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# Jordan Fiscal Reform II Project Monitoring, Evaluating and Learning from Performance

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# **Jordan Fiscal Reform II Project**

## **Monitoring, Evaluating and Learning from Performance**

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### **DISCLAIMER**

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# MONITORING, EVALUATING AND LEARNING FROM PERFORMANCE

By monitoring and evaluating performance organizations can learn how to achieve better program results and how to set strategies that are even more effective for the future. This tool guides managers on performance review practices that can be applied in their responsibility areas to increase organizational learning, strengthen accountability, and achieve better results.

## 1. OVERVIEW

Results Oriented Government thrives on learning from performance to become more effective and efficient. A strong Results Management Cycle enables government to plan, budget, manage, and evaluate its efforts with multiple opportunities built in for organizational learning. In the management phase of the Results Management Cycle, the program managers and staff directly involved with operations monitor performance regularly to keep the work on track. They apply learning to continuously improve work processes. In the evaluation phase of the Results Management Cycle the organization's leaders evaluate both a program's performance and its impact toward achieving broader organizational goals. This helps leaders learn "what works" and develop even more effective strategies to achieve goals in the future.

Managers at multiple levels of the organization can apply performance monitoring and evaluation to learn and make improvements. This tool presents five recommended practices managers can follow to gain greater benefits from the use of performance information. For each practice, examples, questions, and exercises are offered to encourage reflection and help managers identify potential opportunities to improve. The tool concludes with **Appendix 4: Action Step Worksheet for Monitoring and Improving Performance.**

## 2. LEARNING OBJECTIVES FOR THIS TOOL

- Understand required and enabling conditions for defining results that signal readiness to move ahead with performance review

- Guide managers and performance analysts through a series of performance review practices that can be applied to increase learning and accountability and ultimately improve performance
- Explore success factors for performance monitoring, evaluation and organizational learning
- Help managers at various levels to identify next steps to review and use performance information more effectively in their responsibility areas

### 3. EXPECTED BENEFITS

- Promotes readiness for Innovation as well as results as defined in the King Abdullah II Award (KAA) Criteria sponsored by the King Abdullah II Centre for Excellence (KACE)
- Helps organizations strengthen their results management process and leads to better performance at the program level and more effective strategies at the organizational level

## 4. THE CONTEXT FOR PERFORMANCE REVIEW IN JORDAN'S PUBLIC ORGANIZATIONS

The process for departments, agencies or institutions to report their actual performance to higher levels of Jordan's government as follows:

**Table 1: Government Reporting Requirements**

Entity	Document against which reporting	Period of reporting
Ministry of Planning	National Executive Plan (for donors purposes)	Yearly
Government Performance Administration	National Agenda	Monthly inputs from line ministries and institutions yet GPA's analysis are on quarterly basis
Prime Minister Office	Government yearly work plan	Monthly

## 5. SUGGESTIONS FOR USING THIS TOOL

This tool, like others in this Results Oriented Government series is designed to help managers reflect on current management practices in their responsibility areas and set a course to strengthen results management. It can be used to advantage in a number of settings, for example:

- A manager or analyst may use the tool as an independent study guide to learn about effective practices and generate ideas for improving practices in his or her area of responsibility
- A department, agency, or institution may facilitate a process for all senior managers to use the tool and identify next steps to strengthen practices in their respective areas
- A senior manager may use the tool with a team of innovative managers and analysts as a basis to design, re-design, or energize a performance review process
- Managers of similar levels from diverse organizations may use the tool to compare and contrast practices in their respective areas and generate ideas to strengthen performance review and increase organizational learning

## 6. SOME KEY CONCEPTS AND DEFINITIONS

USAID offers definitions for key concepts used in evaluation in its 2011 Policy on Evaluation (U.S. Agency for International Development, 2011):

**Evaluation** is the systematic collection and analysis of information about the characteristics and outcomes of programs and projects as a basis for judgments, to improve effectiveness, and/or inform decisions about current and future programming.

**Performance evaluations** focus on descriptive and normative questions: what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period); how it is being implemented; how it is perceived and valued; whether expected results are occurring; and other questions that are pertinent to program design, management, and operational decision-making. Performance evaluations often incorporate before-after comparisons, but generally lack a rigorously defined counterfactual.

**Performance monitoring** of changes in performance indicators reveals whether desired results are occurring and whether implementation is on track. In general, the results measured are the direct and near-term consequences of project activities.

**Performance indicators** measure a particular characteristic or dimension of project results (outputs or outcomes) based on a project's results framework and underlying theory of change. In general, outputs are directly attributable to the program activities, while project outcomes represent results to which a given program contributes, but for which it is not solely responsible.

**Performance management** (Managing for Results) is the systematic process of monitoring the achievements of program activities; collecting and analyzing performance information to track progress toward planned results; using performance information and evaluations to influence decision-making and resource allocation; and communicating results to advance organizational learning and communicate results to stakeholders.

**Impact evaluations** measure the change in a development outcome that is attributable to a defined intervention; impact evaluations are based on models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that might account for the observed change. Impact evaluations in which comparisons are made between beneficiaries that are randomly assigned to either a treatment or a control group provide the strongest evidence of a relationship between the intervention under study and the outcome measured [Note: true impact evaluations are reserved for major policy and outcome issues because of the intensity of resources required to do them well].

In addition to these USAID provided definitions, the following definitions are helpful to understanding this tool's subject:

**“Goal,” “result,” and “outcome”** are used throughout this tool with the same meaning. While some sources make distinctions in these terms, all three describe the broad aim or intent that has been set for accomplishment (For example, regarding the development of Key Performance Indicators (KPIs), the term “Outcome” refers to the highest-level and long-term measurable results of a program). Goals, results, and outcomes usually take the form of statements such as these examples from Jordan’s National Agenda: “Improve and preserve the quality of the environment” or “Ensure proper health care to Jordanians on all levels” or “Enhance Jordan’s economy to allow it to thrive and be open to regional and global markets”. Goals focus on the intended benefit or impact on the intended beneficiary – simply stated they describe the desired future state and tell how the beneficiaries will be “better off.”

