Performance management without the blame
Gestion du rendement sans blâme

Max Moullin, Director, Public Sector Scorecard Research Centre Sheffield UK
Performance management is ...

understanding outcomes
understanding cause & effect

‘proactively managing the relationship between resources consumed, activity and outcomes’

link between strategy, processes & performance measures
culture of innovation and learning

John Thornton
Insurance Claims Example

• Insurance company has an average waiting time of 12 minutes in its claims department - up to 25 minutes at busy times. Many complaints.

• The manager is considering four options:
  A. employ 2 extra staff
  B. reduce average call time by 25%
  C. divert most enquiries to the internet or
  D. share services with another company.

What would you recommend?
"Don't just do something, stand there"

The White Rabbit
(Disney's Alice in Wonderland movie, 1951)

... and do some systems thinking
# Systems Thinking: Insurance Claims

**Two stages**: analyse data. Take action!

<table>
<thead>
<tr>
<th>Reason for phone call</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chasing up due to non-response</td>
<td>18</td>
</tr>
<tr>
<td>Don't understand claim form</td>
<td>22</td>
</tr>
<tr>
<td>Disagree with decision</td>
<td>18</td>
</tr>
<tr>
<td>Mistake in processing claim</td>
<td>12</td>
</tr>
<tr>
<td>Informing company about details of claim</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
</tbody>
</table>
In addition you are told that 28% of calls have to be re-directed as they come through to the wrong person, while 5% of calls are re-directed twice.
Why Measure Performance ...

"Implement measurement systems for improvement that reveal the true performance of the system and the impact of any changes made in real time"

NHS Modernisation Agency

"Objective, measurable indicators of success allow governments to be accountable"

Rudy Giuliani

“Measuring performance is one of the strongest drivers for change”

Alan Underwood, Royal Berkshire Ambulance Service
Eight pointers for improving public sector performance management ...
1. Use a balanced set of measures
The UK NHS Performance Assessment Framework

- Health improvement
- Fair access
- Effective delivery of appropriate healthcare
- Efficiency
- Patient / carer experience
- Health outcomes of NHS care
<table>
<thead>
<tr>
<th>NHS PAF*</th>
<th>Key Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health improvement</td>
<td>???</td>
</tr>
</tbody>
</table>
| Fair access                   | 18 month inpatient waits  
                              15 month inpatient waits  
                              26 week outpatient waits  
                              Cancelled operations  
                              Two week cancer waits |
| Effective delivery of         | Hospital cleanliness  
                              Improving working lives  
                              Clinical governance reports |
|     appropriate healthcare    | Efficiency                                                                   |
|                               | Financial m’m’ent                                                           |
| Patient / carer experience    | 12 hour trolley waits                                                       |
| Health outcomes of            | ???                                                                         |
|     NHS care                  |                                                                             |

* Performance assessment framework
Eight pointers for improving public sector performance management

1. Use a balanced set of measures

2. Make sure you measure what matters to patients, carers and other stakeholders
User-Focussed Services ...

- Do your services 'meet the requirements and expectations of service users and other stakeholders while keeping costs to a minimum’
  (my definition of quality - Moullin, 2002)
- Are they based on best practice evidence and meeting appropriate standards
- Do service users feel in control of their care
- Are services integrated across agencies and professions
- Do you do 'the small things that matter' well
- Are services sensitive, equal, and fair
- Do you listen & act ?
Pointers for improving public sector performance management ...

1. Use a balanced set of measures
2. Make sure you measure what matters to service users and other stakeholders
3. Involve staff in determining the measures
Pointer 4. Manage performance across organisational boundaries

- For example, research on teenage pregnancy showed that 71% of young women between 16 and 18 who were NEET* for > 6 months were parents by 21
- Therefore if you run a team aimed at addressing teenage pregnancy, working together with local colleges and employers is absolutely vital.

