner by an organization, a department, or an employee.

# THE IMPORTANCE OF PERFORMANCE MANAGEMENT

- Ways that performance management can positively influence a public agency include:
  - better return on dollars invested in by agency
  - greater accountability for funding and increases in the public's trust
  - reduced duplication of efforts
  - better understanding of agency accomplishments and priorities among employees, partners, and the public
  - increased sense of cooperation and teamwork
  - increased emphasis on quality, rather than quantity
  - improved problem-solving

# FEDERAL GOVERNMENT PERSPECTIVE

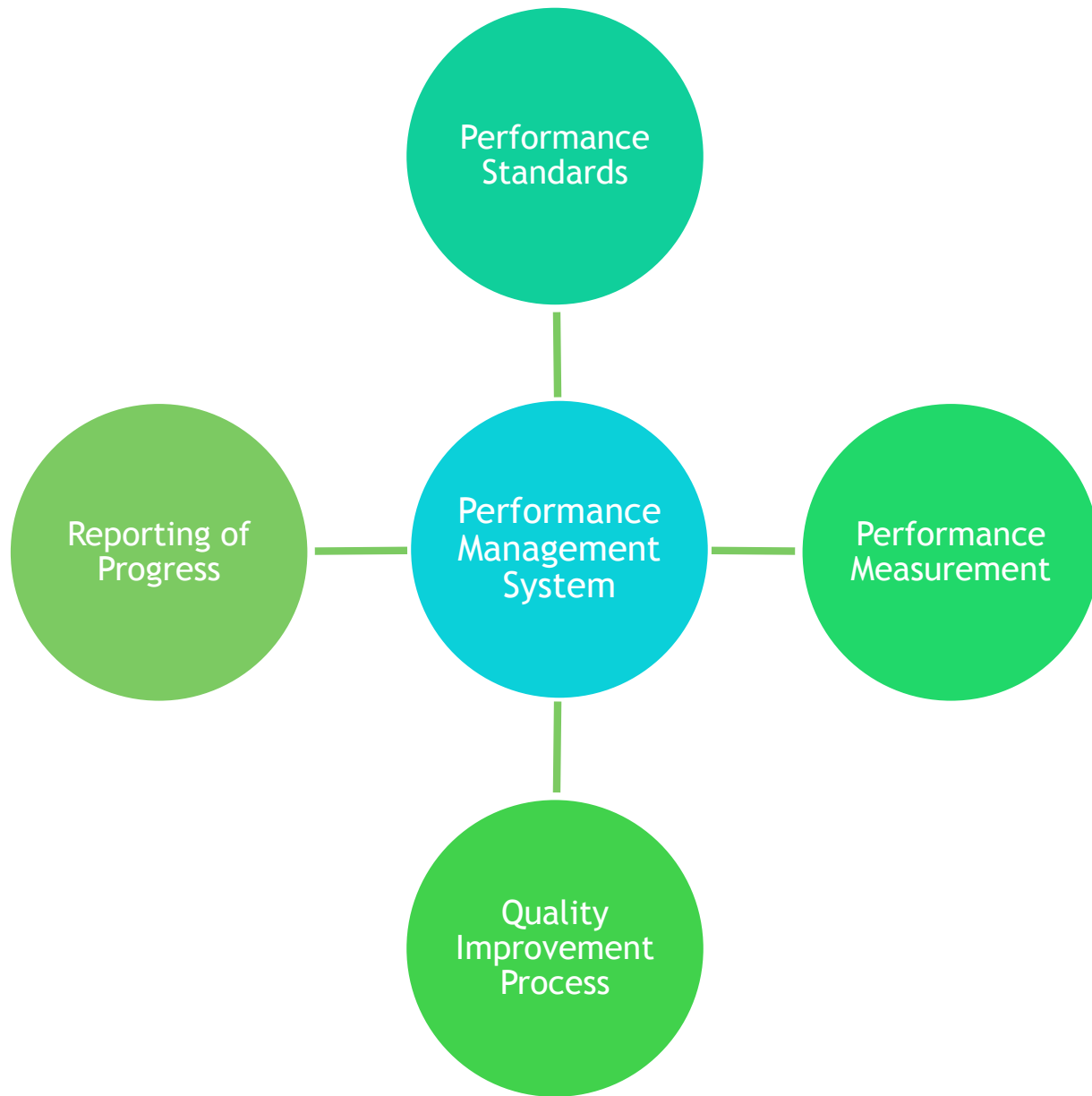
- ◉ *The Accountable Government Initiative - an Update on Our Performance Management Agenda states that performance management efforts for 2011 are focused on six strategies that have the highest potential for achieving meaningful performance improvement within and across Federal agencies:*
  - 1. Driving agency top priorities
  - 2. Cutting waste
  - 3. Reforming contracting
  - 4. Closing the Information Technology gap
  - 5. Promoting accountability and innovation through open government
  - 6. Attracting and motivating top talent





# PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

Performance management is the *strategic* use of performance standards, measures, progress reports, and ongoing quality improvement efforts to ensure an agency achieves desired results.