**Program** is typically the main unit of analysis government uses for performance management. The government of Jordan presents its budget at the level of program. A program is a set of related activities performed for an intended group of beneficiaries or customers intended to produce a common outcome or result. Jordan’s Budget Manual further defines program as “a grouping of activities and projects one level below government departments and units. A program is designed to achieve a specific objective or closely related objectives. A program should have an identifiable target population; a defined budget, staffing, and other necessary resources; and clearly defined objectives and outputs ...” [January 2012 Budget Manual page 10]

**Data validity and reliability** are essential conditions in order for performance information to be useful. **Validity** means that the performance indicator does in fact measure what it claims to measure. For example, an indicator stated as “percent of customers rating service as good or excellent” should be derived from an appropriately worded question asked of customers in a survey that is administered in an unbiased manner. **Reliability** means that the data are captured or calculated in a rigorous, well-documented manner and consistent that will yield true readings when the measurement is repeated over time. For example, the same question is administered in the same format to customers based on the same sampling plan so that quarterly data for “percent of customers rating services as good or excellent” are captured consistently.

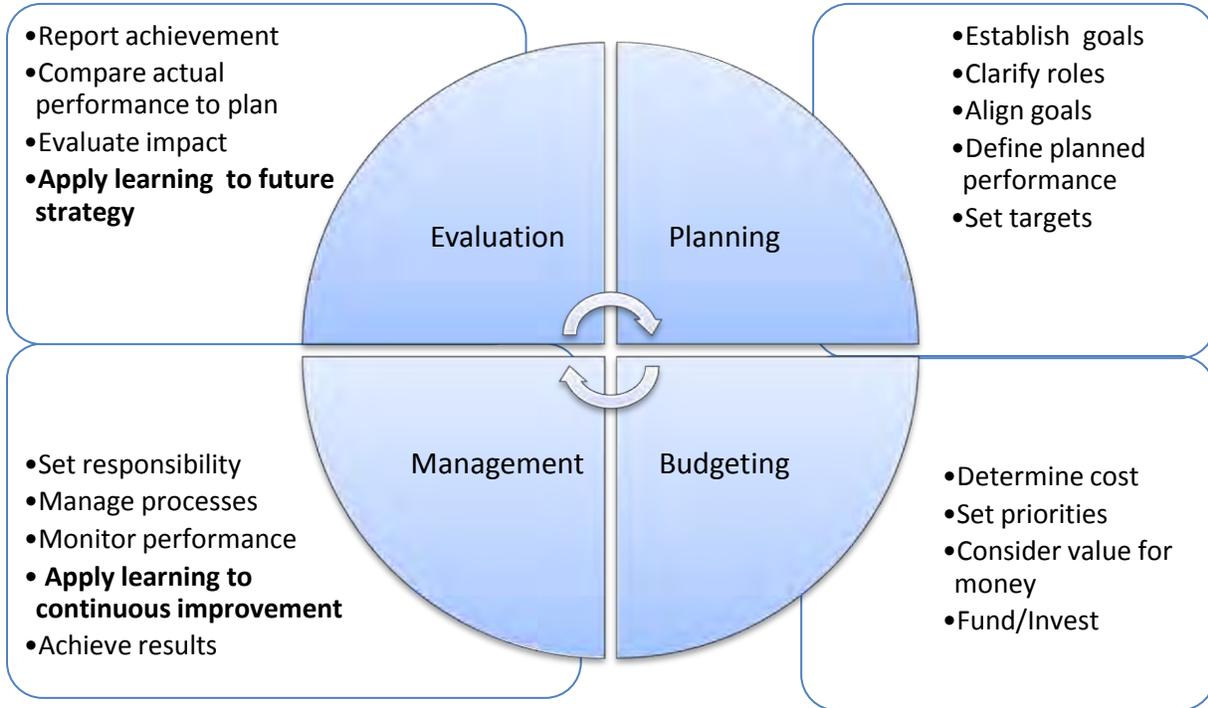
**Single loop learning** occurs when an error or problem is detected and corrected so the organization can carry on its present policies or achieve its present objectives.

**Double loop learning** occurs when error is detected and corrected in ways that involve the modification of an organization's underlying norms, policies, strategies, and objectives.

## **7. HOW PERFORMANCE REVIEW FITS IN THE RESULTS MANAGEMENT CYCLE TO PRODUCE LEARNING**

Results Oriented Government maintains its focus on goals through each phase of the Results Management Cycle of planning, budgeting, management, and evaluation to ensure that the desired results established in planning are actually achieved. As illustrated in **Figure 1**, the planning stage is where goals are established, government's role is clarified, goal attainment measures are established, and targets or objectives are set. During the budget process, decision makers consider programs for their value for money in achieving desired results and ultimately make decisions about which program results they will fund. The management phase emphasizes setting responsibility for results achievement, managing work processes, and monitoring performance with the intent of continuously improving achievement of results. Here the learning emphasis is on keeping performance (and sometimes budgetary expenditures) on track – usually single loop learning. During the evaluation phase the actual accomplishments are reported and compared against planned performance. Both the accomplishments of a program and also the program's impact on bettering intended conditions are evaluated. In double loop learning, the lessons learned are applied to not only to strengthening programs but to refining future strategy.

