

## Chapter 1 : Integrating Performance - Performance Management and Measurement

*Performance management is when an organization uses performance measures and standards to achieve desired results. It is a forward-looking, continuous process. It is a forward-looking, continuous process.*

Key components of an effective performance measurement system include these: Qualitative and quantitative performance measures are being integrated into existing DOE project management practices and procedures DOE. They are used at critical decision points and in internal and external reviews to determine if a project is ready to proceed to the next phase. Project directors and senior managers are using them to assess project progress and determine where additional effort or corrective actions are needed. However, DOE does not receive the full benefit of these measures because there is no benchmarking system to analyze the data to identify trends and successful techniques or compare actual performance with planned outcomes. For long-term process improvement, project performance measures and benchmarking processes should be used as projects are planned and executed as well as after they are completed. In this model, project management processes are applied to inputs such as project resources to generate project plans, and these plans and resources become inputs for project execution. Individual projects are assessed and benchmarked against project targets and the performance of other projects. Output measures are compared with performance targets to identify performance gaps. These gaps are analyzed to identify corrective actions and improve the project as it proceeds. Once a project is completed, an assessment can be made of what worked well and where improvements in processes and project teams are needed for future projects NRC, c. The National Academies Press. Performance measures for public program assessments are generally identified as input, process, output, and outcome Hatry, Input is a measure of the resources money, people, and time provided for the activity being assessed. Process measures assess activities by comparing what is done with what should be done according to standard procedures or the number of process cycles in a period of time. Output measures assess the quantity and quality of the end product, and outcome measures assess the degree to which the end product achieves the program or project objectives. Assessment becomes more difficult as the target moves from input to outcome because of the influence of factors that are external to the program. Following this paradigm, project management is essentially a process; however, project management can be evaluated at both the program and the project level to assess its inputs, processes, outputs, and outcomes Figure 2. At the program level, the input measures include the number of project directors and their training and qualifications. Program process measures relate to policies and procedures and how well they are followed. Program output measures identify how well projects are meeting objectives for cost and schedule performance. When project management is assessed at the project level, the input measures include the resources available and the quality of project management plans. Project process measures look at how well the plans are executed. Project output measures include cost and schedule variables, while outcome measures include scope, budget, and schedule and safety performance. Page 10 Share Cite Suggested Citation: The committee believes that this will facilitate the benchmarking process by addressing the needs of the people who provide the data and derive benefits from the process. The selection of the right measures depends on a number of factors, including who will use them and what decision they support. For example, the airline industry has used on-time arrivals and lost bags per 1, as output measures, but to improve efficiency, procedures and processes are measured and analyzed in more detail by the airport ramp manager. Measures such as the time from arrival and chock in place to cargo door opening, the number of employees required and present for the type of aircraft, and whether the runner at the bottom of the conveyer is in place when the door is opened provide the information needed to improve efficiency and effectiveness. Over the last several years DOE has improved and implemented new project management procedures and processes in the form of Order Efforts to measure and analyze implementation of the order at the project level can drive compliance and provide information for continued improvement. The committee believes that the requirements of Order The committee provides a set of performance measures in Tables 2. DOE should adopt performance measures suggested by the committee or other measures that have the following characteristics NYSOT, Measurable, objectively or subjectively;.

## Chapter 2 : Performance management - Wikipedia

*Performance measurement and performance management may sound similar, but while they are complementary to one another, they are entirely separate strategic practices.. The Balanced Scorecard creators, Drs. Robert S. Kaplan and David P. Norton, played a large role in championing these terms.*

