

# Queensland Audit Office

## Better Practice Guide Performance reviews July 2010



*150 years of Parliamentary assurance*



## QUEENSLAND

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Queensland Audit Office

Level 14, 53 Albert Street, Brisbane Qld 4000

GPO Box 1139, Brisbane Qld 4001

Phone 07 3149 6000

Fax 07 3149 6011

Email [enquiries@qao.qld.gov.au](mailto:enquiries@qao.qld.gov.au)

Web [www.qao.qld.gov.au](http://www.qao.qld.gov.au)

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# Foreword

The purpose of this Better Practice Guide is to assist organisations to adopt a performance review system that enables analysis and interpretation of performance information, facilitates discussions on how performance can be improved and translates these discussions into action.

Performance review systems that use data to review performance and inform decision making are used by government agencies nationally and internationally. A good performance review system provides a greater level of accountability and responsibility, with a focus on continuous improvement.

For responsible officers, a performance review system provides clarity of expectation from the leadership team, and provides an opportunity to receive input and guidance on problem areas and showcase good performance. For executive leaders, the system provides a greater insight into organisational performance and a forum for good practice to be identified and shared.

This guide discusses a range of principles and techniques designed to embed performance review in an organisation's planning, control and accountability systems. It also notes the importance of cultivating an environment that encourages robust discussion on performance. These better practice principles can help agencies satisfy the objectives of the Queensland Government Performance Management Framework which aims to facilitate improved performance management, monitoring and reporting in the Queensland Government.

A handwritten signature in black ink, appearing to read 'Glenn Poole', with a horizontal line underneath.

Glenn Poole  
Auditor-General of Queensland  
July 2010



# Contents

Introduction.....	2
Better practice principles .....	3
Principle 1 – Clear purpose and focus .....	4
Principle 2 – Active executive involvement.....	7
Principle 3 – Responsibility and accountability assigned.....	11
Principle 4 – Relevant and robust performance information .....	15
Principle 5 – Coordinated and documented by a dedicated team .....	18
Principle 6 – Balanced discussion at review sessions.....	21
Principle 7 – Persistent follow up process .....	24
References.....	27

# Introduction

A performance review can be defined as ‘...a series of regular, periodic meetings during which the [executive leaders] use data to discuss, examine and analyse, with the individual [unit director], past performance, future performance objectives and overall performance strategies’.<sup>1</sup>

The discussion seeks to:

- facilitate responsive decision-making
- identify problem areas and explore their underlying causes
- develop and evaluate strategies for both preventing and addressing problems
- recognise and share better practice across the organisation.

In 2009, an audit was undertaken of three Queensland Government agencies that had implemented performance review systems. The audit also sought to identify key principles that underpin an effective performance review system that can be adopted and adapted by other departments.

Based on the audit findings, observations and research undertaken, the following seven better practice principles were identified:

1. Clear purpose and focus.
2. Active executive involvement.
3. Responsibility and accountability assigned.
4. Relevant and robust performance information.
5. Coordinated and documented by a dedicated team.
6. Balanced discussion at review sessions.
7. Persistent follow up process.

*Auditor-General of Queensland Report to Parliament No. 5 for 2010 – Performance Reviews – Using performance information to improve service delivery*, contained audit findings and better practice principles.

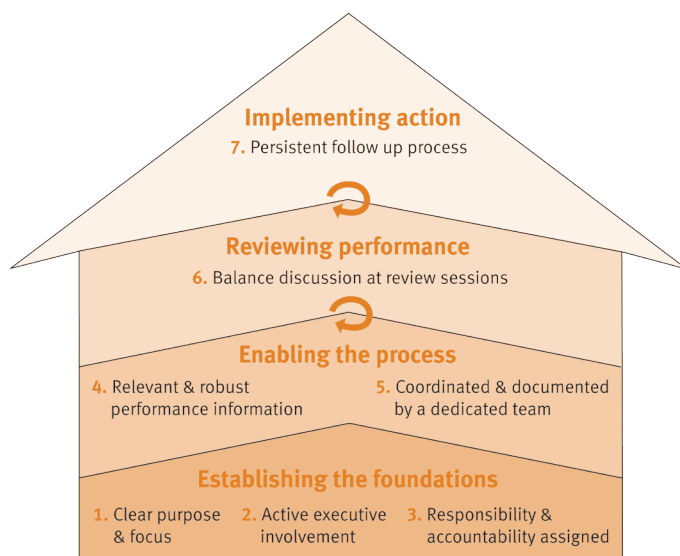
It recommended that all Queensland Government Departments consider the better practice principles in adopting or enhancing their performance review process.