**Figure 1: Goals or Results are the Focus in the Results Management Cycle**



*Both the management and the evaluation phases involve learning from performance. In management the key actors are the managers and program staff directly involved in producing the results on a continual basis. At the evaluation phase, additional stakeholders evaluate the program's performance against targets and impact toward achieving broader goals and outcomes.*

## **8. FIVE SUGGESTED PRACTICES FOR LEARNING FROM PERFORMANCE**

To ensure a robust and learning focused performance review process, the following five practices are recommended:

1. Keep the Focus on Results
2. Use Data Driven Techniques to Understand Performance
3. Create Forums for Interactive Engagement of the Right People
4. Frame Constructive Questions and Create an Environment that Encourages Learning
5. Solve Problems and Ensure Follow Up Action

For each of these practices, a number of success factors and strategies to overcome common challenges are offered. Sections contain learning aids such as exercises and examples to reinforce the concepts and encourage reflection.

## 8.1 KEEP THE FOCUS ON RESULTS

Results Oriented Government begins with definition of desired results at the outset of the Results Management Cycle. Effective planning sets up the questions that performance data will help answer as a program is implemented. Thoughtful work in the planning stage will enable actionable insights when actual performance is compared to planned performance in the later stages of management and evaluation.

This tool assumes a basic level of organizational competence and capability in the planning element as a prerequisite. It's difficult to have an effective process for monitoring and evaluating performance without building a sound foundation of goals and Key Performance Indicators (KPIs) in this initial phase.

The following required conditions are basic enabling requirements in order to achieve readiness to move ahead to review of program performance information:

1. The program has a goal statement that clearly describes the desired future impact on the intended beneficiary – it is customer or beneficiary focused
2. KPIs and/or outcome indicator(s) align with and measure attainment of the goal
3. Future planned performance is specific enough to be measured and enable comparison of actual performance to plan – future objectives and/or targets are defined
4. The program's goal and outcome has been aligned with relevant institutional, sector and national level goals and KPIs
5. Planned performance objectives and targets have been updated based on funding decisions made in the budget process; in other words any adjustments to expected planned performance necessitated by funding level are reflected in the current objectives and targets
6. The program has some type of quality assurance process for collecting performance data that ensures its reliability and validity; in other words the data are believed to be sufficiently accurate to support sound decision making

If any of these conditions is not attained, the organization would do well to close the gap before moving into data-driven performance review as a leadership and management strategy. The ROG tool "Aligning Results and Roles" can be used to strengthen your organization's goal setting and alignment of KPIs.

In addition to having these six foundational requirements in place, the following additional enabling conditions will greatly enhance the organization's success with learning from performance:

1. Leadership that is committed to managing performance and willing to invest time and energy to build both learning and accountability into the organization's management framework

2. Analytical capacity in terms of knowledgeable staff and some form of automated support or tools to capture, display and compare performance data
3. Theory of change or program logic is well defined so that the results that should occur over time if the program is working as designed are defined and ready to assess during implementation

### Exercise 1

As an exercise, use the Results Foundation Assessment Questions worksheet in Appendix 1 to assess the extent to which the required and desired enabling conditions are present in your organization. As illustrated in the sample from the worksheet in Figure 2, you should also record positive conditions and assets upon which your organization can build and note gaps or shortcomings that you must address before moving forward with performance review. If you are using this tool along with other individuals, be sure to compare and contrast your ratings and observations to gain richer insights about assets and limitations.

**Figure 2: Illustrative Section from Results Foundation Assessment Questions Worksheet**

Results Foundation Assessment Questions						
		<i>select one</i>			Assets to build upon	Gaps or shortcomings to address
		Little or no capability	Moderate capability	Strong capability		
Required Capabilities						
1	The program has a goal statement that clearly describes the desired future impact on the intended beneficiary—it is customer or beneficiary focused					
2	KPIs and/or outcome indicator(s) align with and measure attainment of the goal					
3	Future planned performance is specific enough to be measured and enable comparison of actual performance to plan—future objectives and/or targets are defined					

### Tips and Advice Before Moving On

- Your organization can certainly choose to move forward with performance review despite deficiencies in performance readiness. But your ability to draw meaningful conclusions from the data will be limited by flaws in logic or data quality. Keep these limitations in mind and direct the focus of review more toward correcting data issues

- The tool “Aligning Results and Roles” can be used to assess and strengthen your organization’s goal setting and alignment of KPIs. This tool will help with deficiencies you may have found in requirements one through five
- If your organization does not have some type of quality assurance program for performance data you should work with subject matter experts to develop one. At a minimum, all performance indicators should be well defined in terms of meaning, data sources, collection methodology and any calculations. Additionally, you will want to have some capability to review the documentation behind the data reported to ensure accuracy and integrity
- If you are uncertain about the concept of “theory of change” or the program logic model, you may refer to the tool “The Program Logic Model and Developing a Chain of Success” for additional information and instruction. In addition, the Balanced Scorecard may also be used to depict cause-and-effect relationships between a program’s activities and the outcomes or results it produces in a strategy map. Excellent background information on the Balanced Scorecard can be found in the Service Delivery Improvement tool of this title
- Remember that your entire organization does not need to proceed at the same pace. Even if your organization is weak on meeting the requirements, there may still be a few areas where the performance foundation is strong enough to allow you to move ahead in performance review. Let a few units serve as “trail blazers” to pilot performance review, monitoring, and evaluation practices and build capacity that can benefit the larger organization as it moves forward

## 8.2 USE DATA DRIVEN TECHNIQUES TO UNDERSTAND PERFORMANCE

Performance review usually involves a comparison of actual performance to data at another reference point. For example, a program will review its actual performance on a KPI versus the target or planned level of performance for the period(s) under review. **Table 2** illustrates some of the more common types of comparisons along with what the comparison can tell the reviewer.

