# Performance Management

**Bush 648 600**

**Fall 2019**

**Allen 1041**

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# Office Hours: Thursdays, usually 10-1 PM and Friday afternoon (until 3 PM) by appointment. We can also meet by telephone, Skype, and web conference at other times.

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**When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.**

William Thompson (Lord Kelvin)

Mathematician and physicist

1824-1907

*COURSE DESCRIPTION*

Over the past four decades, governments, nonprofits, and private businesses around the world have enthusiastically adopted various approaches to “managing for results.” The methods include: TQM, MBO, GPRA, PART, KPI, Six Sigma, Baldrige, Kaizen, Balanced Scorecard, and Social Return on Investment.

Each method can help organizations to measure, analyze, report, and improve results. Public sector organizations and nonprofits face a particular challenge in results management: they have no “bottom line” and so must figure out other ways to measure, analyze, and report outputs and outcomes.

Through theoretical and practical readings, real-world exercises, and guest lectures by experienced professionals, students will systematically examine nonprofit and public sector performance measurement and management. The focus is on using social science research to develop a practical application of performance measurement with the goal of improving organizational performance and results. Students will apply their learning by helping to develop and refine a performance measurement system for use in human service nonprofits.

*OVERVIEW AND PURPOSE*

Faced with managing multiple priorities, tight budgets, and limited staff and capacity, nonprofit and public sector organizations often struggle to meet their missions. If it were easy to serve social service clients and citizens, the private sector would already be doing it, right?

The National Academy of Public Administration[[1]](#footnote-1) is clear that creating high performance organizations begins with creating a culture of excellence based on challenging goals and defined, measurable standards that make a difference to the clients and citizens. In the face of increasing accountability pressures, nonprofits and government agencies are searching for ways to show their effectiveness.

The main focus of the semester’s work will be on finding meaningful tools to evaluate and report performance and results. Managers need data to be able to improve organizational performance. Students study all aspects of measurement including strategy, performance measurement and management, performance budgeting, and management accountability.

Students will examine performance management through theoretical and applied lenses. Theory presents ideas about the interrelationships among concepts that allow prediction and understanding of processes and events. This knowledge is important to future practitioners so they can apply information that theory provides about behavior in organizations.[[2]](#footnote-2) Through readings, discussion, and conversations with distinguished guests, students will learn about the application of performance management strategies and techniques in organizational operations.

*LEARNING OUTCOMES*

At the end of this course, having completed the readings and assignments, asked and answered questions, and participated in discussions, you will be better prepared to:

| *Goal* | *Practical Application* |
| --- | --- |
| …understand and apply the theoretical and academic writings about performance management and measurement | If you don’t keep up with theory, you might get trapped by conventional wisdom (which isn’t always wise). |
| …analyze various performance management approaches and tools to identify the strengths and limitations of each | If you understand various approaches, you will be better able to work toward successful implementation of a system that will work for your organization. You’ll be smarter (and look smarter) if you can address the strengths and the shortcomings of various approaches. |
| …explain the basic components of a performance management (PM) system  | To be successful you have to understand PM mechanics and be able to explain how it works. |
| …create performance measures and the infrastructure to support implementation in an organization  | While you will still be a beginner at the end of the course, you will have important hands-on experience that future employers value. |

*TEXTS*

Graham, Pauline, ed. *Mary Parker Follett, Prophet of Management: A Celebration of Writings from the 1920s*. 2003. Beard Books. Available at <https://ecommerce.beardbooks.com/bin/beardbooks/listbooks?qkey=follett>

Hatry, Harry.  2nd edition.  *Performance Measurement: Getting Results*.  Washington D.C.: The Urban Institute.

Additional readings will be available at eReserves.