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<sup>1</sup> Robert D. Behn, The varieties of CitiStat, Public Administration Review, May/Jun 2006, pg. 332.

# Better practice principles

The figure below shows the relationship between the better practice principles and how they operate together to inform a successful system. The effectiveness of each level of the system is influenced by the robustness of the principles below it. Feedback loops are included in the process to ensure the system is regularly reviewed and improved.



Audit observed many examples of these principles in action at the agencies audited. Some of these examples are provided in this guide to illustrate how the principles can be applied.

# Principle 1 – Clear purpose and focus

Elements	Benefits
<ul style="list-style-type: none"><li>• Clear purpose and tone are set from the top of the organisation</li></ul>	<ul style="list-style-type: none"><li>• Consistent understanding across the organisation</li></ul>
<ul style="list-style-type: none"><li>• Performance review sessions have clear area/s of focus and priorities</li></ul>	<ul style="list-style-type: none"><li>• Performance reviews are streamlined, effective and focus on what is important and relevant</li></ul>
<ul style="list-style-type: none"><li>• Performance review priorities and focus are aligned with strategic planning</li></ul>	<ul style="list-style-type: none"><li>• Reviews help ensure strategic objectives are being achieved</li></ul>
<ul style="list-style-type: none"><li>• Performance review priorities are communicated across the organisation</li></ul>	<ul style="list-style-type: none"><li>• Performance focus is embedded in organisational culture</li></ul>

## What is important

Performance review systems should have a clear purpose and focus.

*‘Managers need to start with a clear purpose: “What results are we trying to produce? What would better performance look like? How might we know if we have made some improvements?” Only after the members of the leadership team have agreed to some common answers to these questions can they adapt the [performance review system] to help them achieve these purposes’.*<sup>2</sup>

To drive performance improvement, it is important that:

- **Clear purpose and tone are set from the top of the organisation.** Having the leader of an organisation driving and promoting the performance review system highlights the importance of, and enhances the effectiveness of, the review system. The leader needs to communicate the purpose and importance of the performance review system. This ensures clear and consistent understanding across the organisation.
- **Performance review sessions have clear area/s of focus and priorities.** The organisation needs to determine what area/s to focus on. The focus should be expressed within performance review priorities. Having a clear focus would ensure performance reviews are streamlined, effective and focus on what is important and relevant.

<sup>2</sup> Robert D. Behn, The Seven Big Errors of PerformanceStat, John F. Kennedy School of Government, Policy Briefs, Feb 2008, pg. 3.



- **Performance review priorities and focus are aligned with strategic planning.** There should be a clear link between the outcomes sought by government and stakeholders, and performance review priorities.<sup>3</sup> This creates a line of sight between operational and strategic priorities, helping to ensure strategic objectives are achieved and continuously improved.
- **Performance review priorities are communicated across the organisation.** *‘Communication is a partner to involvement’.*<sup>4</sup> The priorities need to be documented and communicated to all staff and emphasised at each performance review session. This ensures a performance focus is embedded in the organisation.

## Why it is important

*‘A [performance review] strategy cannot improve performance until the leadership team of the agency or jurisdiction first defines the nature of the performance that they seek to improve’.*<sup>5</sup>

A clear purpose set from the top, helps staff within the organisation understand the importance of, and the reasons for, implementing a performance review system. If a performance review has no clear priorities and focus, it may be ineffective and may not drive performance improvement. Also, if the priorities and focus are not aligned with strategic planning, performance against strategic objectives may not be appropriately addressed.