**Table 2: Common Types of Comparisons and What They Tell**

Comparison (all use actual performance)	What it tells
Actual versus planned or target	Whether planned performance is being attained; whether performance is better or worse than expected
Performance versus a benchmark or industry standard	The extent to which your program’s performance “measures up” to an accepted level for good or excellent performance in your field
Current performance period to past periods and/or baseline levels	If and how performance is changed over time; whether performance is trending better or worse versus expectation or versus baseline
Current status to planned project milestone	Whether a project or component tasks are on schedule
Actual expenditures to date	Whether spending is on track with authorized, expected

to budget	levels; Whether the spending and performance are trending together in the pattern expected
Performance charted versus key event(s)	The extent to which performance changed coincident to a key event (for example to determine how the volume of calls for service is changed following a major public outreach campaign)

The most common form of performance review is in a table format with actual performance on various performance indicators compared to the target for the reporting period. A good practice it to calculate and present the percentage variation from target as illustrated in the example in **Figure 3**.

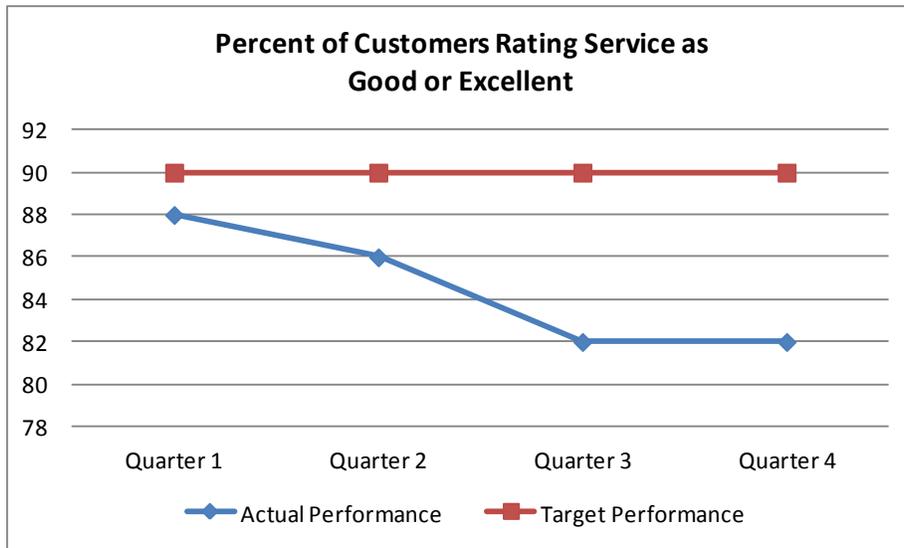
**Figure 3: Sample Performance Report with Variation from Target**

Illustrative Report of Actual Versus Planned or Target Performance			
Hazardous Waste Collection Program	Actual Current Fiscal Year	Target	Variation from Target
Units of hazardous waste collected	21097	24000	-12%
Number of customer collection sites served	998	1000	0%
Cost per unit of hazardous waste collected	5.69	5.00	14%
Collections provided per year	104	104	0%
Percent of collections completed on schedule	86	95	-9%
Percent of costs recovered by fees	81	80	1%
Percent of customers rating service as good or excellent	85	90	-5%

By examining the report in **Figure 4** it can be seen that the Hazardous Waste Collection program collected 12% fewer units of hazardous waste from customers than targeted. The number of customer sites served was on target, however. This situation indicates that collections per customer were lower than expected for some reason. The report also reveals that the cost per unit of hazardous waste collected was 14% greater than planned. Here the lower number of units collected is driving up the cost per unit. Effective performance reporting stimulates good questions from managers and other reviewers. For effective performance review, senior managers should set a criterion at which the reasons for variation must be analyzed and explained. The criterion or threshold will vary according to the situation, but a common rule of thumb is to require explanation for variations of 10% or greater. Managers can always ask for additional explanations as warranted. For example, the finding that collections completed on schedule was 9% below target is troubling and would merit explanation and correction. Examining performance over multiple reporting periods is highly useful for detecting patterns or trends. Using charts or graphs makes trends and variations much more visible to the reviewer and provides a better communication device. **Figure 4** illustrates the Hazardous Waste Collection program’s customer satisfaction ratings over four quarters and compares them to the annual target of 90% satisfaction. While the

average satisfaction rating for the year was 85%, the figure illustrates a pattern of declining satisfaction which should raise concern.

**Figure 4: Illustrative Chart with Quarterly Data Versus Target**



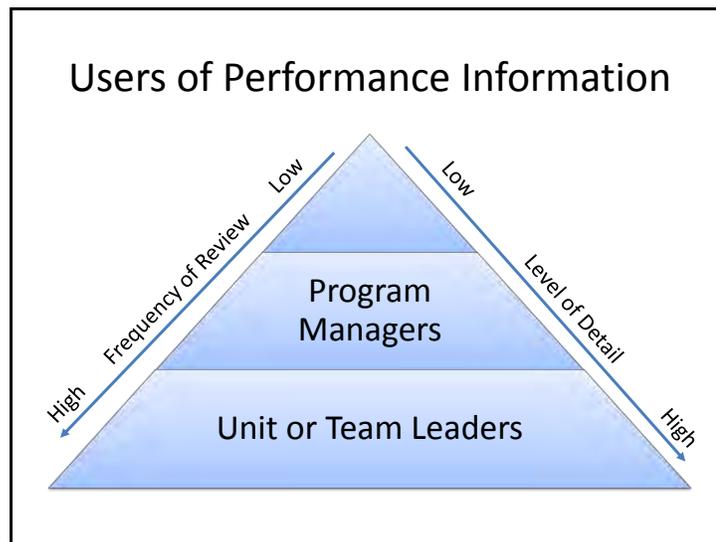
A program will find it instructive to chart performance versus one or more major key events if something occurred that should impact performance. For example, suppose the Hazardous Waste Collection program implemented a new system for managing customer relationships and wanted to see if and how satisfaction ratings changed. **Figure 5** illustrates monthly customer satisfaction ratings and marks the point at which a new system was implemented, allowing the reviewer to see if and how performance changed.