*GRADING POLICY AND STANDARDS*

Samples of all assignments are available on eLearning. Pay attention to these. The examples are shared by former students. Note: some formatting requirements may have changed since the samples were submitted – be sure to follow the requirements outlined on this syllabus.

| **Points** | **Grade** | **Standard / Benchmark** |
| --- | --- | --- |
| 90 – 100 | A | Demonstrates consistently exceptional performance. Demonstrates a clear, thorough understanding of the material. Assignments are professional, clear, concise, well written. Appropriately helps others to advance their learning. Leads class discussion, working to include others in the conversation. Supports class knowledge through positive interaction and seeks to enhance the learning of others in the class. Demonstrates a mastery of the material.  |
| 80 – 89.99 | B | Meets requirements of the course. Solid performance demonstrates proficiency and understanding of the material. Assignments are written and edited at a level that is acceptable. Contributes effectively and positively to class discussions. |
| 70 – 79.99  | C | Demonstrates a minimal understanding of the material or satisfies the minimal requirements of assignments. Assignments may be poorly written or edited, or their logic may be faulty. Quality of work may be uneven.  |
| 60 – 69.99 | D | Performance indicates a substandard understanding of the material. Most assignments lack the quality that is expected of a student in graduate school. Research is inadequate, as is the presentation of the ideas orally or in writing. |
| < 60 | F |  |

*LECTURE TOPICS BY WEEK*

|  |  |
| --- | --- |
| **Week** | **Lecture Topics / Posted Slides** |
| **1** | Overview of Performance Measurement and Management |
| **2** | The Need for Performance Measurement and Management; Mission |
| **3** | Performance Measurement Foundations and The Balanced Scorecard: A Representative Performance Management System |
| **4** | Strategy Maps |
| **5** | Objectives and Categories of Information |
| **6** | Measure Selection |
| **7** | Targets |
| **8** | Measure Definition and Documentation |
| **9** | Communicating Performance Results |
| **10** | Data Collection, Storage, and Use |
| **11** | Implementing Performance Measurement and Management |
| **12** | Performance Measure Frameworks |
| **13** | The Manager and Performance Measurement |

*COURSE TOPICS AND ASSIGNMENTS*

(Notes: the schedule may be adjusted during the semester; watch eCampus and/or email for updates.)