Discussion on the relative merits of these definitions appeared in several articles in the newsletter of the Performance Management Association. Performance measurement estimates the parameters under which programs, investments, and acquisitions are reaching the targeted results. A full scope copy of the performance of an organization can never be obtained, as generally some of the parameters cannot be measured directly but must be estimated via indirect observation and as a complete set of records never delivers an assessment without compression to key figures. Several performance measurement systems are in use today, and each has its own group of supporters. With continued research efforts and the test of time, the best-of-breed theories that help organizations structure and implement its performance measurement system should emerge. Although the Balanced Scorecard has become very popular, there is no single version of the model that has been universally accepted. The diversity and unique requirements of different enterprises suggest that no one-size-fits-all approach will ever do the job. Gamble, Strickland and Thompson , p. In engineering[ edit ] Performance measurement are carried out in the design , building, operation and maintenance of systems, machines, devices, structures, materials and processes. In design, performance measurement can be of physical properties, parameters, etc. Within maintenance, EN [7] lists 71 performance indicators , whereof 21 are technical indicators. It is important to measure the success of nonprofit organizations in order to improve its performance and ensure accountability. In , the International City Management Association published an article on measuring the performance of municipal activities. During the Kennedy administration, systems analysis processes were introduced to the Department of Defense which fueled interest in performance measurement in the federal government. Other agencies began experimenting in performance measurement when the Johnson administration introduced what they called planning-programming-budgeting system PPB. Eventually more and more state and local governments began using performance measurement to improve their management and budgeting. The use of performance measurement became a common practice in the s with the introduction of new social programs that needed to be assessed. However, interest in performance measurement did dwindle in the s, as people did not perceive benefits of using performance measurements in making decisions. In the s, performance measurement was reenergized as the demands for holding government entities accountable to public increased. A number of resolutions were passed by associations such as the National Academy for Public Administration, urging government to set goals and measure their performance and in , The Government Performance and Results Act was passed by the federal government requiring their agencies to become involved in strategic planning, goal-setting, and performance measurement. Social return on investment SROI is a form of measurement that can be used by nonprofits. SROI assigns a financial value to charitable activities so that nonprofits can measure their social benefits. For example, the nonprofit Crises employs the SROI method to measure the value of their activities by trying to show how helping the homeless population access education and training has benefits such as creating tax revenue and reducing the cost of welfare. However, evaluation takes time and is costly. Performance Measurement on the other hand is less time-consuming and can provide information in time for day-to-day decisions. While both evaluation and performance measurement are necessary, they each have their own advantages and disadvantages. A detrimental aspect of performance measurement is that the validity of the results can be questioned, and it is not clear as to whether or not positive outcomes were due to a specific program.

## Chapter 3 : Performance Measurement Management: Asset Management | Accenture

*Performance Measurement is one of the tools we use to do this. Fairfax County's performance measures are integrated into our annual budget to ensure accountability and establish the link between resources and results.*

Application[ edit ] This is used most often in the workplace, can apply wherever people interactâ€™schools, churches, community meetings, sports teams, health setting, [1] governmental agencies, social events, and even political settingsâ€™anywhere in the world people interact with their environments to produce desired effects. Armstrong and Baron defined it as a "strategic and integrated approach to increase the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. It may be possible to get all employees to reconcile personal goals with organizational goals and increase productivity and profitability of an organization using this process. The performance process is appropriately named the self-propelled performance process SPPP. The job mission statement is a job definition in terms of purpose, customers, product, and scope. The aim with this analysis is to determine the continuous key objectives and performance standards for each job position. Following the commitment analysis is the work analysis of a particular job in terms of the reporting structure and job description. If a job description is not available, then a systems analysis can be done to draw up a job description. The aim with this analysis is to determine the continuous critical objectives and performance standards for each job. Werner Erhard , Michael C. Jensen , and their colleagues have developed a new approach to improving performance in organizations. Their work delves into the source of performance, which is not accessible by mere linear cause-and-effect analysis. They assert that the level of performance that people achieve correlates with how work situations occur to them and that language including what is said and unsaid in conversations plays a major role in how situations occur to the performer. Some proponents argue that there is a clear and immediate correlation between using performance management programs or software and improved business and organizational results. Any discrepancy, where Actual is less than Desired, could constitute the performance improvement zone. Performance management and improvement can be thought of as a cycle: Performance planning where goals and objectives are established Performance coaching where a manager intervenes to give feedback and adjust performance Performance appraisal where individual performance is formally documented and feedback delivered A performance problem is any gap between Desired Results and Actual Results. Performance improvement is any effort targeted at closing the gap between Actual Results and Desired Results. Other organizational development definitions are slightly different. Work is planned and expectations are set Performance of work is monitored Staff ability to perform is developed and enhanced Performance is rated or measured and the ratings summarized Top performance is rewarded [6] In companies[ edit ] Many people equate performance management with performance appraisal. This is a common misconception. Performance management is the term used to refer to activities, tools, processes, and programs that companies create or apply to manage the performance of individual employees, teams, departments, and other organizational units within their organizational influence. In contrast, performance appraisal refers to the act of appraising or evaluating performance during a given performance period to determine how well an employee, a vendor or an organizational unit has performed relative to agreed objectives or goals, and this is only one of many important activities within the overall concept of performance management. At the workplace, performance management is implemented by employees with supervisory roles. Normally, the goal of managing performance is to allow individual employees to find out how well they had performed relative to performance targets or key performance indicators during a specific performance period from their supervisors and managers. Organizations and companies typically manage employee performance over a formal month period otherwise known as the formal company performance period. The results of performance management exercises are used in:

## Chapter 4 : Performance measurement - Wikipedia

*Performance Management Measuring "Measurement" encompasses the assessment of performance and results achieved by individual employees, groups of employees or teams, and entire organizations. Measurement provides a way to determine what has been accomplished and can serve as a basis for deciding when those accomplishments deserve special.*

### Chapter 5 : Performance Measurement - Project Management Update

*Performance measurement is a fundamental building block of TQM and a total quality organisation. Historically, organisations have always measured performance in some way through the financial performance, be this success by profit or failure through liquidation.*