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<sup>3</sup> Management Advisory Committee, *Performance Management in the Australian Public Service: A Strategic Framework*, Commonwealth of Australia, 2001, pg. 20.

<sup>4</sup> Performance-Based Management Special Interest Group, *The Performance-Based Management Handbook*, Vol. 1, Sep 2001, pg. 2.

<sup>5</sup> Robert D. Behn, *Designing PerformanceStat, Public Performance and Management Review*, Vol. 32 No. 2, Dec 2008, pg. 208.

## Principle in action

### Case study 1.1 – Queensland Police Service

At Queensland Police Service (QPS), the purpose and focus of the Operational Performance Review (OPR) process is clearly outlined on the intranet and is accessible by all QPS staff. The intranet outlines:

Commissioner's message: *'I remain totally committed to this (OPR) process as it allows me the opportunity to hold regular, performance-focussed meetings to review each District's activities with Regional and District Managers and other members of the Senior Executive, in a formal but positive environment.'*

Objectives of OPR: *'Operational Performance Reviews have been established to focus attention on operational performance, and improve operational effectiveness...'*

OPR Guiding Principles	OPR Operational Imperatives	OPR Priorities and Performance Indicators
<ul style="list-style-type: none"> <li>• Specific objectives</li> <li>• Timely and accurate intelligence</li> <li>• Effective strategies and tactics</li> <li>• Rapid deployment of personnel and resources</li> <li>• Relentless follow up and assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Know what is happening</li> <li>• Know why it is happening</li> <li>• Identify and align resources</li> <li>• Ensure something is being done                             <ul style="list-style-type: none"> <li>– Reactive policing</li> <li>– Problem solving</li> <li>– Preventative strategies</li> </ul> </li> <li>• Assess the effectiveness of strategies and make adjustments</li> </ul>	<ul style="list-style-type: none"> <li>• Personal safety</li> <li>• Traffic policing</li> <li>• Property offences</li> <li>• Client service</li> <li>• Public order and safety</li> <li>• Strategic positioning and response</li> <li>• Human Resource management</li> <li>• Financial management</li> <li>• Professional standards and ethical practices</li> </ul>

### Case study 1.2– Department of Communities

For the Department of Communities (DOC), both regional and output reviews are part of a Performance Framework that includes governance, planning, monitoring, review, reporting, escalation and response. Reviews are largely based on reporting against Output Plans, that link directly to the department's seven Strategic Plan priorities. Output Plans are also monitored through monthly 'dashboard' reports and quarterly reporting to the Performance and Budget Committee. This ensures reviews link to the department's strategic direction and activities.

## Principle 2 – Active executive involvement

Elements	Benefits
<ul style="list-style-type: none"><li>• Reviews are driven and supported by leaders with clear and explicit authority</li></ul>	<ul style="list-style-type: none"><li>• Decisions and commitments can be made to foster improvement in performance</li><li>• Direct feedback for managers</li></ul>
<ul style="list-style-type: none"><li>• Key decision makers attend review sessions</li></ul>	<ul style="list-style-type: none"><li>• Leadership team is more aware of what is happening at the service delivery level</li><li>• Issues can be explored from a whole of agency perspective</li></ul>
<ul style="list-style-type: none"><li>• The leadership team understands the business and can interpret performance data</li></ul>	<ul style="list-style-type: none"><li>• Opportunity for leaders to mentor managers</li></ul>

### What is important

*‘Real performance management requires an active strategy. It requires energetic leadership. It requires a leader, or a team of leaders, to make a conscious effort to change the behaviour of the individuals who work for the organisation and its collaborators’.*<sup>6</sup>

<sup>6</sup> Robert D. Behn, The Psychological Barriers to Performance Management, Public Performance and Management Review, Vol. 26, No. 1, Sep 2002, pg. 19.