**Figure 5: Illustrative Chart Showing Performance versus Key Event**



When developing performance review presentations for management purposes, keep in mind the product should fit the intended user's requirements. Analysis formats should vary accordingly. Your organization has multiple users of performance information whose interests and needs for reviewing data will differ in both frequency and level of detail preferred, as illustrated in **Figure 6**.

**Figure 6: Users of Performance Information and Frequency and Detail of Reporting**



At the top of the organization, senior leaders need to review performance information on a periodic basis and they usually prefer high level data on KPIs of significance to organizational goals and priorities. For example, a department head might review performance on KPIs two to four times per year. At the level of program manager, the reviews will be more frequent, at least monthly on a routine basis and even more frequently if issues or problems must be monitored for correction. Also, the program manager will need more details and breakouts of data than a senior leader. For example, the program manager for Hazardous Waste Collections may want to see performance broken out by such factors as customer type, location or collection route, time period, and the like. The program manager will ask for data more frequently if there is an issue needing correction such as the performance shortfall for on timely collection. At the level of unit or team leaders where the collection work is performed the need for information is much more frequent and detailed. Individuals supervising work processes will want as close to “real time” data as possible so they can ensure a process is on track. They may “drill down” in much more detail to detect patterns and variations that can’t be seen by looking at summary data. For example, a crew supervisor may want to know the on time performance for collections according to such variables as work crew or location, day of the week, time of day and the like. Ideally, the leader would want “real time” information about missed or late collections.

Having the staff capacity to analyze and display performance information in a number of useful formats is an important factor for success with performance review. The ability to produce timely, accurate, and visually appealing reports aids helps users gain insights from performance data. Some illustrative tasks that staff can perform include:

- Obtain the desired performance information
- Transform data into clear, readable charts, tables, or diagrams
- Analyze the information to identify candidate highlights, issues, and questions that the manager might want to address
- Validate or check data for accuracy, especially where performance appears unusual
- Follow up with managers or staff who may be able to explain factors behind the performance

### Exercise 2

This exercise will help you identify current assets and opportunities to strengthen the use of performance information. Consider a program or programs of interest in your organization and answer the following questions:

- What type of information is reported to senior leadership? How frequently?
- What type of information is reviewed by the program manager on a regular basis? How often does this occur?
- What types of information are used on a regular basis in the work unit or point where the service is delivered?
- How well does your experience match the chart in **Figure 6**?
- What formats for reporting or displaying data have been particularly helpful at each level?
- Based on the types of comparisons listed in **Table 2**, can you think of additional types of reports your program may find useful?
- Are there any “good” or “best” practices you would recommend to others?
- What would you do differently if you could?

The reflections from **Exercise 2** will stimulate ideas that will help you complete **Appendix 4: Action Step Worksheet for Monitoring and Improving Performance** at the conclusion of this tool.

### Tips and Advice Before Moving On

- Complete **Exercise 2** with all program managers in your organization and share their observations. Gather the sample reports and analyses they identified as most helpful and consider how to replicate these in other areas
- Examine the performance reporting and analysis practices used by external organizations known for their management excellence. KACE award winners

may provide a great source of ideas. Explore how performance reporting and analysis is staffed and how these organizations develop staff capacity

- Remember that different presentation formats may be required to meet the needs of users. Test alternate presentation formats for the same data in order to find which ones are most helpful to managers and supervisors at various levels
- Keep in mind that the timeliness of data and performance feedback is critical to effective learning and improvement. If your organization experiences delays, difficulties, or labor intensive struggles to obtain data, this situation suggests that your supporting data systems need evaluation
- Recognize that effective performance review may require you to develop or acquire additional staff capacity and skill sets for data analysis

### **8.3 CREATE FORUMS FOR INTERACTIVE ENGAGEMENT OF THE RIGHT PEOPLE**

*Most workplace learning takes place in the context of action. It's not that experience is necessarily the best teacher; reflecting on experience is the best teacher.*

Russ Linden (Linden)

Holding regular, structured performance reviews for senior leaders to review performance with responsible managers is an absolute requirement for effective engagement and interaction about performance. Program reviews have the dual purpose of promoting accountability for results and learning. Leaders may convene meetings around specific programs and around major themes or goal areas that are cross-cutting. For example, a leader may want to review progress toward each of the organization's strategic goals with managers of the various units that contribute toward its achievement. Learning occurs best when people with insights about performance are gathered to analyze the data, frame questions and seek answers to performance issues.

There is no "one right answer" for the type or topic focus of review meetings that should be held. Performance management expert Harry Hatry offers the following key insight for designing effective meetings:

Each organization needs to consider its own needs and may find it useful to test various arrangements. The key limitations are the time and resources these meetings take. Many meetings will place a considerable demand on the leader and staff. Within this constraint, the leader could choose to use both the theme and reporting unit approaches. For example, the leader might choose to focus on reporting units (whether individually or collectively) and if the organization had a major theme issue, to hold separate meetings that address that theme. (Hatry & Davies, 2011)

Reinforcing accountability for results is a key consideration when deciding who attends, who answers questions and how meetings are conducted. As a general rule, performance review meetings should have responsible managers in the forefront and support and analytical staff taking a "back seat." Program managers need to be sufficiently well informed to present key performance data, highlight trends and issues,

and answer questions that may arise concerning performance. It sends a powerful message when the manager takes the lead in discussing performance and most importantly to consider future actions to address concerns.

