



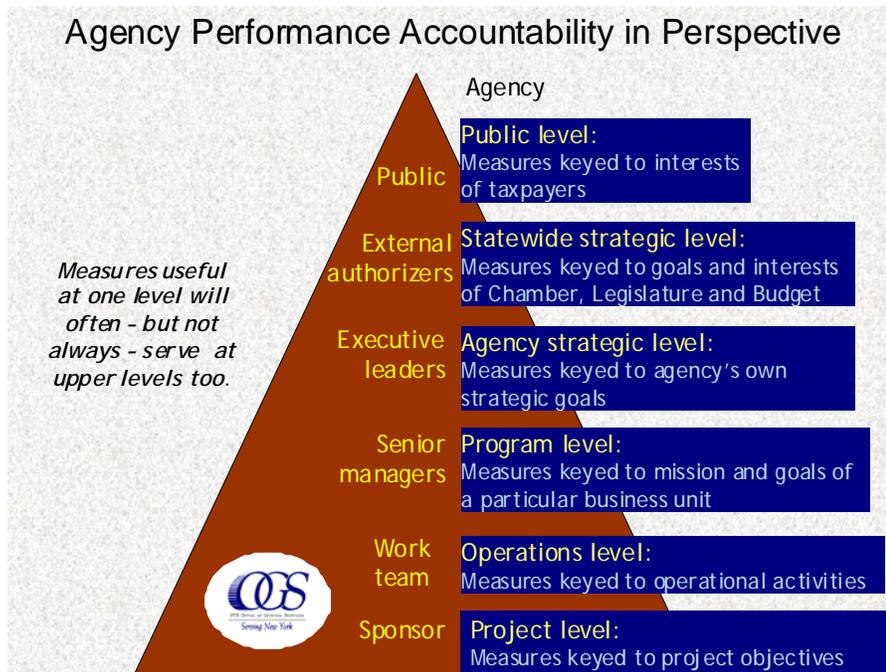
# Performance Management in the New York State Office of General Services: An Overview

Last modified on 10/23/2009

## Performance Measurement and Agency Accountability

OGS has over a decade of experience using performance measures to monitor performance and drive improvement. Each business unit has a portfolio of performance metrics designed to track key outcomes. When OGS' performance measurement program began, the primary focus was on internal operations, with the aim of strengthening accountability and driving improvement at the business unit level. Accordingly, most OGS measures were aimed at an internal audience and oriented toward the successful execution of strategically important activities and initiatives.

Over the past few years, however, the focus has expanded to include accountability to stakeholders outside of the agency. OGS uses its measures to help the Governor, the Legislature, and Division of the Budget monitor the agency's performance in areas of broad public accountability.



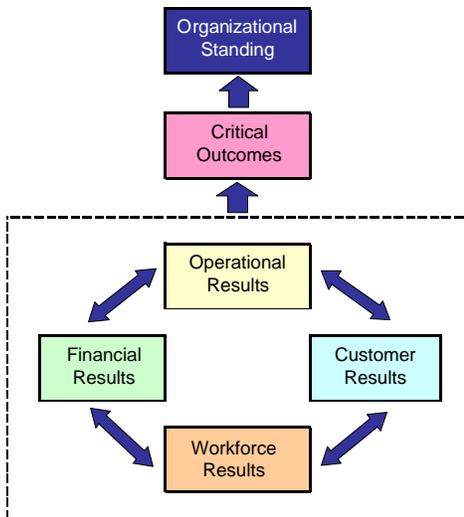
Since the 2008-09 fiscal year, OGS has incorporated performance measure results into its quarterly report to the Governor. Measures highlighted in the quarterly report tend to address outcomes of broad public interest and have direct ties to OGS' mission. For example, reducing energy supports sustainability in state operations and also reduces state expenditures. Increasing participation by minority- and women-owned businesses ensures that members of under-represented groups are made aware of opportunities for doing business in New York State and how to pursue those opportunities. Monitoring savings to the state from lease audits ensures that the state does not overpay for its leased office space.

Engagement with state leaders on goals and desired outcomes helps establish a common understanding about agency priorities so that resources are allocated to the work that matters most.

## OGS' Performance Measures Portfolio

OGS' performance measures and data are stored in a centralized database. The software application, Actuate Performancesoft Views, is designed specifically for performance measures. It allows for control over access to the performance data and reports and allows agency leaders to see results from all business units through a standard user interface. This approach eliminates many of the inconsistencies and uncertainty that can occur when relying on ad hoc reporting or using information from a variety of business intelligence applications.

The OGS Balanced Scorecard



OGS uses a balanced scorecard as a framework for organizing the agency's performance measures. The balanced scorecard, a performance measurement tool developed by Robert S. Kaplan and David P. Norton, organizes measures into four broad focus areas: financial, internal business processes, customers, and learning and growth. (See *The Balanced Scorecard: Translating Strategy into Action*. Boston: Harvard Business Press, 1996.) In OGS the four core areas are: financial results, operational results, customer results, and workforce results. Recently, the agency has added two additional scorecard categories: critical outcomes (for measures on high-priority activities of interest to external stakeholders) and organizational standing (for measures of OGS' leadership, visibility, and "brand").