# TERMS

***Performance Standards*** are objective standards or guidelines that are used to assess an organization's performance (e.g., one accountant on staff per \$500,000, 80 percent of all customers who rate department services as “good” or “excellent”). Standards may be set based on national, state, or scientific guidelines; by benchmarking against similar organizations; based on the public's or leaders' expectations; or other methods.

# TERMS

***Performance Measurement*** consists of quantitative measures of capacities, processes or outcomes relevant to the assessment of a performance indicator (e.g., the number of trained accountants). To select specific performance measures, public agencies may consult national tools containing tested measures, as well as developing their own procedures to help them measure performance.

# TERMS

- ① ***Reporting of Progress*** is how a public agency tracks and reports progress depending upon the purpose of its performance management system and the intended users of performance data. A robust reporting system makes comparisons to national, state, or local standards or benchmarks to show where gaps may exist within the system.

# TERMS

***Quality Improvement*** is the establishment of a program or process to manage change and achieve quality improvement in public policies, programs, or infrastructure based on performance standards, measures, and reports.

# QUALITY IMPROVEMENT

# WHAT IS QUALITY?

- ◉ Quality is defined by the *value* a customer derives from a product or service
- ◉ Quality is giving the customer what they want when they want it
- ◉ Quality is achieved by giving customer concerns top priority and by constantly improving key work processes so the final product or service meets or exceeds customer expectations



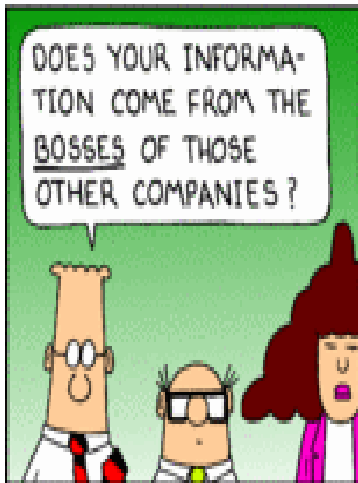
# CUSTOMERS & STAKEHOLDERS

- ◎ External customers
  - A person or organization that receives a product, service or information but is not part of the organization supplying it (end user)
- ◎ Internal Customers
  - The recipient within an organization of another person's or department's output
- ◎ Stakeholders
  - Internal and external customers who have a stake in your process, program or service

# DEFINING VALUE

- ◉ Value is always defined by the customer
- ◉ Value is often defined as “what the customer is willing to pay for”
  - Does this definition apply to governmental agencies?
- ◉ Value of a product or service is also defined by how well it meets the needs and expectations of the customer
  - Accuracy, timeliness, cost, etc.

# WHO IS YOUR CUSTOMER?



# THREE SIDES OF QUALITY IMPROVEMENT

- ◎ Customer focus
  - Understand customer requirements
  - Deliver services that meet those requirements
  - Use effective processes and methods
- ◎ Evidence based and process driven approach
  - Data driven action
  - Study, measure, analyze, improve the process
- ◎ Teamwork
  - Understand agency vision and values
  - Have a shared commitment to satisfy customers

# QUALITY IMPROVEMENT GOAL

- Everyone in the agency looking for answers to the continuous improvement question:

How can we do a better job?

# QUALITY IMPROVEMENT PROCESS

A methodology that...

- ① Uses a systematic approach to conceptualize and measure a problem, identify and analyze factors contributing to the problem, and design and implement strategies to solve the problem
- ① Prevents teams from jumping to solutions before finding the root cause
- ① Helps a group work together and communicate their process to others
- ① Can be used by anyone

# CHANGE IS EASY...RIGHT?

- ⦿ Why do I have to change?
- ⦿ Change is great as long as I do not have to do anything differently
- ⦿ We've been doing it this way for years, why change it if it isn't broken?
- ⦿ Don't worry about the changes, in a month it will go back to the way it was anyway.

# CREATING A SHARED VISION

To help people let go of the status quo:

- ⦿ Communicate vividly and regularly *why* things must change
- ⦿ Describe your vision for change
- ⦿ Clearly describe the steps being taken and directly link the team's work and the vision for change



# END RESULT OF QI EFFORTS

- ⦿ Maximize stakeholder value by achieving fastest rate of improvement in customer satisfaction, cost, quality, process speed, and invested resources
- ⦿ It is an ongoing effort
- ⦿ Reduced waste, increased efficiency
- ⦿ Increased standardization with decreased variation

# GETTING EVERYONE ON THE BUS



# 10 RULES FOR THE RIDE OF YOUR LIFE

1. You are the driver of your bus
2. Desire, vision and focus move your bus in the right direction
3. Fuel your ride with positive energy
4. Invite people on your bus and share your vision for the road ahead
5. Don't waste your energy on those who don't get on your bus

6. Post a sign that say **NO ENERGY VAMPIRES ALLOWED**
7. Enthusiasm attracts more passengers and energizes them during the ride
8. Love your passengers
9. Drive with purpose
10. Have fun and enjoy the ride