To drive performance improvement, it is important that:

- **Reviews are driven and supported by leaders with clear and explicit authority.** *‘The CEO leadership role influences both the speed of [performance management system] introduction and its style’.*<sup>7</sup> Review sessions should be chaired by a leader with clear decision making authority.<sup>8</sup> The active involvement of the leader as the chair provides direction for the process and demonstrates how greatly they value it. It allows the opportunity to explain decisions, provide feedback and make commitments where appropriate.
- **Key decision makers attend review sessions.** *‘A performance review process requires the active involvement of key decision makers across the organisation’.*<sup>9</sup> The establishment of a review panel comprising the chair and key members of the leadership team from across the organisation will provide organisation-wide support and oversight of the process. It provides the opportunity for issues to be explored from the whole-of-agency perspective.

The discussion should be a two-way process where the review panel shares information on strategic initiatives and decisions, and provides managers with immediate feedback on their performance. Managers inform the review panel about local issues so they are more aware of what is occurring at the service delivery area. The review panel clarifies what results need to be improved, focuses attention on what is working and what is not, and motivates managers to focus their energy and creativity on achieving specific results.<sup>10</sup>

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7 Management Advisory Committee, *Performance Management in the Australian Public Service: A Strategic Framework*, Commonwealth of Australia, 2001, pg. 22.

8 Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32 No. 2, Dec 2008, pg. 218.

9 Robert D. Behn, Performance Leadership Strategy, *Bob Behn’s Performance Leadership Report*, Vol. 8. No. 3, 2009.

10 Robert D. Behn, Performance Leadership Strategy, *Bob Behn’s Performance Leadership Report*, Vol. 8, No. 3, 2009.

- **The leadership team understands the business and can interpret performance data.** The review panel needs to have a comprehensive understanding of the department's service delivery operations, the ability to interpret performance data, and an understanding of the drivers of performance. This allows them to assess the performance data of the area under review, provide encouragement and constructive advice to the manager, such as how to deal with a particular problem, and recommend action to be undertaken.

## Why it is important

*'Without strong leadership, the [performance review process] won't succeed'.<sup>11</sup>*

The involvement of the right people at an appropriate level signifies the importance of the process. Without the leader visibly driving the process, staff may not understand the significance of the process and therefore not fully commit to it. The system is dependent on active leadership involvement because of their decision making authority. Without their presence the immediacy and responsiveness to resolving problems may be lost and continuous improvement jeopardised. The leadership team understands the business of the organisation and brings a strategic perspective to review sessions. Without this strategic input, opportunities for organisation-wide improvement and direction may be lost.

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<sup>11</sup> Performance-Based Management Special Interest Group, The Performance-Based Management Handbook, Vol. 1, Sep 2001, pg. 1.

## Principle in action

### Case study 2.1 – Queensland Police Service

Queensland Police Service (QPS) has established an effective review panel consisting of senior executives from across the organisation. In the early stages the Commissioner chaired all performance review sessions however, as the process has become embedded in the organisation, responsibility is sometimes delegated to one of the experienced Deputy Commissioners.

QPS believes there is a benefit in managers not knowing who will question them, as they need to be well prepared prior to the review session to answer questions from a variety of perspectives. However, it acknowledges that the initial drive by the Commissioner was critical to embed the process in the organisation.

Panel members are represented from across the organisation. They usually ask questions based on their area of responsibility. All executive leaders have a comprehensive understanding of operational policing issues and strategies, as demonstrated by their robust questioning and contribution to problem solving.

Direct quotes from District Officers during telephone surveys undertaken by audit:

- ‘The Commissioner will give his direction, and this is important for QPS. The Deputies are just as good to provide this information.’
- ‘The Commissioner... is not adversarial. It’s an opportunity to showcase as well as an opportunity to explain to the Commissioner the problems we are faced with.’

### Case study 2.2 – Queensland Ambulance Service

At Queensland Ambulance Service (QAS), the Commissioner plays a strong role in the Regional Performance Review (RPR) process. The Commissioner has attended and chaired all but one review session to date, and drives questioning at the sessions. The Commissioner is very clear about his expectations of responsible officers, and is also very active in guiding the content of review presentations in terms of the measures and information included.

