A Guide to Data-Driven Performance Reviews

By Harry Hatry and Elizabeth Davies

The GPRA Modernization Act of 2010 requires each federal agency to identify a set of priority goals, designate someone to be the goal leader for each goal, review progress toward these goals, and publicly report at least quarterly on that progress. Such a process represents a more focused review (concentrating on the priority goals) than the broader performance reviews described here.

Several federal agencies have responded to the need for data-driven performance reviews by developing an approach that consists of regularly held, structured, data-driven performance review meetings. This is simple in concept. Some elements, such as periodic program review meetings, are common throughout government. The data-driven performance reviews presented in this report reflect such features but add other elements.

What are Data-Driven Performance Reviews?

The overall process discussed here refers to a leadership strategy that federal executives can use to monitor and improve the efficiency and effectiveness of their department, program, or group of programs. This goal is pursued through the use of regularly scheduled, structured, data-driven meetings to review performance indicators with department or program personnel. Data are normally the centerpiece of the meeting discussion, although non-quantitative information naturally plays a major role as well.

These meetings bear a close resemblance to other types of program reviews that federal officials traditionally hold with members of their staff to identify emerging trends and discuss key program issues and problems. *However, the process described here is distinguished by the frequency and regularity of its meetings, the focus on the latest performance indicators, and the somewhat structured format.*

“Regular” means that meetings with reporting units are held at least twice a year and on a regularly scheduled basis.

Excerpt from the GPRA Modernization Act of 2010

AGENCY USE OF PERFORMANCE INFORMATION TO ACHIEVE AGENCY PRIORITY GOALS.

Not less than quarterly, at each agency required to develop agency priority goals… the head of the agency and Chief Operating Officer, with the support of the agency Performance Improvement Officer, shall—

(1) for each agency priority goal, review with the appropriate goal leader the progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance;

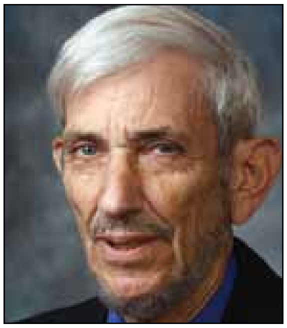
(2) coordinate with relevant personnel within and outside the agency who contribute to the accomplishment of each agency priority goal;

(3) assess whether relevant organizations, program activities, regulations, policies, and other activities are contributing as planned to the agency priority goals;

(4) categorize agency priority goals by risk of not achieving the planned level of performance; and

(5) for agency priority goals at greatest risk of not meeting the planned level of performance, identify prospects and strategies for performance improvement, including any needed changes to agency program activities, regulations, policies, or other activities.

Source: Title 31 U.S. Code, Section 1121 (b)



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"Structured" means that the meetings focus on the latest available performance information and have a reasonably common format.

This approach to conducting performance reviews can be used to:

- Encourage attention to the need for continuous improvement
- Help identify policies and practices that are working well and ones in need of improvement
- Improve the organization's effectiveness and efficiency
- Provide a more convincing case to OMB and Congress that the organization is using its funds wisely and that its budget requests are justified
- Increase accountability of programs under review at meetings

This guide presents the core components of using regular, data-driven performance reviews as a strategic leadership approach that can be employed by managers and executives at multiple levels of the federal government. It addresses the series of questions listed in the accompanying sidebar.

The questions may be applied at any level within a department or agency, such as by the headquarters level of a federal department (e.g., the Department of Housing and Urban Development (HUD)), an independent agency (e.g., Environmental Protection Agency (EPA)), an agency within a department (e.g., the Food and Drug Administration (FDA)), or by divisions or programs at lower levels. The guide focuses on suggestions for officials at the highest levels of the federal government. However, it also provides suggestions for how lower-level officials in an organization can implement this process.

Following is an excerpt from the full report describing how one agency, HUD, has developed its performance reviews, which they call HUDStat.

Questions to Address When Implementing Data-Driven Performance Reviews

The Core Team

1. What type of leadership is needed?
2. Who should be included in start-up activities?
3. What staffing is needed?

The Meeting Structure

4. Should meetings focus on reporting units or on specific themes?
5. How frequently should the meetings be held?
6. How long should meetings last?

The Performance Indicators

7. Which performance indicators should be reviewed?
8. Does existing technology support regular reporting of performance indicators?

Meeting Preparation

9. What pre-meeting preparation is needed?
10. Should the leader notify units of major issues and questions in advance?

Running the Meeting

11. Which individuals inside the organization should attend the meetings?
12. Should meetings be open to individuals outside the organization?
13. What is the content and typical agenda of these meetings?
14. What should be the tone of the performance review meeting?
15. What should be the physical set-up of the meetings?

Following Up after the Meeting

16. What follow-up should be undertaken?

Sustaining the Process

17. Who needs to support this process?
18. What did managers recommend to sustain this process?
19. Does the use of data-driven performance reviews deliver improved services and cost savings?