* Not in education, employment or training
Managing performance across organisational boundaries

Glaucoma diagnosis – typical pathway

Optician → GP → Optometrist → prescribed eye drops

30% No treatment needed

Revised pathway

Optician → prescribed eye drops

Q. What is the problem with this revised pathway?
"Effective commissioning must focus on outcomes. Only then will we achieve the high quality, value for money public services that people deserve" 

Sir Stuart Etherington, Chief Executive, UK National Council for Voluntary Organisations
Examples of Outcomes *

- Young people are successful learners
- Better educated and skilled workforce
- More and better employment opportunities
- Improved life chances
- Strong, resilient and supportive communities
- People safe from crime, disorder and danger
- Reduced inequalities

* Scottish Government’s National Performance Framework
Focusing on activity – Road improvements in New Zealand *

- Meeting government targets - 81% service requests completed on time
- However 30% of requests were transferred to another organisation FOUR TIMES OR MORE
- Each time the request was transferred the time frame was reset

**Result:** poor service but meets targets, incentive to pass on service requests

* Source: John Cooney, Central Otago District Council in Middleton (2010) Delivering public services that work.
Pointer 6: Integrate risk management

'identifying and addressing key risks are essential for any high-performing organisation and therefore any evaluation of performance without considering risk is incomplete'

Moullin, 2006
"Public sector organisations spend up to 20% of time on form-filling, auditing, measuring and reporting performance but only a fraction of this is ever used to gain relevant and new insights or lead to performance improvements."

Professor John Baillie
Chair of Audit Scotland
8. Develop a performance management culture focussed on innovation, learning, and change - and not a top-down blame culture …
"All performance targets are flawed, some are useful"

Max Moullin, "What's the Score", Public Finance, 22 May 2009

with due acknowledgment to the quality management guru Deming who said: "all models are flawed, some are useful"
Emphasis on 5 A-C GCSEs. Schools focus on those on C-D margin

% of offences brought to justice target led to more efforts on easy to solve crimes

No of children on child protection register

Concentrating on short-term
Emphasis on 5 A-C GCSEs. Schools focus on those on C-D margin

% of offences brought to justice target led to more efforts on easy to solve crimes

No of children on child protection register

NAO Review of 650 NHS waiting time records showed that 50% were incorrect

3.5 hour wait for A&E is OK

Follow-up appts for ophthalmology delayed to meet targets for new ones

Concentrating on short-term

© Max Moullin,
"Once we accept that all targets are flawed, it is clear that the priority is to develop a performance management culture focussed on innovation, learning, and change - and not a top-down blame culture”

However targets can be useful too...

Hospital waiting times in England—thousands of people waiting a number of months

Source: Dept of Health

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No of English schools where less than 25% of pupils gain 5 A* - C GCSEs

Source: Cabinet Office
The Public Sector Scorecard

Outcomes

The Public Sector Scorecard is an integrated performance management framework for the public and third sectors

Processes

The Public Sector Scorecard ‘has moved performance management from a top-down, blinkered, blame-game approach to a system founded on inclusiveness, cooperation and understanding’

Capability

Neil Robinson, IMPACT, Autumn 2015, The Operational Research Society
The PSS – Key Features

• Can be used across organisational boundaries
• Focusses on outcomes, inc. value for money
• Incorporates risk management
• Service user involvement throughout
• Incorporates service improvement, systems thinking & process mapping
• Looks at issues of organisational culture, partnership working and behavioural issues
• Culture of innovation and learning, not a top-down blame culture
The Public Sector Scorecard

**OUTCOMES**
What are the outcomes we really want to achieve for our service users and stakeholders?

**PROCESSES**
How effective are our processes in achieving these outcomes?
How can we improve them?

**CAPABILITY**
How can we best support our people and processes to achieve the outcomes required?
How the Public Sector Scorecard works

- Clarifying outcomes
- Identifying process & capability outputs
- Strategy mapping

Addressing capability
Developing performance measures
Learning from performance measures
Re-designing processes
Integrating risk management
Strategy mapping
Strategy maps

• Kaplan and Norton (2001) say a strategy map ‘*describes how shareholder value is created from intangible assets*’

• However with the PSS, it can be defined more simply as *showing the relationships between capability, process and outcome elements*

• They are the vital link between strategy and performance measurement
**Public Health - Chile**

**USER EXPECTATIONS**
1. Reduce waiting lists
2. Reduce user dissatisfaction

**SERVICE DELIVERY**
1. Improve health info systems
2. Improve communication between different parts of health service
3. Improve environmental conditions and promote healthy diet.
4. Reduce risk factors
5. Reduce mortality and sickness
6. Reduce contagious & non-contagious diseases.

**STRAIGHTRIC**
1. Improve population health
2. Reduce health inequalities
3. Increase public satisfaction with the health service
4. Ensure the quality of health interventions.

**FINANCIAL**
1. Boost finances of the sector.

**RESOURCE MANAGEMENT**
1. Increase and improve the resources of HR in health sector.
2. Improve and implement the health sector infrastructure.
3. Preparation for emergencies or disasters.