## Principle 3 – Responsibility and accountability assigned

Elements	Benefits
<ul style="list-style-type: none"><li>• Responsibility and accountability is set at an appropriate level</li></ul>	<ul style="list-style-type: none"><li>• Managers take ownership of performance results and develop strategies to improve performance</li></ul>
<ul style="list-style-type: none"><li>• Expectations are clear</li></ul>	<ul style="list-style-type: none"><li>• Managers know what is happening in their area</li></ul>
<ul style="list-style-type: none"><li>• Managers are made aware of the benefits of the process</li></ul>	<ul style="list-style-type: none"><li>• Managers engage with the process</li></ul>
<ul style="list-style-type: none"><li>• Tools and training help support and enable managers</li></ul>	<ul style="list-style-type: none"><li>• Managers are equipped to manage effectively</li></ul>

### What is important

*‘The participants should include the managers who are capable of fixing the problems most likely to be identified during the meeting’.<sup>12</sup> ‘Optimal performance can be achieved by giving individuals... a sense of ownership for their actions’.<sup>13</sup>*

<sup>12</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 220.

<sup>13</sup> Performance-Based Management Special Interest Group, *The Performance-Based Management Handbook*, Vol. 1, Sep 2001, pg. 23.

To drive performance improvement, it is important that:

- **Responsibility and accountability is set at an appropriate level.** Performance reviews improve performance by holding responsible those individuals who have the greatest capacity to influence performance.<sup>14</sup> Agencies should decide what the most appropriate level is for them when selecting the level of responsible officer. It is important that responsible officers have the delegated authority to make resourcing and operational decisions that directly affect service delivery. This ensures managers take ownership of performance results in their area.<sup>15</sup>
- **Expectations are clear.** The review sessions should establish an environment of accountability where clear expectations are set.<sup>16</sup> This should be facilitated by the review panel's rigorous questioning based on performance data. This encourages managers to thoroughly prepare for review sessions by assessing and analysing the performance reports, ensuring they have a comprehensive understanding of underlying causes, are implementing mitigating strategies and are effective in addressing problems.
- **Managers are made aware of the benefits of the process.** Managers should think of review sessions as a positive process that enables them to better understand their performance and gain executive officers' input to help them continuously improve performance. They should also see the process as an opportunity to showcase positive results to organisational leaders. These benefits should be constantly highlighted to managers throughout the process to ensure their continued engagement.

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<sup>14</sup> Crime and Misconduct Commission, *Policing Public Order: A review of the public nuisance offence*, pg. 123.

<sup>15</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 222.

<sup>16</sup> Performance-Based Management Special Interest Group, *The Performance-Based Management Handbook*, Vol. 1, Sep 2001, pg. 23.



- **Tools and training help support and enable managers.** *‘Outside the meeting, [the leadership team] need to find ways to educate their subunit managers for their new tasks and obligations’.*<sup>17</sup> For example, managers undertaking ongoing analysis and monitoring of performance data should be trained in data analysis and supported by experienced staff. This ensures managers are equipped to manage effectively.

## Why it is important

If responsibility and accountability is not assigned at the right level, officers under review may have little control over the results they are responsible for, making the process ineffective. Without clear expectations, it may not be clear who is responsible for what results, and problems may escalate unaddressed. If managers are unsupported by tools and training, they may be unable to identify and address issues effectively. If the benefits of the process are not clear to managers they may not fully engage in the process, possibly leading to missed improvement opportunities.

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<sup>17</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 223.

## Principle in action

### Case study 3.1 – Queensland Police Service

Queensland Police Service (QPS) has selected the position of District Officer as the responsible officer, based on the position being responsible for financial and staff resourcing, directly affecting service delivery. The District Officer is also the management 'face' of the organisation at the community level.

District Officers are required to provide an explanation about performance outcomes in a formal but positive environment. All Operational Performance Review (OPR) sessions include information on the 'OPR Guiding Principles' and 'OPR Operational Imperatives', that clearly outline the responsibility and accountability of the District Officer. The review panel expects that District Officers are aware of the performance data in their district and employ mitigating strategies on an ongoing basis.