| **Week** | **Date** | **Topic for Readings** | **Readings and Assignments** |
| --- | --- | --- | --- |
| 1 | August 29 | Overview of performance management and measurement | *Readings are listed in alpha order by author.* |
| 2 | September 5 | The Need for Performance Measurement and ManagementMission | * Boateng, Measuring performance of non-profit organisations
* Hatry, Part I
* Moynihan, Testing How Management Matters…
* Moxham, Understanding Third Sector Performance Measurement System Design
* Pandey, Do Mission Statements Matter for Nonprofit Performance?
* Smith and Radin, For and Against Performance Management
 |
| 3 | September 12 | Performance Measurement and Management Foundations I | * Hoque, 20 years of study on the balanced scorecard
* Lee and Macintosh, Management accounting and control systems – Chapters 1 and 11
* Liket, Nonprofit Organizational Effectiveness: Analysis of Best Practices
* Nutt and Backoff, The Need for Strategic Management - Chapters 1 and 2
* Radin, Does Performance Measurement Actually Improve Accountability?
 |
| 4 | September 19 | Performance Measurement and Management Foundations II | * Brown, Moore, Honan, Strategic Accountability
* Cheng, The differential improvement effects of the strategy map and scorecard perspectives on managers’ strategic judgments
* Graham, Preface, Introduction, Pioneering Life…
* Hall, The effect of comprehensive performance measurement systems on role clarity, psychological empowerment and managerial performance
* Ittner, Subjectivity and the weighting of performance measures
* Locke and Latham, New directions in goal setting
* Mellalieu, The effects of goal setting on rugby performance (optional, but pretty interesting)
 |
| 5 | September 26 | Performance Measurement and Strategic Planning | * Behn, Why Measure Performance?
* Reid, Time to raise the bar on nonprofit strategic planning and implementation
* Graham, Chapters 1 and 2
* Hatry, Part II Chapters 3-7
* Rubin, Measuring government performance: the intersection of strategic planning and performance budgeting
 |
| 6 | October 3 | Federal Performance Management  | * Gueorguieva, The program assessment rating tool and the Government Performance and Results Act
* Hoque, The rise and use of balanced scorecard measures in Australian government departments
* Ingraham and Moynihan, Evolving dimensions of performance
* Moynihan, The politics measurement makes: performance management in the Obama era
* Radin, The Government Performance and Results Act and the tradition of federal management reform
* Review: <http://performance.gov/>
 |
| 7 | October 10 | State and Local Performance Management | * Ammons, Signs of Performance Measurement Progress
* Berman and Wang, Performance measurement in US counties: Capacity for reform
* Beyle, Governmental Reporting in Chicago – Summary and Chapter 1
* Boyle, Performance Measurement in Local Government
* Kilpatrick, Book Review: Beyle, Governmental Reporting in Chicago
* Moynihan, Managing for Results in State Government
 |
| 8 | October 17*Issue Paper Due Saturday, 12 midnight* | Performance Measurement Challenges | * Feng, Not-for-profit operations management (Chapter 27, Routledge Companion for Production and Operations Management)
* Lee and Nowell, A framework for assessing the performance of nonprofit organizations
* Streib and Poister, Assessing the validity, legitimacy, and functionality of performance measurement systems in municipal governments
* Verbeeten, Performance management practices in public sector organizations: Impact on performance
* Willems, Seven trade-offs in measuring nonprofit performance and effectiveness
* Yang and Holzer, The performance-trust link: implications for performance measurement
 |
| 9 | October 24 | Performance Budgeting | * Graham, Chapters 4 and 5
* Grizzle and Pettijohn, Implementing Performance-Based Program Budgeting
* Lewis and Gilmour, Does Performance Budgeting Work
* Melkers, Budgeters’ View of State Performance Budgeting…
* Osborne, Budgeting for Outcomes
* Williams, Reinventing Proverbs of Government
 |
| 10 | October 31 | Performance Measurement and Contracting*Issue Paper Presentations:**Moore**Bowman* | * Behn and Kant, Strategies for Avoiding the Pitfalls of Performance Contracting
* Graham, Chapter 6
* Hodge, Competitive Tendering and Contracting Out
* Johnston and Romzek, Contracting and Accountability in State Medicaid Reform
* Saidel, Smart Partnership in Contracting
* Yang, How Hollow Can We Go?
 |
| 11 | November 7 | Performance Measurement and Scorecards*Issue Paper Presentations:**Jones**Wimer**Trahan* *Hall* | * Follett, Chapter 7
* Kaplan and Norton, Chapters 1 and 5
* Malina,Communicating and Controlling Strategy: An Empirical Study of the Effectiveness of The Balanced Scorecard
* Nudurupati, Implementation and impact of IT-supported performance measurement systems
* Zimmerman, The Use of Performance Measurement in South Carolina Nonprofits
 |
| 12 | November 14 | Using Performance Measure Information *Issue Paper Presentations:**Doucette**Gjesdal**Horton* | * Carnochan, Performance measurement challenges in nonprofit human service organizations
* Graham, Chapters 8-10
* Hatry, Part III, Chapters 8-11
* Jennings, Evidence based practice and use of information in decision making
* LeRoux, Does performance measurement improve strategic decision making?
* Pollanen, Relationships between strategic performance measures, strategic decision-making, and organizational performance
 |
| 13 | November 21 | Implementation of Performance Systems | * Berman and Wang, Performance Measurement in US Counties
* Graham, Chapter 11
* Hatry, Part III 12 and 13; Part IV
* Moynihan, Why and How State Governments Adopt and Implement Managing for Results Reforms
* Moynihan, Setting the Table: How Transformational Leadership Fosters Performance Information Use
* Speklé and Verbeeten, The use of performance measurement systems in the public sector
* Valmohammadi, Performance measurement system implementation using balanced scorecard and statistical methods
 |
| 14 | December 3 | The Future of Performance Management  | * Bititici, Performance measurement: questions for tomorrow
* Gerrish, The impact of performance management on performance in public organizations: a meta-analysis
* Melnyk, Is performance measurement and management fit for the future
* Newcomer, Forging a strategic and comprehensive approach to evaluation within public and nonprofit organizations
* Poister, The Future of Strategic Planning in the Public Sector
 |
|  | TBD | Client Presentations |  |

*ASSIGNMENTS, REQUIREMENTS, AND TIPS*

The assignment schedule is posted on Blackboard in the folder titled “General Course Information.” Check the schedule to see when your individual assignments are due.