**INNOVATION & LEARNING**
1. Strengthen research in health
2. Improve the quality of medicine and health technology.

**LEADERSHIP**
1. Lead functions & health promotion
2. Leadership & management of staff teams & organisational devt

**OUTCOMES**

**PROCESSES**

**CAPABILITY**
Example – mini strategy map for Fire and Rescue Service

OUTCOMES

Zero preventable fire deaths

PROCESSES

Prevention activities with offices, homes etc

CAPABILITY

Tackling the fire-fighting culture
How the Public Sector Scorecard works

- Clarifying outcomes
- Identifying process & capability outputs
- Strategy mapping
- Integrating risk management
- Addressing capability
- Developing performance measures
- Learning from performance measures
- Re-designing processes
Risk Management with the PSS

1. Develop your strategy map ignoring risk
2. Identify major risks under each perspective
3. View reducing a key risk as a desired outcome
4. Analyse each risk to identify root-causes and the likelihood and potential impact of each risk
5. Look at the processes for eliminating, reducing or mitigating these risks - how can these be improved
6. Identify and address behavioural (capability) aspects including the risk management culture
7. Include the major risks and the actions required in the strategy map
8. Develop objectives and performance measures for the risks and the actions required.
How the Public Sector Scorecard works

1. Clarifying outcomes
2. Identifying process & capability outputs
3. Strategy mapping
4. Integrating risk management
5. Re-designing processes
6. Addressing capability

Service improvement
How the Public Sector Scorecard works

Clarifying outcomes

Identifying process & capability outputs

Strategy mapping

Integrating risk management

Re-designing processes

Addressing capability

Developing performance measures

Learning from performance measures

Measurement & evaluation

Service Improvement

Strategy mapping
Ethnic Minority (EM) Employment Task Force

**Improving ethnic minority employment**

**OUTCOMES**

- **Building employability**
  - Reducing attainment gaps at different stages (DfES)

- **Connecting people to work**
  - Increasing employment rates in areas with high EM popn. (ODPM)
  - Increasing self-employment (DTI)

- **Equal opportunities**
  - Reducing racial discrimination at work (DTI)
  - Reducing racial prejudice (HO)

**PROCESSES**

- Work with low attaining groups
- Increasing EM aspirations
- Ethnic minority outreach programme
- Pilot project on procurement in public sector

**CAPABILITY**

- Joint working between departments
- Leadership from the task force
- Research on why some groups earn less than others with similar qualifications
Improving ethnic minority employment

Main outcome measure:

Gap between ethnic minority and overall employment rates:

2003 - 18%
2010 - 12%
CASE STUDY: Sheffield

◊ Three year £10 million programme aimed at reducing obesity in children and families

◊ **Aim**: To empower all children and families in Sheffield to maintain a healthy weight

◊ **Approach**: Systems approach tackling obesity in several ways at once

◊ **Used a combination of the Public Sector Scorecard and the Theory of Planned behaviour**
8 strands of work

Breastfeeding Friendly City

Parents as Positive Role Models

Community Health Champions

Living Neighbourhoods

Healthy Open Spaces

Cross Sector Innovation

Schools

Social Marketing

Sheffield - let's change4life
Strategy Mapping

- Strategy mapping is a very powerful tool, both for the Balanced Scorecard and the Public Sector Scorecard
- It provides the link between strategy and performance improvement
- However it is often applied lazily, with little attention to cause and effect
- Strategy maps often ignore the organisational and capability issues that need to be addressed for the strategy to succeed
Possible Strategy Map for Reducing Obesity

Objectives & Measures

Reduce child obesity

Encourage children to have a better diet

Activities on diet in schools

Three questions:
- does it show the strategy: YES
- will it improve outcomes: ??
- can we measure the effects: NO

Improve Performance

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Integrating the Public Sector Scorecard and the Theory of Planned Behaviour

Reduce obesity

People adopt healthy lifestyle

People plan to adopt healthy lifestyle

Personal desire to adopt healthy lifestyle

Attitudes of those around them

Perceived ability to change their behaviour

Interventions to persuade people of benefits of change

Interventions to help address these attitudes

Interventions to help people's perceptions that they can do it

Overcoming barriers to change

Interventions to overcome barriers
Leadership from programme board

Reducing obesity in children & families

Satisfied stakeholders
Better diet & nutrition
Increased physical activity
Value for money & sustainability

