Path to Performance Measurement Improvement at Employment and Social Development Canada (ESDC)
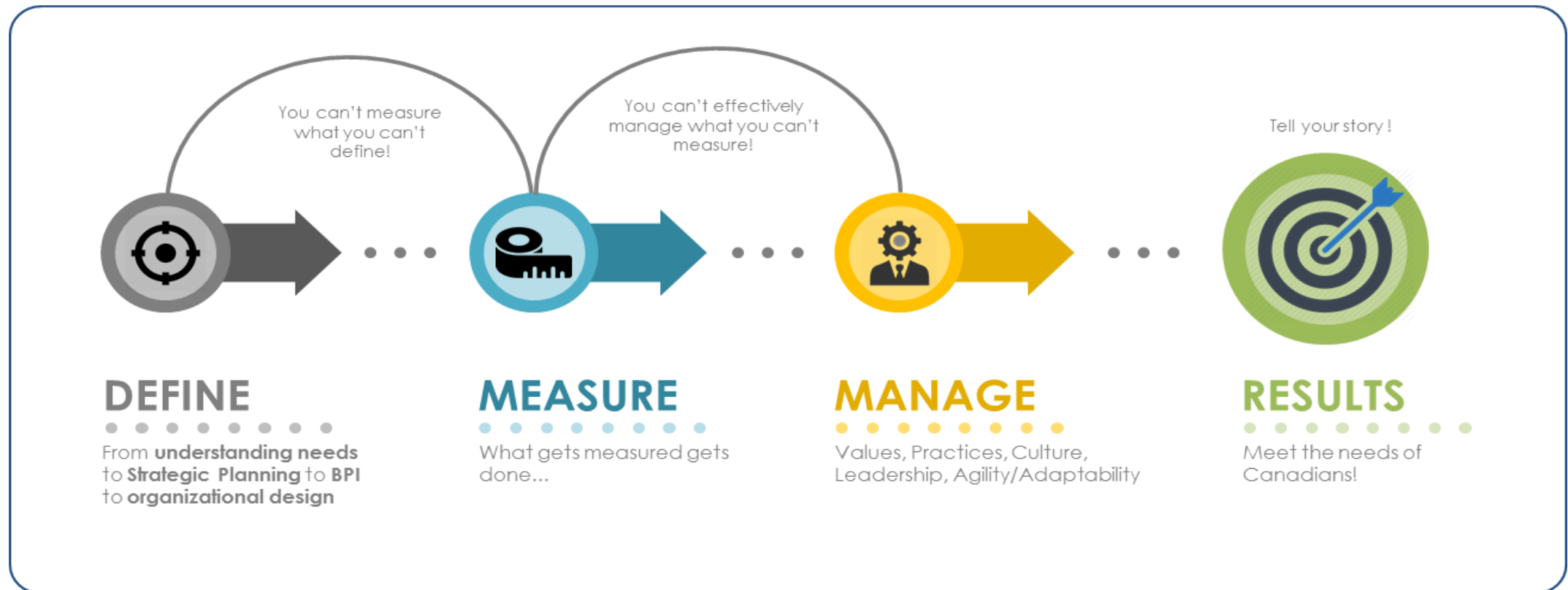
2023 Planning and Performance Exchange

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Results-based Management (RBM)

You can't measure what you can't define!

You can't effectively manage what you can't measure!

Tell your story!

DEFINE

From **understanding needs** to **Strategic Planning** to **BPI** to **organizational design**

MEASURE

What gets measured gets done...

MANAGE

Values, Practices, Culture, Leadership, Agility/Adaptability

RESULTS

Meet the needs of Canadians!

Government of Canada (GC) Context

Performance Measurement (PM)	Treasury Board Secretariat of Canada (TBS)	Departments and Agencies	Results for Canadians

Performance Measurement (PM)
- RBM is often called Performance Measurement in the GC
- Using performance indicators to measure and monitor if the GC is achieving desired outcomes

Treasury Board Secretariat of Canada (TBS)
- TBS implemented the *Policy on Results* in 2016 shifting the focus away from tracking outputs and volumes to measuring achievement of results

Departments and Agencies
- The Policy has brought key instruments and tools to departments to enable RBM:
- Departmental Results Framework
- Program Inventory
- Program Information Profiles

Results for Canadians
- The Policy is intended to improve results across the GC
- Canadians access clear, transparent, and useful information on the results departments achieve

Expected Benefits from RBM for GC Organizations

Strategic Direction	Continuous Improvement	Accountability & Credibility	Sustainability & Transparency

Strategic Direction
- Identification of clear priorities to achieve success
- Linking resources or inputs to the results or outcomes we want to achieve

Continuous Improvement
- Distinguish success from failure
- Enable adjustments, experiments, and modifications when needed

Accountability & Credibility
- Demonstrate how obligations and responsibilities are fulfilled
- Gain support and visibility for initiatives, investments, programs, projects, etc.