Post all assignments to the correct folder – be sure to name files as requested below.

For writing assignments, please use APA citation, Microsoft Word (or a compatible program – do *not* submit assignments as PDFs) and Times New Roman font (11 point). Please single space the text, double space between paragraphs.

Note: Purdue Online Writing Lab (OWL) has a nice guide for APA - <https://tinyurl.com/y7tk3zt9> .

**Do Not Use Poetic Language**

Analytical and expository papers are not written using a creative or literary style that draws on poetic expressions and figurative language. Linguistic devices like those detract from the reader’s ability to easily understand your message and often end up sounding artificial and forced.

Minimize the use of figurative language – avoid including things like metaphors and analogies. Use simple, descriptive adjectives and plain language to make your message clear and easy to understand.

**Reading Review** (20% total)

Students submit two reading reviews during the course. Each week, assigned students will provide the class with a summary outline containing the major points of each assigned reading. These students will also lead the in-class discussion. Each summary is completed using the template posted on eLearning.

The summary contains the message of the article (in one sentence) and the major supporting points, definitions, and it identifies similarities and differences with other articles that have been studied. Do not cut and paste – “translate” the ideas using your own words. **Please post the Reading Reviews on e-Learning by Tuesday, midnight**. **All students review all Reading Reviews before class.** Document name format: **Reading Review 1** or **2 Lastname Example**: Reading Review 1 Kerr. (NOTE: This is the name of the *document*, not the heading on the post).

**Analysis Papers** (20% total)

Students write two two-page analysis papers during the semester. Analysis papers are written by the students who are preparing the reading reviews for the week. Content of the analysis paper should focus on the readings for the week, however, relevant points from other readings and other courses should be used to strengthen the analysis and support the thesis. **Please post the papers on e-Learning by Tuesday, midnight.** File name: **Analysis 1** or **2 Lastname Example**: Analysis 1 Kerr. NOTE: This is the name of the *document*, not the heading on the posting.

This assignment is intended to reinforce in-depth understanding of the class readings and show that the student can synthesize and effectively analyze the readings and concepts presented in the class. *It is not a summary of the readings* (carefully review the samples provided on eLearning).

Begin the paper by developing a thesis statement and then support it with three or four main points within this very short paper. You should explore theoretical and practical concepts to find their strengths, limitations, and benefits. Think about how the approach / model / theory / framework may apply to your work in organizations and how it relates to performance outcomes.

Tip: Former students report the analysis paper is easier to write if you first complete the reading review and then write the paper.

The assignment is intended to develop critical and analytical thinking and writing skill. Additionally, the paper must demonstrate the ability to write clear, simple, organized prose that is easily understood by the any reader.

The papers should present a thesis (an argument or viewpoint) about a particular practice, theory, or set of theories. The thesis statement *must* be included in the first paragraph and *must* take one of these forms:

1. This paper will demonstrate that the market theory of efficiency is not a clear measurement of efficiency when compared to the polis view of efficiency.
2. This paper examines Meg Greenfield’s experiences reporting Washington politics in light of Deborah Stone’s discussion of the distortion of facts in the polis. The discussion will demonstrate that…
3. This paper will demonstrate that no matter how much officials talk about the importance of performance measurement, nonprofit and public managers will not be able to adopt the practice fully.

If the thesis statement does not take this form and is not in the first paragraph, 5 points will be deducted.

**Issue Paper** (30%)

This individual four-page paper presents your analysis of a relevant management theory or performance measurement issue. You choose the performance measurement topic. This assignment is designed to develop a level of expertise in a specific area of performance measurement and management. The content will be based on your reading of 12-15 articles in the public or non-profit performance management literature – use only peer-reviewed and academic sources. The papers will be distributed to all class members as a way of increasing our collective knowledge. You will present your paper to the class and will lead a discussion on the topic you have chosen. The paper will be due on the Saturday that ends week 8 of the course; please post by midnight. This paper and the presentation are worth 30% of your grade. Document name: **Issue Paper Lastname** Example: Issue Paper Kerr.

