



Measuring Organisational Performance

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Aim and Purpose



To present a viewpoint for Executive consideration on how organisational performance measurement could be developed in Quarriers.

Measuring Performance for a Voluntary Organisation,

A Study of Quarriers by Laura Lebec

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Performance Measurement – some definitions



- How an organisation demonstrates they are providing quality and how organisational resources are used against a number of organisational objectives. (The two perspectives of quality and performance are not entirely separate).
- Another definition: ‘A coherent collection of information on aspects of services provided, and about those needing, seeking or receiving them’.

Strategy and Performance Measurement



- Performance Measurement plays an important part in the organisation's strategy, simply because the organisation and its stakeholders need to know how well it is doing.
- It is therefore crucial that Performance measurement should be aligned with strategy, not just at the developmental stages but on an ongoing basis.

Strategic Management in the Voluntary Sector



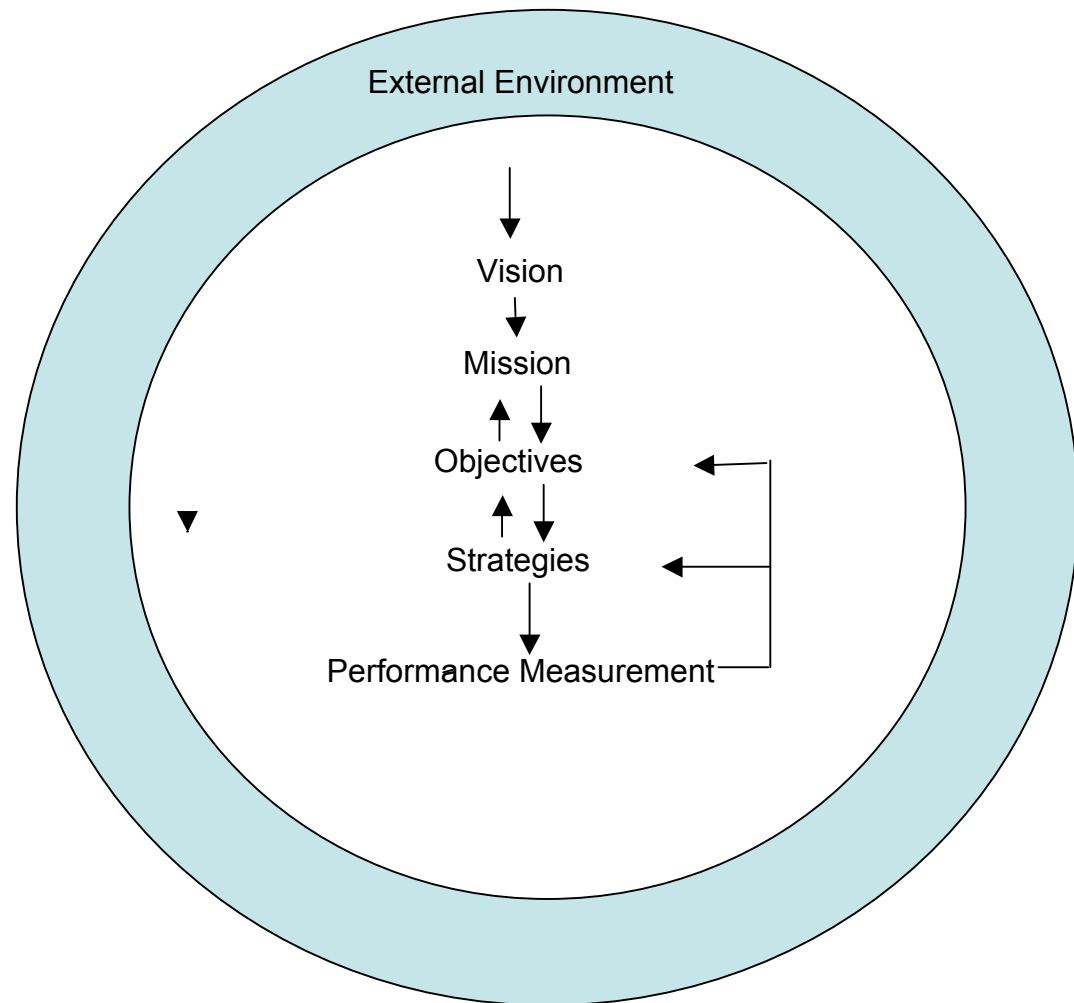
The vision is the view of the desired future

The mission is the fundamental purpose

The objectives are statements about what the organisation wants to achieve in a given time frame

The strategies are descriptions of how human and financial resources will be applied to achieve the stated objectives

Performance measurement provides the feedback loop that informs trustees, managers and staff how the organisation is performing.
(4)



Management Information



- Performance measurement is not an end in itself but a means of generating valuable management information; partly to monitor on an ongoing basis but also to focus management attention on areas where change is sought. Measures may have a number of audiences and it is important to recognise who they are, their information needs and how they intend to use the information before setting them.

(Audit Commission 1999)

Uses of Performance Measurement



- It should be closely linked to the strategic decision making cycle and measure consumer satisfaction, product or service quality and performance of processes. It should be used as a means of organisational learning and enable any plan to be set against targets and outcomes and checked for deviation.

(Jackson 1993)

Involving People who Use Services



Despite intending to have users of services as the focus of their systems, most measures are in relation to processes. There is increasing recognition and concern that the client group is less well represented in the development of performance measures.

Developing Measures



Performance measures should be compared or benchmarked against something else, e.g.

- A similar organisation
- A previous year's performance
- Actual performance with a pre-determined standard/target
- Another part of the organisation

Measurement against a standard or target is considered to be the most useful, measurement of performance for the purpose of comparison has a different emphasis to the use of measurement to improve service quality.

Avoid measuring in a vacuum!

What needs to be in place?



- Those leading must understand what good looks like and lead the process of organisational learning. Training for managers is vital.
- Increased staff training to raise awareness and knowledge
- Improved information systems
- Improved systems of accountability
- A clear idea of what leaders want to achieve before embarking on evaluation

Development & Implementation



- Establish a performance review committee and ensure managers are part of the development and implementation process.
- Manage the change process. Getting people to use performance measures properly is the vehicle for cultural change.
- Successful implementation depends less on the right measures and more on the way measures are implemented and used. Move people along the path of least resistance and secure organisational ownership.

Implementation



- Implementation takes on average between 3 – 4 years.
- Organisation should start with a few obvious measures to get early confidence e.g. 12 at top level.
- Encourage a climate of learning which should increase the capacity for organisational learning.

Recommendations



Set the development of Organisational Performance Measurement as a strategic objective with Executive responsibility

- Agree why the organisation needs a PM system
- Who would it be measuring for and what values will influence it?
- What does the organisation want to achieve from it?
- Who should lead and manage?

Other Views



- ***Are we making a difference?***
- Avoid being target and data driven. It MUST be built around strategic planning.
- Think of the levers of successful Performance Measurement and don't get overwhelmed by the system.
- ***What is the purpose of doing performance measurement?***
- Does it give us some data or contribute to consistency in service provision & setting targets?

A Model for Quarriers?



Possible Outline for Structure of Performance Measurement

- A) Outcomes (for individuals)
- B) Performance management (for staff)
- C) Quality
- D) Business growth