Sustainability & Transparency
- Manage stakeholder expectations
- Report clear and useful information about how operations contribute to key priorities

Case Study: Performance Measurement Improvement

Department of Employment and Social Development
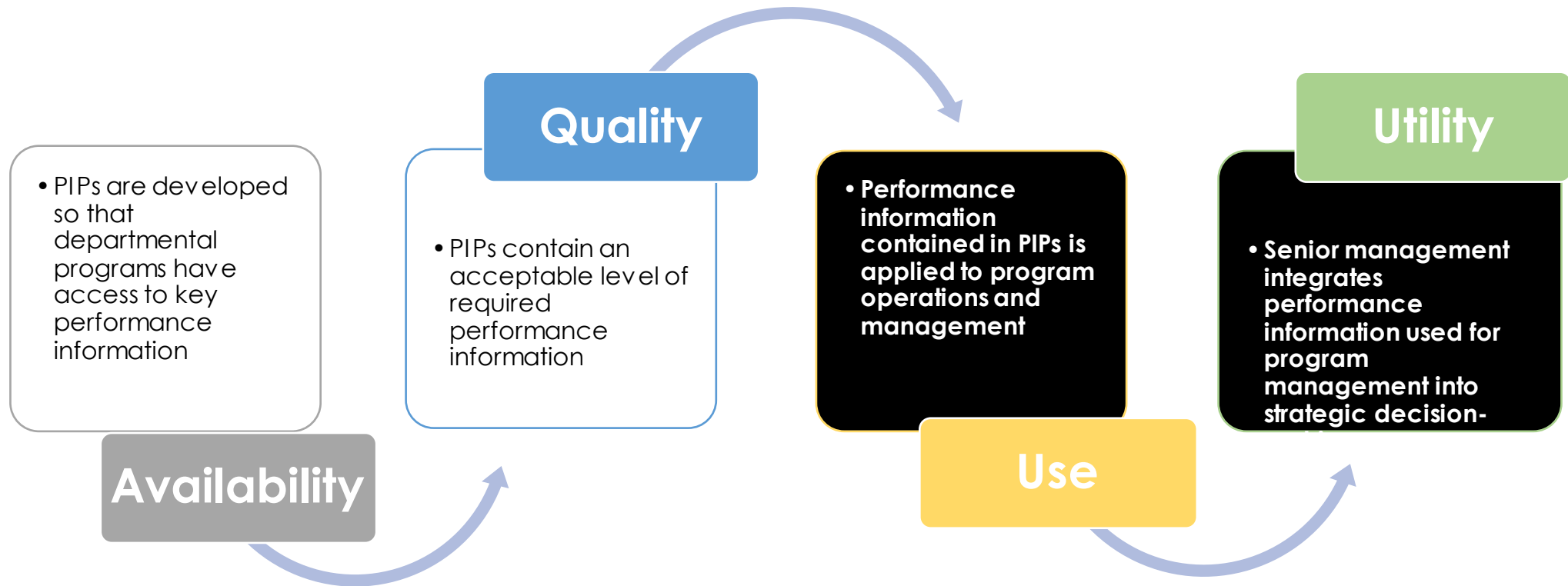
Background Information

Since the inception of the *Policy on Results* (2016), ESDC implemented all the necessary policy instruments and requirements including:

- Heads of Evaluation and Performance Measurement

- Departmental Results Framework (DRF)

- Program Inventory

- Program Information Profiles (PIPs)

- Performance Measurement and Evaluation Committee (PMEC)

- In 2021, the Performance Measurement Division (PMD) completed its review of all (50+) ESDC Performance Information Profiles to ensure that:
  - There were PIPs for all ESDC programs;
  - PIPs reached an acceptable standard of quality, as identified by TBS standards for performance measurement.