The organization's senior leader plays a significant role in setting a tone that encourages learning and allows for sharing multiple, sometimes different perspectives. Most subordinates won't offer differing views until they're convinced their leaders want to hear them. It is important for leaders to encourage constructive and open dialogue by avoiding a "got you" tone when exploring or discussing problems. In reviewing effective performance review practices among U.S. Federal agencies, Shelley Metzenbaum identified ways in which managers engage in and encourage constructive group feedback (Metzenbaum, 2006):

- Help members set challenging but realistic goals, adjusting them as needed
- Make sure each member understands what his or her contribution is to the final product
- Ensure group participants understand how their membership in the group is helpful
- Emphasize the unity of the group
- Change goals that are too difficult
- Encourage talk in meetings about how performance can be improved
- Avoid fear of failure
- Help members feel responsible for the group's fate
- Give members assignments that suit their abilities
- Clearly define boundaries of unacceptable practice

### Exercise 3

Think of a positive and constructive performance review discussion you have observed. Reflecting on this positive experience:

- What factors made it a productive review?
- What role did the leader take and what did he or she do to create a positive experience?
- What role did the program manager take and how did he or she contribute to the meeting's success?
- How did other participants contribute to an effective meeting?
- What learning and improvement resulted?

Reflecting on any other review meetings you may have observed that were less successful:

- What have you observed from less successful meetings that you would want to avoid?

On the basis of these reflections:

- What advice would you offer leaders in order to design and conduct effective performance review meetings?

The reflections from **Exercise 3** will stimulate ideas that will help you complete **Appendix 4: Action Step Worksheet for Monitoring and Improving Performance** at the conclusion of this tool.

### **Tips and Advice Before Moving On**

- Build on your organization's successes. Find managers, programs, work units where performance information is being used with success and build upon this capacity. Senior leaders should reinforce, encourage, and recognize managers who practice data driven performance review
- As Hatry suggests, pilot several different types and formats of review meetings to learn what is required to support them and to evaluate how well they worked. Because each organization is unique, some experimentation will be required to find the right format for your situation
- Managers may benefit from coaching or mentoring in order to lead effective performance reviews. Learn from other managers who are skilled in facilitating learning and accountability
- Be sure to make roles, expectations and ground rules specific up front in order to facilitate more effective meetings. Your answers to questions in **Exercise 3** can provide a starting point for developing this meeting guidance

## **8.4 FRAME CONSTRUCTIVE QUESTIONS AND CREATE AN ENVIRONMENT THAT ENCOURAGES LEARNING**

Learning from performance requires more than insights from data, learning requires an environment where participants are able to reflect, explore and draw conclusions that can guide future behavior. The art of framing the right questions is a critical success factor for conducting effective performance reviews and more importantly for stimulating performance dialogue that leads to learning. It is important to encourage curiosity and openness by framing questions in a way that is non-threatening, but still presses responsible managers toward real understanding of the situation evidenced by the data – even if the situation is bad.

Ron Heifetz's enduring work, *Leadership Without Easy Answers*, (Heifetz, 1994) suggests five strategic principles of leadership that provide highly relevant advice for leaders who want to pose effective performance review questions and facilitate insightful responses:

1. Diagnose the situation in light of the values at stake, and unbundle the issues involved
2. Keep the level of distress within tolerable limits for doing adaptive work ("keep the heat up without blowing up the vessel")
3. Identify the issues that engage the most attention and counteract avoidance mechanisms such as denial, scapegoating, pretending the problem is technical, or attacking individuals rather than issues
4. Allow people to take responsibility for the problem, but at a rate they can handle

5. Protect those who raise hard questions, generate distress, and challenge people to rethink the issues at stake

A highly recognized format for performance review meetings has evolved from experiences by several U.S. cities to practice data driven performance improvement. The City of Baltimore, MD developed its CitiStat process to improve municipal operations and New York City Police Department developed its CompStat designed to use data to reduce crime through focused attention, accountability for results, and data informed strategy testing. Robert Behn (Behn, 2007) describes the generalized form of “PerformanceStat” meetings as:

A leadership strategy designed to produce clearly specified results. The common feature of all the performance-stat systems -- the organization’s leader meets with his or her management team to focus attention and assess progress toward the organization’s goals.

**Exhibit 1** presents an overview of the Baltimore CitiStat process. The exhibit illustrates the types of questions that are asked by leadership and the types of responses expected from responsible managers.

When your organization initiates a performance review meeting, most questions concerning the data should be formed in advance. If possible, share questions, or at least key issues, with the responsible manager in advance of the meeting so he or she can be better prepared to suggest potential causes and remedies. A more detailed list of potential questions that could be asked during performance reviews is included in **Appendix 2: Suggested Questions for the Analysis of Performance Data.**

### **Tips and Advice Before Moving On**

- Design a meeting agenda for one to two hours as appropriate with timeframes set for covering specific agenda items and issues
- To the fullest extent possible make the data available in advance as well as the main issues that are targeted for discussion at the meeting. Avoid surprises
- When considering questions to pose concerning performance, use the examples in **Appendix 2: Suggested Questions for the Analysis of Performance Data** as a source of good ideas

## Exhibit 1: The CitiStat Process

**Robert Behn**  
(Behn, 2007)

A CitiStat meeting centers around a series of questions asked by the mayor's staff to which the agency director and managers need to respond. These questions come in several basic forms:

- This aspect of performance, as captured by these service-request data, is slipping or has not improved as fast as we would like. What has your agency done about this?
- The other week (month, quarter, year) we agreed on the need to employ this particular approach. What has your agency done to implement it?
- We've noticed this really big problem. What is your organization doing about it?

That is, the questions focus on some improvement that the agency needs to make.

Agency directors and managers need to respond to such questions in four ways:

- They need to provide straightforward, factual information. What happened? When? How? Why? (Note: Denying the existence of the problem is not a politic rebuttal)
- They need to explain what the organization has done so far to mitigate the problem. Who did what when? What happened? (Note: Reporting that no effort has been made to deal with the problem is not a prudent reply)
- They need to explain what they have so far learned from these efforts. What worked? What didn't? Why? (Note: Disclosing that nothing has been learned from any effort to fix the problem is not an astute response)
- If they are not convinced that they have satisfactorily mitigated the problem, the agency director needs to outline a new approach to fixing it. What might work? Why? When will it be implemented? How much will it cost? When can improvements be anticipated? (Note: Revealing that no thought has been given to a new approach is not an advisable reaction)

At a CitiStat meeting in Baltimore (as at a CompStat meeting in New York City), an agency director or manager is responsible not so much for a specific outcome, but for having an intimate working knowledge of the agency's performance deficits and some well-thought-out strategies for fixing them.