The primary advantage of using a balanced scorecard is to ensure that all important aspects of agency performance are measured. Also the balanced scorecard helps prevent unintended negative consequences that can result when organizations pursue a particular goal single-mindedly.

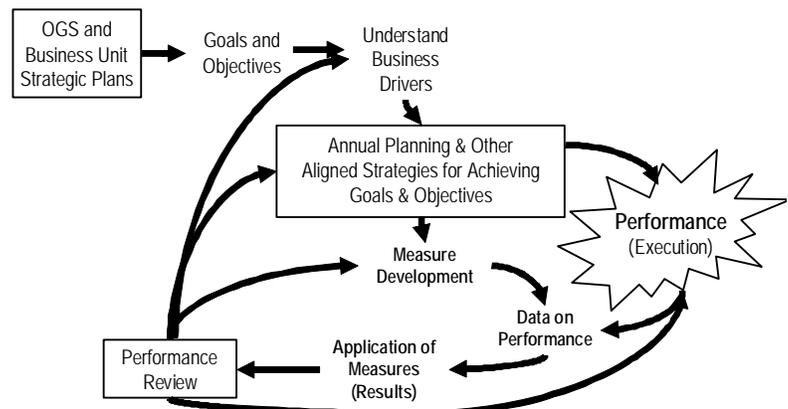
(For example, if a workgroup's only performance measure is to speed up a production process, then it is possible that the group will cut corners on the quality of outputs in order to shave time off the process. Balancing the cycle time measure with a measure for the quality of the output will give the work group an incentive to maintain quality as they strive to speed up production.)

The Offices of Organizational Effectiveness (OE) and Information Resources Management (IRM) maintain the performance measures database. OE also serves as an internal consultant on performance measurement and performance management. Each business unit develops its own performance measures in consultation with OE and appropriate senior leaders.

## OGS' Integrated Performance Management System

OGS' performance measurement program is fully integrated into the annual planning and performance review process so that feedback on performance leads to an increased understanding of the factors driving results and thus to more effective strategies for achieving desired outcomes.

Progress in achieving strategic outcomes is monitored through both ad hoc reports and performance measures. Through the semi-annual performance review reports and priority



setting dialogues, staff analyze results and use the insights to better understand the factors driving performance, identify opportunities to improve performance, and refine the agency's metrics to gather the information needed to manage performance effectively.

### **The OGS Annual Planning and Performance Review Process**

In OGS, annual planning and performance reviews take place in a yearly cycle coordinated with the budget cycle. Each business unit develops an annual plan near the beginning of the fiscal year and reports on performance semi-annually. Discussions (priority setting sessions) among agency executives and managers are held twice a year to discuss performance, identify opportunities for improvement, set priorities for the coming quarter, and increase collaboration across business units. The following table depicts a generalized view of the process.

Month	Budget Cycle	OGS Planning and Performance Review Process
April	Budget enacted (April 1)	
May		Year end performance review report due (May 1) Annual Plan for current fiscal year (May 15)
June		Agency priority setting discussions (review past year & set priorities for current year)
July		
August		
September	DOB call letter, OGS budget submission	
October		
November		Mid-year performance review report due (November 1) Agency priority setting discussions
December		
January	Governor's budget	
February		
March		Annual planning guidance issued

#### **Annual Planning**

OGS' strategic plan is the foundation for the agency's annual planning and performance review activities. Each unit's annual plan describes how the unit will contribute to the achievement of OGS' strategic goals and objectives through both ongoing services and key projects or initiatives to be worked on during the year. It is designed as a communication tool to focus efforts on activities and projects that matter most and to ensure that available resources are concentrated on agency and program priorities. The planning exercise is more important than ever in light of the extreme resource constraints the state faces.

#### **Performance Reviews**

The form of the twice-yearly performance review report varies from year to year, but it always includes a recap of progress made with respect to the activities and projects listed in the annual plan; a discussion of any changes in the regulatory, policy, or business environment that may lead to changes in the plan; and both qualitative and quantitative performance results.

### Priority Setting Dialogues

The annual plans and performance review reports lay the groundwork for dialogue among managers and agency leaders about successes, challenges, and shifting or competing priorities. The agency leadership determines the best approach for any given year.

In some years, each business unit meets with the agency leadership to discuss results and set the direction for near- and long-term efforts. These discussions enable agency leaders to provide guidance and encourage program managers to request any help they may need from agency leaders. They also help agency leaders understand the factors that drive performance.

In other years, a set of cross-agency meetings are held based on the agency's strategic goals. For each goal area, a panel of senior managers is assembled to discuss performance with special attention to set priorities for that goal area. Line managers also participate, ensuring that the discussions are firmly grounded in operational realities. The discussions focus on changes in the business environment, resulting shifts in agency strategies, and ways of addressing performance concerns. Because these sessions involve staff from many business units, managers are able to discuss the impact of planned projects and activities as well as how they will address any concerns prior to implementation. In addition, opportunities for sharing knowledge and collaboration frequently emerge from these sessions. Executive staff synthesize the action items and monitor follow-up to strengthen accountability for results.