Sample topics could address such topics as

* Results of Performance Measurement in Medium-Sized Nonprofits
* Activity-Based Management and Its Role in Performance Management
* Balanced Scorecards in the Military: Development and Results
* Measurement and Performance Management in Community Health Clinics
* The Status and Results of Performance Measurement in U.S. Counties: A Comparison of Four Programs
* The Effect of Measurement on City Government Performance
* An Evaluation of the Performance Measurement System Adopted by [name of organization or jurisdiction]

**Performance Measurement and Management Project** (30%)

The purpose of the project is to provide experience in creating a useful management and measurement system. The specific project will be selected early in the semester. The project will be due around week 11 (date will be determined by the client’s preference) and makes up 30% of your grade. This report and support material will be submitted electronically. The presentation to the client will be at a mutually convenient time.

As a team you will continue working on produce an alpha version of a performance measurement system for a client or clients. The work will include identifying team roles, developing a work plan, interacting with the client organization, completing a literature review, producing a detailed final report, and presenting the measures to the leaders of the client organization. This semester, you may also work on an expert review panel meeting. The team should plan to meet outside class at least once per week and at the end of the project, you may decide to meet more frequently.

*Class Structure* (Times are approximate and may vary.)

|  |  |
| --- | --- |
| **Section** |  **Time** |
| Agenda review/ announcements | < 10 |
| Lecture / Discussion | 50 |
| Break | 15 |
| Discussion of Readings  | 50 |
| Project and Issue Paper Updates | 30 |
| Two – Minute Writing and Surprises, Learnings, Satisfactions, Dissatisfactions | 10 |
| Total Time in Minutes | 165 |

*AMERICANS WITH DISABILITIES ACT*

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Disability Services, in Cain Hall, Room B118, or call 845-1637. For additional information visit <http://disability.tamu.edu> .

*ACADEMIC INTEGRITY STATEMENT: AGGIE HONOR CODE*

*An Aggie does not lie, cheat, or steal or tolerate those who do.*

Upon accepting admission to Texas A&M University, a student immediately assumes a commitment to uphold the Honor Code, to accept responsibility for learning and to follow the philosophy and rules of the Honor System. Students will be required to state their commitment on examinations, research papers, and other academic work. Ignorance of the rules does not exclude any member of the Texas A&M University community from the requirements or the processes of the Honor System. For additional information please visit: [www.tamu.edu/aggiehonor/](http://www.tamu.edu/aggiehonor/)

For all work submitted electronically in this class, please include this University-required statement at the end of each assignment:

*In submitting this assignment, I affirm that on my honor, as an Aggie, I have neither given nor received unauthorized aid on this academic work. <Your Initials>*

*PLAGIARISM*

The University Student Rules define plagiarism as "failing to credit sources used in a work product in an attempt to pass off the work as one's own. Attempting to receive credit for work performed by another, including papers obtained in whole or in part from individuals or other sources," (19).

Plagiarism is bad – don’t do it. Plagiarism is an extremely serious form of academic dishonesty and could have severe consequences for any individual who engages in such practices including course failure and dismissal from the Bush School and the university. It is critically important that each student understand the correct manner in which to cite material quoted or paraphrased from another source including material drawn from public or electronic sources.

If a student is uncertain as to where and how to acknowledge material drawn from another source, it is imperative that he or she obtain guidance from the appropriate faculty member or the Bush School writing consultant before making a presentation or submitting a paper that uses material from others. Students working together on team projects should be careful to make certain that other members of their group have conformed to correct citation practices. Failure to do so can make all members of the group responsible for a collectively submitted work. It is important that everyone understand that plagiarism is not only about academic integrity, it is also about intellectual property rights and respect for others.

1. [www.napawash.org](http://www.napawash.org) [↑](#footnote-ref-1)
2. Greenberg, Jerald and Robert A. Baron. 1997. *Behavior in Organizations*, 6th ed. Prentice Hall: Upper Saddle River, NJ. [↑](#footnote-ref-2)