## 8.5 SOLVE PROBLEMS AND ENSURE FOLLOW UP ACTION

Good ideas and intentions to improve must be acted upon in order to reap the benefit of lessons learned during performance review. And not all questions raised during review meetings have easy or immediate answers. Follow up is essential to implementing improvements. Often, additional action is required to gather more data, research best practices, delve further into root causes of problems, and coordinate with other organizations. So, effective performance review must include steps to ensure that required actions are accomplished and issues are resolved.

An effective performance review meeting will always have an agenda with time specifically set aside to pinpoint follow on actions required. **Exhibit 2** taken from Harry Hatry's *Guide to Data Driven Performance Review* illustrates a typical agenda for a performance review meeting with a closing segment to identify actions and responsibilities.

### Exhibit 2: Typical Agenda Items at Performance Review Sessions

(Hatry & Davies, 2011)

1. Introduction
2. Review action items and outstanding issues from last meeting
3. Discuss overall findings and leadership questions
4. Discuss areas or indicators displaying particularly high or low performance relative to that expected
5. Brainstorm next steps
6. Identify the action items that the meeting findings indicate need to be done

Record action steps that are agreed upon at the meeting. Be sure to establish responsibility and set a due date for completing the actions. A simple template for recording action items, responsibilities, and due dates is suggested in **Table 3**.

**Table 3: Sample Format to Document Follow Up Actions**

Sample Form to Document Follow Up Actions from Review Meeting				
Issue or Problem	Action Needed	Lead Responsible	Others to Involve	Due Date

Having staff assigned to provide key support functions can help ensure both a productive meeting and progress toward desired results. Hatry (Hatry & Davies, 2011) suggests essential follow up steps to complete as illustrated in **Exhibit 3**. This list of steps will be quite helpful either to design your performance review process or to strengthen your current practices.

#### Exercise 4

Review Hatry's list of suggested follow up steps in **Exhibit 3**. Think about the process your organization uses currently to follow up on meetings that address performance issues.

- Which of the listed practices do you use currently?
- Are there practices your organization has found particularly effective? (either on the list or not)
- Does the list suggest additional practices you could adopt?

The reflections from **Exercise 4** will stimulate ideas that will help you complete **Appendix 4: Action Step Worksheet for Monitoring and Improving Performance** at the conclusion of this tool

#### Exhibit 3: Follow-Up Steps After a Performance Review Has Been Conducted

(Hatry & Davies, 2011)

1. During the meeting, allow adequate time for reviewing decisions and requests to make sure next steps are clear.
2. Keep track of all actions called for during the meeting, whether requests for more information or specific programmatic actions. Identify the individual or office responsible for each action and when the action is to be completed.
3. Soon after the meeting, send a memo to meeting participants that documents:
  - The specific information requested and the specific actions to be taken
  - The reporting unit and/or individual responsible for each action
  - The due date for providing the information or for taking each action
  - Any prioritization of these activities
  - Any added description of the desired information or action that would clarify the request
  - The name of the staff person within the leader's office who will be monitoring follow-up

4. Set up a process for tracking action items and due dates, such as a tickler file of due dates.
5. Time permitting, actively work with the reporting unit representatives responsible for follow-up, such as by providing help with supplementary analysis, meeting with reporting unit staff, or serving in a consulting role.
6. Send reminders, perhaps one to two weeks in advance of the due dates, to those units or persons responsible for providing the information or for taking the actions. This reminder would not be sent if the request had already been satisfied, if an acceptable request for an extension had been received, if a satisfactory explanation had been provided as to the reason for not providing the information or taking the action, or if the need for the information or action no longer existed.
7. If a response is late or otherwise unsatisfactory, send an official transmission from the leader, or from an appropriate member of the leader's staff, pointing out the missed fulfillment of the request and requesting an explanation.
8. Make sure to include time at the beginning of the next meeting's agenda to review the status of actions called for in prior meetings.

## 9. TIME FOR ACTION: IDENTIFY YOUR ACTION STEPS

Using this tool you have learned about required conditions to be ready for performance review and recommended performance monitoring and evaluation practices that could be applied to your responsibility areas. Through exercises and examples you have reflected on ways the practices could be implemented. Now it is time to commit to actions your organization will take to develop or strengthen the performance review process.

Opportunities for improvement will differ according to your position in the organization. If you are a program manager you can apply the practices to improve the use of performance information to monitor and manage performance and generate learning that leads to continuous improvement. If you are a more senior manager you can influence or direct efforts of programs in your responsibility area to strengthen performance review as well as consider how to strengthen the evaluation component of the Results Management Cycle. From evaluation, lessons learned can be directed toward not only improving programs but on developing more effective strategies for the future.

Use **Appendix 4: Action Step Worksheet for Monitoring and Improving Performance** to plan actions at the program and at the organizational level as appropriate to your area of responsibility. You should identify the strongest assets in place to facilitate performance review and the most noteworthy shortcomings or areas for improvement. Remember to reflect upon the answers to the four exercises contained in this tool when you identify assets and opportunities for improvement. Your action planning should end by deciding upon the most important three to five follow on actions to take over the next six months. Space is provided to identify the responsible person(s) for each action as well as the date for completion. With these steps identified, you will have a plan to strengthen learning and accountability using performance review.

