

Performance Management – November 1, 2007

Purpose Statement - Performance Management is a system for evaluation and execution of our purpose. Our purpose is expressed in our vision statements, values and strategic goals and objectives.

Many performance management systems for execution exist. The originators of these systems include Peter Senge, Peter Drucker, Tom Peters, John Bryson, Steven Covey, Philip Crosby, Edward Demmins, examples include: ISO 9000 and Malcolm Baldrige.

I favor the Malcom Baldrige system of execution because:

1. It improves quality,
2. is comprehensive; and
3. Is able to stand the test of time.

The Malcolm Baldrige program has been continuously improved since it was created in (1980?). It provides outside independent review and feedback on one system of execution.

The purpose of performance management includes:

- Creating a link with the community vision, strategic goals and objectives, milestones, budgets, project management, and individual employee development plans.
- Identify best practices within our organization; sustain good service delivery; and improve areas of weakness.
- Assist in resource allocation/budgeting decisions
- Monitor Strategic Plan performance
- Provide customers with an honest evaluation of the organization's performance
- The primary role of a municipality is to ensure the health, safety, and well-being of the community. How do we measure that performance?
- Elected officials use performance measures to allocate dollars when program changes are requested
- Elected officials use performance measures at community meetings and the public credits them for performance management.
- Performance Management allows the local government to better anticipate issues and strategically address challenges.
- AA- Rating agencies look favorably upon local governments utilizing performance management systems.
- The media can understand and report on performance measures.

- Track performance over time and create accountability for performance.

Our task is:

Making performance management work:

- Become a performance management champion and demonstrate the value of performance management to employees
- Integrate performance into the budget process and with our level of service statements
- Use performance information to improve operations (management , not just measurement)
- Do not use performance information as a way to punish employees
- Build capacity (training new employees and developing expertise)
- Continuously link performance management to policy direction
- Continue to develop meaningful measures for the community
- Engage the community in evaluation
- Attrition
- Develop the solution after next.

The work produce from the committee will deliver the following:

1. Gap Analysis

- a. Become proficient in the Malcolm Baldrige system and develop champions.
- b. How does our system of execution compare to the Malcolm Baldrige?
- c. What are gaps from Saco's system of execution to Baldrige?
- d. Develop betterment timeline to bridge the gap that includes objectives and milestones.
- e. Execute the betterment timeline.
- f. Repeat the process.

2. Performance Evaluation Process

- a. Revise the objective portion of the evaluation to more directly address our purpose. This form will be recommended for adoption by the city council and collectively bargained with all unions.
- b. Inventory and adapt other municipal or county annual evaluation processes. The current form is based upon the Bangor ME model. (check Portland OR, Charlotte NC, Prince William County, Washoe County, Maricopa County)
- c. Draft new objective measures.
- d. Test measures to determine their performance. Test group to be department heads, deputies and union stewards.
- e. Meet with the Personnel Committee and Mike Wing to review and make recommendations to the Council.
- f. Present recommendations to the Council.