Innovative new partnerships across all sectors

Joint working SCC, NHS, private & third sectors

Breastfeeding-friendly city

Outcomes

Better diet & nutrition
Increased physical activity
Value for money & sustainability

Community health champions
Effective social marketing

Community engagement
Increased physical activity
Confidence in ability to change

Schools at the heart of healthy communities
Parents as positive role models

Effective project management

Shared vision

Value for money & sustainability

Overcoming barriers to change

Healthy, safe, accessible, open spaces

Living neighbourhoods

Process

Reducing obesity in children & families

Outcomes

Satisfied stakeholders
Better diet & nutrition
Increased physical activity
Value for money & sustainability

Process Management strategy map

Capability
Year 6 NCMP Obesity coverage and prevalence data 2006-2011

Changes from previous year: Stat neighbours, England and Y&H all rose, Sheffield fell.
'The strategy map is really useful as it simplifies a complex issue with a complex response into an orderly understandable approach'

Executive Director for Children, Young People, and Families, Sheffield City Council
'The SLC4L Strategy Map visually told the story of SLC4L, what we were trying to achieve and how.

It helped all those involved understand the outcome and process measures the programme was trying to achieve, and therefore being evaluated against.'

SLC4L programme director
Sheffield Right First Time Project

- Multi-million pound project aiming to reduce unnecessary visits to hospital by providing more support for people in the community
- Facilitated three workshops (3.5 hours each) with 20 senior people at director level and below from local hospitals, adult social care, public health and the voluntary sector
- Separate user ‘reference’ group established
- Developed a strategy map and associated dashboard
Right First Time - Strategy Map

OUTCOMES

- Health & Wellbeing of people with LTCs
- Reduced unnecessary acute bed days
- Effective use of resources

- Reduced hospital admissions, length of stay & outpatient attendances
- Reduced cost of unscheduled care
- Sustainability

- In control of their health
- Improved mental health

- Reduced isolation & anxiety
- Effective personal & self-care

* LTCs - Long-term conditions
Health & Wellbeing of people with LTCs

Reduced isolation & anxiety
Effective personal & self-care

In control of their health
Improved mental health

Reduced unnecessary acute bed days

Reduced hospital admissions, length of stay & outpatient attendances

Reduced cost of unscheduled care.
Sustainability

Carers’ needs met
Reduced delays
Less duplication of assessments
More independence

Consistent good quality care in care homes
Integrated LTC & mental health care.

Integrated H&SC teams
Reduce unwarranted treatment variation

Reduced A&E admissions for non-A&E patients
Reduced admissions to care homes

Removal of non-VA activities
Re-design flow systems

Sustainability
Efficient use of resources

Integrated LTC & mental health care.
Health & Wellbeing of people with LTCs

Reduced isolation & anxiety
Effective personal & self-care

In control of their health
Improved mental health

Reduced unnecessary acute bed days

Reduced hospital admissions, length of stay & outpatient attendances

Reduced cost of unscheduled care.
Sustainability

Carers’ needs met
Reduced delays
Less duplication of assessments
Accessible shared records
More independence

Consistent good quality care in care homes
Integrated LTC & mental health care
Reduce unwarranted treatment variation

Integrated H&SC teams

Reduced A&E admissions for non-A&E patients
Reduced admissions to care homes

Removal of non-VA activities
Re-design flow systems

Better sharing of information
More joined up working in H&SC.
Change public perception re hospital care
Focus on resource-intensive patients
Emphasis on prevention & early diagnosis
Simpler financial flows & risk sharing
Facilitating the RFT project

• First workshop established the main outcomes required and the main outputs needed to achieve these outcomes
• Between workshops, I drew up a draft strategy map and circulated it before the meeting
• At the start of the second workshop I asked people ‘did they recognise this project’ and ‘was there anything missed out’. Feedback very positive, with a couple of changes we incorporated.
• We then focussed on how we could measure the various outcomes and outputs, followed by a joint presentation to the Health and Social Care Trust chief executive
• Used a combination of interactive facilitation methods with post-its, flip charts etc.
Section 3: Headline acute care system metrics

Key charts 1 and 2 demonstrate a sustained and continuing decline in ACS bed-nights (preventable largely chronic causes of acute admission), mainly due to reducing LOS. However, this gain is being offset by increasing non-ACS bed-nights that has the net effect of maintaining a fairly static overall rate of bed usage, albeit lower than previous years. Both ACS and overall admission volume (spells), although currently higher than previous years, has been declining month on month towards the previous three-year average. The rate of ACS readmission remains static and in line with last year. HASC and North localities account for most of the increase in admissions.
'It was very helpful to be able to see what's happening across the health & social care system and where the balance of risks lie.'