- After reporting to PMEC on the quality and availability of PIPs at ESDC, there came the need for a department-wide consultation with programs to better understand the use and utility of their performance information, when it comes to reporting to senior management about the progress and challenges of their programs.

PIP Maturity Continuum

Availability
- PIPs are developed so that departmental programs have access to key performance information

Quality
- PIPs contain an acceptable level of required performance information

Use
- Performance information contained in PIPs is applied to program operations and management

Utility
- Senior management integrates performance information used for program management into strategic decision-

Research & Analysis: Performance Information Use and Utility

Department of Employment and Social Development

PM Research: PM Use Survey

Objectives

- Identify the frequency and purpose of using program PIPs.
- Identify challenges programs face in reporting on PIP indicators.

Methodology

- A short (17 Question) online survey was sent to program implementation teams and branch planner teams, targeting employees that handle performance measurement and reporting at the manager and senior analyst levels.
- 120 people received the survey of which 42 employees responded (35% response rate).
  - 10 Branch Planners
  - 32 Program Representatives

Limitations

- Due to the low response rate, it was not possible to analyze survey data by programs. That said, analysis by program materiality (i.e., annual expenditures) and type of program (e.g., G&C programs vs. non-G&Cs) was accomplished.
- Since results from the survey only could not be generalized, these findings were validated through further discussions with Program Directors.

Findings: Frequency of Use of PIPs

Finding: There is limited use of PIPs across the Department beyond annual requirements to respond to TBS' mandatory accountability reports. Many programs use their PIP to prepare their Treasury Board (TB) submissions, however various program employees are still not aware of the link between PIPs and the TB submissions.

Frequency of Use of PIPs in Work

- Almost one third of respondents use their PIP monthly or more, however 40% of respondents reported using PIPs only several times a year.

Use of PIPs in Non-Mandatory Reporting

- 50% of respondents flagged that they rarely use PIPs for reporting other than mandatory parliamentary reporting processes and GC InfoBase publishing online.

- 45% of respondents use their PIP several times per year for other purposes including drafting Memoranda to Cabinet(MC) and TB submissions, reporting to senior management and program evaluations.

Use of PIPs in Treasury Board Submissions

- 36% of respondents said their TB submissions aligned with their PIP mostly or almost completely.

- 40% of respondents answered that they did not know how their TB submissions aligned with their PIP.

Findings: Data Collection for PIPs

Finding: Programs face data collection challenges when it comes to reporting on PIP indicators. The challenge is experienced more frequently by programs that depend on third parties for their data collection needs.

Ease of Collecting Data on PIP Indicators

- 45% of respondents indicated that data collection for PIP indicators has been relatively to very difficult.

Reliance on Provinces and Territories

- 43% of respondents reported relying heavily on third-party organizations for data collection, of which 72% reported difficulties in data collection for planned PIP indicators.

Quote

- *"[W]e are almost completely reliant on recipients to provide us with results information with which to report on indicators, but recipients have been very vocal about being overburdened in terms of reporting."*

Findings: Reporting to Senior Management

Finding: It was unclear whether the PIPs are considered useful tools to report to senior management, respondents noted that programs often resort to non-PIP indicators to respond to senior management specific and detailed requests.

Usefulness of PIPs in Reporting to Senior Management

- Almost one third of respondents reported that PIPs were useful in answering senior management questions.

- On the other hand, one quarter reported PIPs were not useful and another quarter reported neutral response.

Use of Non-PIP Indicators

- Approximately one third of respondents use indicators external to their PIP to report to senior management. Another third of respondents stated they do not. The last third said they do not know.

- The majority of those using indicators other than the PIPs', mentioned the need to respond to Ministers and senior management requests for specific information and details that are usually not covered in the PIPs.

Findings: PM Resources and Support

Finding: Most of the programs reported as having support from their senior management, however more than one third of the programs still believe they lack the expertise and resources necessary to effectively measure the performance of their programs.

Senior Management Support to Performance Measurement

- 55% of respondents reported there is moderate to complete senior management support for performance measurement in their programs.

- 45% of respondents did not know whether there is senior management support for performance measurement or not.

Expertise and Resources for Performance Measurement

- 36% of respondents indicated that the expertise and resources needed to measure program performance effectively is either not available or only available to some extent.