Tools are provided to District Officers to assist them in managing their district. These include:

- *Problem solving funding:* District Officers can gain funding for projects they have developed to solve problems. These projects are recorded in a problem solving database and are sometimes discussed during OPR sessions.
- *District Officer conferences:* Guests such as QPS officers from other jurisdictions are invited to speak on current topics and/or strategies to improve performance.
- *OPR unit:* Managers receive assistance and advice from the OPR unit to support them through the process.

Direct quotes from District Officers during telephone surveys undertaken by audit:

- *'I have become more attuned to the direction we're heading in and how that's impacting on our day to day business. It helps us target what our main issues are and where we should concentrate.'*
- *'I look more closely at crime statistics and crime trends. I know what areas to focus on and to invest more resources on.'*

### Case study 3.2 – Queensland Ambulance Service

Queensland Ambulance Service (QAS) has selected three positions of accountability – Regional Assistant Commissioners, Area Directors and Communications Managers. Each of these positions has a different level of responsibility and answers to a different set of performance information in review sessions. Review sessions for each region first question the Assistant Commissioner, followed by separate questioning of each Area Director and Communications Manager.

Direct quotes from Assistant Commissioners and Area Directors during telephone surveys undertaken by audit:

- *'Regional Performance Review (RPR) provides a legitimate structure which enables performance improvement around the KPIs. This was hard to do before.'*
- *'Great, it's been a long time coming - adds a great benefit to all regions.'*

## Principle 4 – Relevant and robust performance information

Elements	Benefits
<ul style="list-style-type: none"> <li>Performance measures are relevant, appropriate and align with externally reported measures</li> </ul>	<ul style="list-style-type: none"> <li>Robust measures facilitate performance discussion</li> </ul>
<ul style="list-style-type: none"> <li>Data is accurate, reliable and is readily-accessible to managers</li> </ul>	<ul style="list-style-type: none"> <li>Priorities and measures become embedded management tools</li> </ul>
<ul style="list-style-type: none"> <li>Information is presented clearly with a basis for comparison provided for all data</li> </ul>	<ul style="list-style-type: none"> <li>Clear and accurate picture to assess performance</li> </ul>
<ul style="list-style-type: none"> <li>Performance measures are regularly reviewed</li> </ul>	<ul style="list-style-type: none"> <li>More informed decision making</li> </ul>

### What is important

*‘Providing the right amount of easy-to-understand performance information, on the right issues, promotes informed decision-making’.*<sup>18</sup>

To drive performance improvement, it is important that:

- Performance measures are relevant, appropriate and align with externally reported measures.** Good measures ensure a clear indication of performance to provide an opening for discussion on performance results. For measures to be meaningful, it is ideal that they are aligned with organisational units so that the managers of those units can be held accountable for their performance.<sup>19</sup> Additionally, they should be aligned with externally reported measures and benchmarked with other jurisdictions to provide a comprehensive picture of performance.<sup>20</sup>

<sup>18</sup> Public Service Commission, *A guide for performance practitioners: Organisational performance management – bringing the business together*, 2009, pg. 10.

<sup>19</sup> Mark H. Moore & Anthony A. Braga, Measuring and improving police performance: the lessons of Compstat and its progeny, *Policing: An International Journal of Police Strategies and Management*, Vol. 26, No. 3, 2003, pg. 446.

<sup>20</sup> Queensland Audit Office, *Better Practice Guide: Output Performance Measurement and Reporting*, Feb 2006, pg. 16-18.

- **Data is accurate, reliable and is readily-accessible to managers.**  
The agency should ensure that data is cleansed to provide an accurate picture of performance results.<sup>21</sup> Data should also be readily available to managers to facilitate ongoing monitoring of performance. Over time, the analysis of this data should become an embedded management tool.
- **Information is presented clearly with a basis for comparison provided for all data.** When performance information is presented clearly, it can assist in providing a realistic picture to assess performance and promote discussion. The basis of comparison could include targets, trends and/or internal and external benchmarking. Through comparing the results, data can then be used to answer two key performance questions:
  - How has performance improved or declined over time?
  - What areas are performing better or worse than others? <sup>22</sup>
- **Performance measures are regularly reviewed.** Agencies should not wait to implement a performance review system until they have the right measures, but should start with existing measures.<sup>23</sup> Regular reviews and discussions during a review should highlight where improved measures are required. Measures should be regularly reviewed and improved to ensure they remain relevant and appropriate. This ensures measures continue to inform decision making.