Chief Executive, Sheffield City Council
How the PSS reduces the impact of perverse incentives

• Measures user satisfaction
• Focus on outcomes, not activity
• Works across organisational boundaries
• Involves staff, users and other stakeholders in developing measures
• Much more selective approach to targets, not top down
• No blame culture – appraisal model
ACTIVITY: USE OF TARGETS AND PERFORMANCE MEASURES

On each table, I would like you to come up with:

1. One (or more) examples where having a target has led to improved service
2. One (or more) examples where targets have caused problems
3. What can we learn from these examples?
Making Deliverology deliver ...

It is important to know how well policies are working in practice so you can improve services, be accountable to the public, and help achieve change.

However ...

- Any targets need to be developed in conjunction with the people responsible for achieving them (at all levels) service users, and other stakeholders. Targets should motivate not alienate.

- We need to recognise that ‘all targets are flawed, but some are useful’ and ensure that there is dialogue rather than blame if performance happens to be below the target.
Remember what Deming says: ‘goals without methods’ are always counter-productive

If measures are not directly related to outcomes or evidence-based drivers of those outcomes, then they should be scrapped

Make sure you celebrate success and help those who are not doing so well improve

Public and third sector organisations need to take ownership of their own integrated service improvement and performance measurement frameworks.
Making Deliverology Deliver

OUTCOMES
- Satisfied users & public
- Better public services
- Value for money

PROCESSES
- Staff and user involvement
- Avoid 'goals without methods'
- Celebrate success
- Ensure targets motivate, not alienate
- No blame culture

CAPABILITY

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Recommendations

• Make sure you focus on the **outcomes** that matter to users and other key stakeholders
• What about your **processes**? Can they be more effective in delivering these outcomes
• How can your organisation improve its **capability** to support its people and processes in meeting the outcomes required
• Develop your **performance measures** around desired outcomes, processes and capability
• Develop a culture of **innovation, learning and continuous improvement** and **not** a blame culture
• Use the **Public Sector Scorecard** to help you
MAIN REFERENCES

Max Moullin, BSc(Soc.Sc.), MSc, CQP, FORS, FCQI, FRSA

Director, Public Sector Scorecard Research Centre, Sheffield, UK

Visiting Fellow, Sheffield Business School

e-mail: max@publicsectorscorecard.co.uk

web site: www.publicsectorscorecard.co.uk
John Seddon on ‘deliverology’

• ‘A Mickey Mouse command and control system (that is being generous to Barber and unfair to the mouse)

• It drives activity down into systems with no knowledge of the impact on the way the system will perform’

Public Safety Canada Balanced Scorecard

Prompt, effective & fair service

Reduced fear of crime

Reduce Criminal Victimization

Use financial resources fairly, efficiently and effectively

Enhanced personal security

Call offender to account in appropriate ways

Use force & authority legitimately, fairly and effectively

Reduce fear of crime

Reduce Criminal Victimization

Use financial resources fairly, efficiently and effectively
Focussing on activity rather than outcomes
Handling applications for benefits or planning applications

Typical Performance Measure:
Time from receipt to either giving decision or informing claimant that form is incomplete.

Is this a good measure?
… of staff performance
… of the claimant's experience
… of management performance

*MAYBE*
NO
NO

* but potential perverse effects
Why focus on outcomes in health care ...

1. Outcomes define the goal of the organization and set direction
2. Outcomes inform the composition of integrated care teams
3. Outcomes motivate clinicians to compare their performance and learn from each other
4. Outcomes highlight value-enhancing cost reduction

Stowell & Ackerman, Harvard Business Review, Sep 2015
‘Deliverology’ is a system for maximising the chances of success

1. **What are you trying to do?**
   - Clear priorities
   - Specific measurable goals

2. **How are you trying to do it?**
   - Clear practical plans which are regularly updated

3. **How, at any given moment, will you know whether you are on track?**
   - Good, steady, close to real-time data
   - Monitoring routines (such as stocktake meetings)

4. **If you are not on track, what are you going to do about it?**
   - Agreed actions followed up and refined if necessary
   - Never neglect a problem once identified

5. **Can we help?**
   - Constant ambition, refusal to give up
   - Focus on the goals, no distractions
   - Maintaining routines
   - Analysis and problem-solving
   - Bringing to bear lessons from elsewhere