- 31% believe they have sufficient resources and expertise for performance measurement.

Note

- Those who reported there was senior management support were more likely to feel that they had sufficient expertise and resources.

PM Research: Director Consultations

Objective

- To build on the PM Use Survey by facilitating discussions with Program Directors to discuss the utility of PIPs and performance information in program decision-making.

Methodology

- Six total virtual sessions were held, four of which were facilitated in English and two in French. In total, 30 Directors (or their designates) participated in the sessions, representing 28 of ESDC's 51 Programs.

- Each session lasted approximately sixty minutes and included a targeted question and answer period. Six questions were provided to the participants in advance of the sessions and used to guide discussions.

Limitations

- Due to the challenges of coordinating the logistics for multiple directors to meet for the director consultation, the sample size is representative of approximately 55% of ESDC programs.

- The consultations were conducted in a group context and in a virtual format therefore PMD expected there would be limitations around how much some attendees would be willing to share. Multiple organization followed with written responses.

- In many cases PM is a shared responsibility amongst directors, and PMD only consulted with one member of a broader group of people responsible for program PM.

Findings: Director Consultations

Five key themes emerged from the director consultation sessions:

1. **Administrative burden of preparing and maintaining PIPs**

- Program directors reported multiple, competing drivers and stakeholders for performance measurement (e.g., TB submissions, Ministerial Mandate trackers, service standards, agreements with Provinces and Territories) – PIPs seem the most burdensome.

- Attendants viewed the required reporting materials stemming from competing drivers as more agile/relevant than PIPs, pushing programs away from actively updating or using their PIP in favour of the competing drivers.

2. **An inconsistent approach to performance measurement**

- Directors reported inconsistencies in the approach to develop PIPs from program to program and the need to break down silos when developing and managing PIPs for programs.

- Some directors identified having insufficient resources and capacity to both keep their PIPs up to date and maintain program operations. They referred to significant undertakings to improve PIPs through the PIP assessment process.

- Maintaining and reporting on PIPs are often seen as checkbox exercises that do not benefit program operations. PIPs do not always support the impact and mandate tracking requests that programs get from senior management.

Findings: Director Consultations

3. **Multiple indicators and outcomes on which regular reporting has not been possible**

- Directors do not all have the same comfort level and understanding of reporting requirements that are associated with data and indicators captured in the PIPs. Similarly, some people were unaware that external data sources can be used in PIPs.

- Attendees noted sentiments of a lack of flexibility and resources to update PIPs according to business needs leading to the addition of more indicators in PIPs.

4. **Issues with the quality and timeliness of data collected**

- Directors reported that because of the nature of many ESDC programs the performance measurement strategies are co-developed with recipients and that there are often considerations related to data sovereignty and concerns about sharing private information with the government.

- Data collection strategies for multiple programs are dependent on third-party organizations or done on a voluntary basis which has an impact on the ability for some programs to report or causes delays in reporting.

Findings: Director Consultations

5. Limited program capacity and expertise for performance measurement

- Most teams are limited to one individual with the corporate knowledge and expertise to complete performance measurement related requests. Furthermore, maintaining performance measurement capacity is especially challenging with employee turnover, vacation leave, or surge times where teams are even more limited with staff availability to dedicate to ongoing or ad hoc performance measurement requests.

- A lack of formalized training pertaining to performance measurement was raised as a challenge for programs. Continuous training, standardized processes, and support to report on performance measurement progress was requested by several programs.

Development of PM Improvement Plan

Department of Employment and Social Development

ESDC Operating Context

- Since the inception of the *Policy on Results* (2016), ESDC implemented all the necessary policy instruments and requirements.

  - ….however, after 7 years **it is necessary to refresh** the existing policy instruments to support effective and sustainable performance measurement.

- TBS had undertaken review of the Policy on Results, and ESDC was launching an internal audit of the PM function.

- ESDC requires a significant amount of performance information to manage and monitor departmental results and program outcomes.

Signs it was time

- Over the past few years, especially throughout the pandemic, the department focused on maintenance of the status quo with minor updates to policy instruments.

  - An opportunity to refresh DRF and program level outcomes to ensure they are achievable, meaningful, and causal.

- ESDC has undertaken an effort to streamline the indicators reported publicly focusing on quality over quantity.