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Department of Housing and Urban Development's HUDStat

The Department of Housing and Urban Development (HUD) conducts quarterly performance meetings focused on each of its four OMB high priority performance goals. HUDStat staff members (in the Office of Strategic Planning and Management) go through an extensive preparation process before each meeting.

History

2009 (June): Priority goal-setting exercise begins

2010 (October): First meeting of HUDStat

Logistics

- **Structure:** Meetings are theme-based, currently on the subjects of rental housing, foreclosures, veterans' homelessness, and energy efficiency—HUD's four OMB high priority performance goals.
- **Location:** Meetings are held in a department conference room with some visual and audio equipment added. Given the size of the room and the presence of some people on a teleconference, each person "at the table" has a microphone. Six flatscreen monitors in the center of the room display the data slides. Seating is assigned but this practice is being reconsidered.
- **Staffing:** The process is staffed by seven FTE in the Office of Strategic Planning and Management (out of a total of 26 FTE in OSPM). Analysts are assigned to each theme and are responsible for working with programs to get data and monitoring action items.
- **Timing:** Meetings are for two hours. Reporting units for each of the four themes meet every four months; some reporting units contribute to multiple themes. Thus, HUD spaces its meetings so that there is one PerformanceStat meeting each month.

What HUDStat Is and Is Not

IS ...

- Review of progress toward goals, understanding where problems exist, and using collective knowledge to address these issues early
- Sharing local successes and best practices in order to replicate what works
- Opportunity to collaborate in order to achieve goals
- Focus on "places" as much as "programs"
- Relentless focus on improving data quality and problem-solving

IS NOT ...

- A "show-and-tell" to the HUD Secretary that avoids the issues
- Focus only on what is not on track or not working
- Programmatic focused discussion on how each program is doing individually, without looking at how programs interact locally
- A process that is finished after an individual HUDStat session

Source: www.performance.gov

- **Attendance:** By invitation only. Thirty participants at the table, including the secretary, regional directors (10), deputy secretary, senior advisors, assistant secretaries, general counsel, and the heads of other support offices, such as the CFO, CIO, and CHCO. All regional directors participate in the meetings. Career program managers and staff from headquarters and the field attend and actively participate. Videoconferencing has been used but is still considered to be problematic. HUD is considering recording meetings, opening up the meetings to the department, and posting session information on the intranet.

- **Data:** HUD's strategic plan identified more than 20 measures associated with high-priority performance goals. Data are available drilled down to the city and county level.

Meeting Preparation

Six weeks before the meeting, OSPM analysts begin working with program and field staff to review data and trends. They pay close attention to performance variation across the country and identify areas with exceptional or troubling performance. Once these areas have been identified, OSPM and program staff often conduct a site visit to meet with field staff and discuss the findings, as well as identify barriers to performance and possible solutions for discussion during the HUDStat meeting. Regional administrators participate in the preparation process. OSPM staff work with reporting unit staff to prepare data tables, charts, and other visuals and share them with the reporting unit leadership before the meeting. Some regions hold pre-meeting preparation sessions. OSPM writes a brief memo to the secretary explaining the findings and preparing the secretary for the meeting. OSPM staff routinely meet with reporting units and programs to make sure that the data are being presented accurately and to ensure that there are no surprises when it comes time to meet.

Meeting Content

1. Agenda
2. Introduction
3. Review of previous meeting's follow-up items
4. Discuss overall findings
5. Discuss specific regions or areas
6. Brainstorm next steps

Meeting Follow-Up

1. Smaller groups may be convened to discuss and prioritize list of next steps developed at the meeting.
2. OSPM summarizes meeting and prepares a list of action items, including who is responsible for the action and the target completion date.
3. A smaller group, consisting of about 15 high-ranking officials (including the secretary and regional administrators) prioritizes those actions. It was formed because the larger group struggled with finding time to prioritize next steps in the actual HUDStat meeting. Prioritization helps determines how much time office staff will spend monitoring progress.
4. OSPM staff monitor progress on action items.

Next Steps

HUD is developing a HUDStat business intelligence system, designed as a tool for managers and staff at headquarters and in the field to track progress on key performance goals. There are currently no interfaces with other systems; data are manually extracted from the program system by program staff and e-mailed to database administrators for loading into HUDStat. One of the goals of this initiative is to transform the way HUD uses data. From a management perspective, HUD must be highly focused on the day-to-day performance of its grantees and staff. Regular reporting on the key program inputs, activities, outputs, and outcomes for all offices and at all organizational levels of the department are intended to become the norm if HUD is to achieve its goal of becoming a data-driven agency. The department hopes that the new business intelligence system will give program and field leadership the ability to calculate and monitor their own statistics.

TO LEARN MORE

A Guide to Data-Driven Performance Reviews
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The report can be obtained:

- **In .pdf (Acrobat) format at the Center website, www.businessofgovernment.org**
- **By e-mailing the Center at businessofgovernment@us.ibm.com**
- **By calling the Center at (202) 551-9342**