*Performance review can help your organization achieve the benefit of single loop learning leading to better program performance and double loop learning leading to more effective strategic direction for the future.*

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## APPENDIX 1: RESULTS FOUNDATION ASSESSMENT QUESTIONS

Results Foundation Assessment Questions - Appendix I						
		<i>select one</i>			Assets to build upon	Gaps or shortcomings to address
		Little or no capability	Moderate capability	Strong capability		
Required Conditions						
1	The program has a goal statement that clearly describes the desired future impact on the intended beneficiary—it is customer or beneficiary focused					
2	KPIs and/or outcome indicator(s) align with and measure attainment of the goal					
3	Future planned performance is specific enough to be measured and enable comparison of actual performance to plan—future objectives and/or targets are defined					
4	The program’s goal and outcome has been aligned with relevant institutional, sector and national level goals and KPIs					
5	Planned performance objectives and targets have been updated based on funding decisions made in the budget process; in other words any adjustments to expected planned performance necessitated by funding level are reflected in the current objectives and targets					
6	The program has some type of quality assurance process for collecting performance data that ensures its reliability and validity; in other words the data are believed to be sufficiently accurate to support sound decision making					

Additional enabling conditions						
7	Leadership that is committed to managing performance and willing to invest time and energy to build both learning and accountability into the organization's management framework					
8	Analytical capacity in terms of knowledgeable staff and some form of automated support or tools to capture, display and compare performance data					
9	Theory of change or program logic is well defined so that the results that should occur over time if the program is working as designed are defined and ready to assess during implementation					

## APPENDIX 2: SUGGESTED QUESTIONS FOR THE ANALYSIS OF PERFORMANCE DATA

(Hatry & Davies, 2011)

The following list of questions is adapted from the work of Hatry and Davies. The heart of data-driven performance reviews is the analysis of the performance data. Effective analysis requires seeking the answers to specific, probing queries. Following is a list of the type of queries that should be sought once the data are available. Obviously, not every question need or should be asked. Nor need they be asked as is. Questions should be tailored to fit the program under review and the data. Furthermore, the responses might lead to the framing of other questions not listed here:

- What is going on right now? What does the nature of the data show?
- How credible is the data? Are there gaps or missing data?
- How does the data tie to the agency's mission and/or program's goals?
- Where is there progress? Why is there progress? What can be learned for others?
- What are the targets, milestones and other benchmarks? Were this quarter's targets and milestones met? How does the performance compare to the other benchmarks? What is the reason for any differences?
- What are the performance trends? What do they suggest? What is the likelihood of meeting the planned level of performance?
- Has the direction of the performance trends changed or have other variations occurred?
- When did the direction of the performance trends change or the other variations occur?
- Why did the trends change or variations occur? What happened at the time of the change or variation?
- Will the change or variation make a difference? Does it indicate a promising practice or problem needing greater attention?
- What has happened or is happening external to the program that is affecting or can affect performance?
- Are there mismatches between the direction of the outputs and the direction of the outcomes? Between the direction of the outputs and the direction of the costs?
- Are other relevant organizations and program activities contributing as planned?
- What would happen if the goals and/or priorities are varied?
- What would happen if the program delivery approaches are varied? Will it make a difference?
- What might be considered?
- New strategies for achieving the targets?
- New metrics for measuring performance?
- Additional technical assistance or training of agency personnel?
- Greater cross-agency coordination?

- Connecting the goal leader or staff with others working on similar issue?
- Improved state/local partner coordination or alignment?
- Increased executive attention from the agency and/or higher levels?
- Legislative action to remove a barrier?
- Improved administrative support (IT, HR, procurement, etc.)?
- Engaging experts to better understand the causes and drivers affecting progress and/or offer possible solutions?
- Other?
- What are the cost implications of the possible alternatives approaches?
- Is it possible to switch funds from a program with a significant available balance to a program with a potentially insufficient available balance? Would there be benefit in making the transfer?
- How urgent is the action needed?

## **APPENDIX 3: QUESTIONS TO ADDRESS WHEN IMPLEMENTING DATA-DRIVEN PERFORMANCE REVIEWS**

(Hatry & Davies, 2011)

Consider the following questions in order to design a performance review process in your organization:

**The Core Team** (group responsible for steering, designing and supporting reviews)

1. What type of leadership is needed?
2. Who should be included in start-up activities?
3. What staffing is needed?

**The Meeting Structure**

4. Should meetings focus on reporting units or on specific themes?
5. How frequently should the meetings be held?
6. How long should meetings last?

**The Performance Indicators**

7. Which performance indicators should be reviewed?
8. Does existing technology support regular reporting of performance indicators?

**Meeting Preparation**

9. What pre-meeting preparation is needed?
10. Should the leader notify units of major issues and questions in advance?

**Running the Meeting**

11. Which individuals inside the organization should attend the meetings?
12. Should meetings be open to individuals outside the organization?
13. What is the content and typical agenda of these meetings?
14. What should be the tone of the performance review meeting?
15. What should be the physical set-up of the meetings?

**Following Up after the Meeting**

16. What follow-up should be undertaken?

**Sustaining the Process**

17. Who needs to support this process?
18. What did managers recommend to sustain this process?
19. Does the use of data-driven performance reviews deliver improved services and cost savings?

## APPENDIX 4: ACTION STEP WORKSHEET FOR MONITORING AND IMPROVING PERFORMANCE

<b>Action Step Worksheet for Monitoring and Improving Performance at the Program Level</b>		
Our greatest assets or strengths are:		
Our most noteworthy shortcomings or opportunities for improvement are:		
<b>The 3-5 most important actions to take in the next six months are:</b>		
Action	Responsible Person(s)	Date

**Action Step Worksheet for Monitoring and Improving Performance at the Organizational Level**

Our greatest assets or strengths are:

Our most noteworthy shortcomings or opportunities for improvement are:

**The 3-5 most important actions to take in the next six months are:**

Action	Responsible Person(s)	Date