  - An opportunity to review existing indicators and data sources to ensure they are available, relevant, reliable, and valid.

Departmental Maturity Model
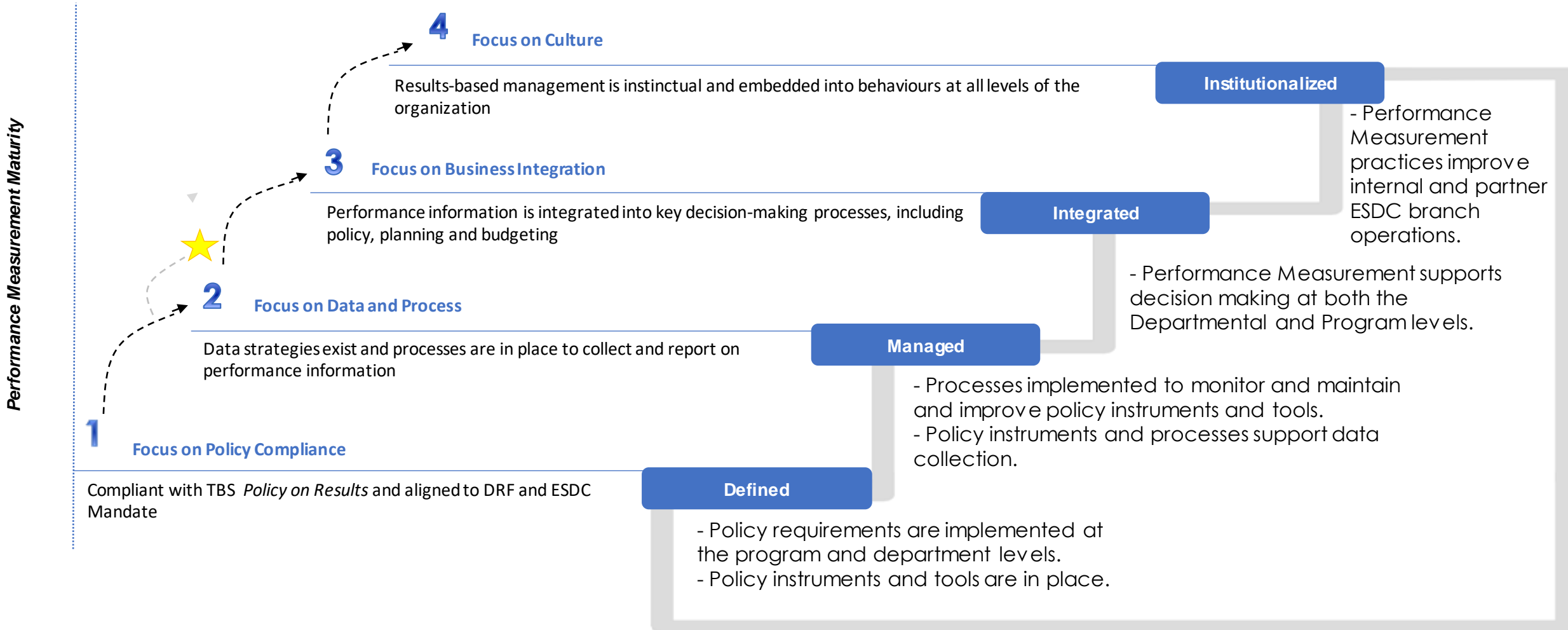
ESDC PM Landscape

- 51 Programs in the Program Inventory

- 19 Departmental Results and 48 Departmental Result Indicators

- 5 Core Responsibilities

- Program Information Profiles are inconsistent Program to Program with different approaches to program measurement and usage of the tools

….constant additions to the Program Inventory and DRF are creating **administrative burden** for the department **limiting effectiveness and efficiencies** around the use and utility of performance information

Identification of PM Challenges

Through department wide consultation on the use and utility of PIPs with ESDC programs, program areas flagged that the following challenges prevent them from making good use of their performance information:

- **Administrative burden** of developing and updating PIPs with existing capacity.

- An **overwhelming volume of indicators and outcomes** often accompanied by incomplete/discontinued data points.

- Issues with **quality and timeliness of data collected**, which affects external reporting and doesn't answer senior management's questions/needs.

- **Difficulty aligning program outcomes** with the higher-level departmental results.