## Why it is important

*'In the absence of relevant measurement systems... executives experience difficulty motivating their managers and line-level officers to change their approach'.*<sup>24</sup> If an agency does not have relevant and robust data and measures, it will not allow meaningful comparison of performance results. Consequently, it will not allow management to evaluate the agency's performance accurately and may lead to poor decision making.

21 Queensland Audit Office, *Better Practice Guide: Output Performance Measurement and Reporting*, Feb 2006, pg. 18.

22 Robert D. Behn, *Designing PerformanceStat, Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 210.

23 Public Service Commission, *A guide for performance practitioners: Organisational performance management – bringing the business together*, 2009, pg. 9.

24 Mark H. Moore & Anthony A. Braga, *Measuring and improving police performance: the lessons of Compstat and its progeny, Policing: An International Journal of Police Strategies and Management*, Vol. 26, No. 3, 2003, pg. 439.

## Principle in action

### Case study 4.1 – Queensland Ambulance Service

Queensland Ambulance Service (QAS) attributes the rapid maturing of its system to a strong set of measures and data that already existed when the system was introduced. These measures and data have been refined since the system's introduction and continue to be reviewed and improved.

Regional Performance Review (RPR) measures are organised under four priorities covering operational and corporate areas:

Priority 1: Operational and clinical service delivery.

Priority 2: Human Resource management.

Priority 3: Financial management.

Priority 4: Strategic issues.

The measures cover quantity, quality, cost, location and timeliness. Some measures align with national measures used in the *Report on Government Services* and by the Council of Ambulance Authorities.

Targets established for measures are consistent with those reported in the Service Delivery Statement. Targets for communications centres are consistent with international standards.

Data collated for the use at RPR sessions is cleansed, collated, analysed and represented by the RPR team in the form of tables and graphs, providing comparisons with previous periods and State averages. Trends and variances are highlighted and the RPR team briefs the Commissioner prior to each review. This informs discussion at sessions where questions are asked by the Commissioner to identify the qualitative causes of anomalies and to promote discussion on strategies to improve performance.

### Case study 4.2 – Department of Communities

Department of Communities (DOC) did not delay implementing performance review processes by waiting for all the right measures and data. It used existing published measures and data as a starting point for mid-year review sessions. DOC has recognised that the quality and existence of measures is patchy across the department and there is a lack of quantitative data to support some measures. Significant work is underway to develop an improved suite of measures. DOC expects that the review sessions themselves will also contribute to refining measures. The department has previous experience of improvement in the quality of information in the former Departments of Communities and Child Safety as a result of performance review processes in those agencies.

The department is a key player in setting national measures and aims to align performance review measures with national measures as these are developed. It intends to benchmark against national measures and select the most meaningful and appropriate indicators for comparison at annual review.

## Principle 5 – Coordinated and documented by a dedicated team

Elements	Benefits
<ul style="list-style-type: none"><li>• A dedicated team coordinates, documents and communicates the process</li></ul>	<ul style="list-style-type: none"><li>• Well managed and clearly understood process</li></ul>
<ul style="list-style-type: none"><li>• The team provides independent analysis of performance information to help focus questioning</li></ul>	<ul style="list-style-type: none"><li>• Independent analysis of performance data</li></ul>
<ul style="list-style-type: none"><li>• The process is regularly reviewed and improved</li></ul>	<ul style="list-style-type: none"><li>• The process is continually improved</li></ul>

### What is important

*‘A sound performance-based management program must be adequately resourced. Otherwise it can’t function properly’.*<sup>25</sup> In order to produce quality performance information that promotes discussion, *‘it needs a few analytical people working on it full time to understand, through the use of data what kind of results are really being produced’.*<sup>26</sup>

To drive performance improvement, it is important that:

- **A dedicated team coordinates, documents and communicates the process.** The team should have appropriate leadership to ensure the system is well managed to deliver quality services. The size of the team should be appropriate for the size of the agency and complexity of the system. Their role should include developing formal documentation that describes procedures and elements of the review process, coordinating the logistics of review sessions, and recording and producing follow up action reports. This ensures the process is consistent across reviews.