- **Limited program capacity and expertise** with performance measurement across branches and programs at ESDC.

Focus Areas for PM Improvement

Update DRF and Align Programs to Thematic PIPs Rather PIP per Program

- Review ESDC DRF to replace outdated indicators and make sure all results align with the core responsibilities.
- Establish themes under each core responsibility and classify programs under the themes.
- Create thematic program inventory and simpler PIP templates. Each program will contribute to one or more thematic PIPs through several indicators.

Establish process to approve and maintain DRF and Thematic PIPs

- Establish an annual internal process to regularly monitor and approve updates to DRF and thematic PIPs in a collaborative way.
- Review results annexes in TB submissions against program indicators under thematic PIPs to make sure outcomes and indicators align and/or new indicators are to be captured in thematic PIP documents.

Create database for DRF and Program level indicators

- Create an ESDC database of performance data to centrally store all PIP and DRF information in one place. This will unlock new potential in reporting to PMEC and help make meaningful strategic recommendations for continuous improvement.

Strengthen Governance and Collaboration with Corporate Stakeholders

- Our PM experts provide technical advice to programs about their PIPs, publicly reported indicators, and TB submissions, but this advice is non-binding (even if it's a great advice). PMD to review and clarify roles and responsibilities of the corporate PM function and the program PM function when it comes to establishing, updating and regularly reporting on performance measures.

Program Capacity Building

- Building on the success of the current ADM award winning ESDC PM Capacity Building WG, establish a PM 101 course to include how to develop PM outcomes and indicators for PIPs, TB submissions, and MCs throughout the various stages of program implementation.
- Create a culture of meaningful PM across ESDC, by building a strong performance measurement community of practice with internal stakeholders and central agencies colleagues.

PM Improvement Plan Timeline

- **Research and Development:** PMD drafted an improvement plan during fiscal year 2022-23
- **PMEC:** Endorsed the improvement plan in May 2023
- **Launch:** Multi-year plan kick off in fiscal year 2023-24

- **Year 1:** Focus on improving governance, collaboration, consultation, analysis and research
- **Year 2:** Begin implementing streamlining efforts for the Program Inventory to improve effectiveness and efficiency and begin consultation on the DRF
- **Year 3:** The department is prepared to make strategic recommendations for changes to the DRF in alignment with the Program Inventory and the new TBS cycle for DRF changes

PM Improvement Updates: Mid-Year 1

Gap Analysis of Existing DRF

- Initial review of ESDC DRF to identify areas of strength and weakness in current Departmental Results and Indicators to support a strategic approach to improving the DRF.
- Launching DRF consultations in fiscal year 2024-25 in an innovative format to ensure results are all encompassing and sustainable for the Department, and that alignment between results, indicators, and programs exists.
- Leveraging data sources with available data that will inform meaningful outcomes and not outputs.

Outcome Analysis of Existing PIPs and Program Inventory

- Use the PIPs to analyze the ultimate outcomes, methods of intervention, target groups to identify programs with similar focus, common purpose, and supporting outcomes and indicators.
- Identify areas where PMD can work with the ESDC branches to improve performance measurement effectiveness and efficiency by streamlining logic models and identifying indicators and outcomes that are all encompassing for the programs.

Create Database for Public DRF and Program-level Indicators

- To build a database that captures most of the departmental performance information, PMD developed an initial database and analysis of GC InfoBase indicators published online.
- A database working group looked at the availability of results data, consistency and frequency of indicator usage, and performance measurement through target setting and results explanations.

Strengthen Governance and Collaboration with Corporate Stakeholders

- Launch new governance committee chaired by the director of PMD to oversee the improvement plan and ensure a standardized and collaborative approach to implementation across ESDC.
- The committee had its inaugural meeting and established a terms of reference.
- Mandate includes prioritizing and planning the improvement initiatives to support PMEC.
- PMD launched revised processes refreshing the roles and responsibilities for reviewing TB subs and MCs.

Program Capacity Building

- PMD continues to host a departmental working group on performance measurement with a membership of approximately 130 members across the department.
- Use this community for key initiatives like introducing a streamlined PIP template, to present our analysis of GC InfoBase Indicators, and to launch PM 101 training in the following fiscal year 2024-25.

Question & Answers

- Opportunity for Q&A

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