<sup>25</sup> Performance-Based Management Special Interest Group, The Performance-Based Management Handbook, Vol. 1, Sep 2001, pg. 2.

<sup>26</sup> Robert D. Behn, The Seven Big Errors of PerformanceStat, John F. Kennedy School of Government, Policy Briefs, Feb 2008, pg. 5.

- **The team provides independent analysis of performance information to help focus questioning.** *‘The often-employed cliché “the data speak for themselves” is just plain wrong’.*<sup>27</sup>

The team should be appropriately skilled and experienced in data and business analysis. They should highlight positive performance results and performance deficit through independent analysis, ensuring robust discussion can be held during review sessions. Where managers and panel members need advice or assistance, the team should be able to assist them to understand the data, the methods for obtaining the data, and the analysis and presentation. This function ensures the panel receives independent analysis to assist them target their questions.

- **The process is regularly reviewed and improved.** *‘Performance management is a journey of continuous improvement. Perfect systems and data do not exist’.*<sup>28</sup> The team should update content based on emerging issues and organisational priorities, provide assistance to regions to share solutions to local problems, and review the system on an ongoing basis to ensure continuous improvement of the review process.

## Why it is important

*‘In any organisation... people quickly gauge the importance of an activity by noting the number and capabilities of the staff who have responsibility for that activity’.*<sup>29</sup>

The level of resources devoted to this function and the duties that the performance review team undertake is vital in the success of performance review sessions. If an agency does not have a dedicated team that coordinates the review process, staff assigned to tasks may have competing priorities, which may prevent the smooth running of the review sessions. If different staff coordinate different sessions without adequate documentation and oversight, there could be a lack of consistency across the process. If the team does not undertake independent analysis, there is a risk that key issues may not be identified for the panel, reducing the accountability of managers.

<sup>27</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 212.

<sup>28</sup> Public Service Commission, *A guide for executive managers: Organisational performance management – is your approach working?*, 2009, pg. 12.

<sup>29</sup> Robert D. Behn, The varieties of CitiStat, *Public Administration Review*, May/Jun 2006, pg. 334.

## Principle in action

### Case study 5.1 – Queensland Police Service

The Operational Performance Review (OPR) unit consists of five people who coordinate and support the OPR process in Queensland Police Service (QPS). This team is located in the Office of the Commissioner and is aligned with areas responsible for organisational improvement. This ensures the OPR process informs organisation-wide improvement initiatives.

Unit responsibilities include:

- developing formal documentation
- coordinating the logistics of review sessions
- analysing performance data in annotated slide presentations
- recording and producing follow up action reports.

All members of the team are trained in crime trend analysis, which informs the analysis provided to the panel that accompanies slide presentations.

The team plays a central role in OPR sessions, coordinating slide presentations, communicating with panel members and recording follow up actions.

Advice and assistance is also provided to regions and districts to assist them to understand the OPR process, as well as how other districts are solving similar problems. The Unit also facilitates District Officer conferences.

Other areas of the department, such as internal review, contact the OPR Unit prior to reviewing a district or area, for up-to-date information on issues raised within the OPR process.

Continuous improvement of the OPR process is ensured by regular reviews through OPR Unit meetings, input to the process by the Commissioner and Senior Executive Committee, and OPR Unit representation on key departmental steering committees. Examples of changes to the system over time include changes to the content of slides and the introduction of themed and corporate OPRs.

### Case study 5.2 – Queensland Ambulance Service

Queensland Ambulance Service (QAS), RPR Unit consists of three people and plays a similar role to the OPR Unit in QPS. At the commencement of reviews, the Unit visited all regions to introduce the process.

The RPR Unit has developed robust formal documentation of all aspects of the process, including a detailed RPR Manual and Policy and Practice document.

The RPR Unit also fully coordinates the follow up process, monitoring compliance with requested actions and briefing the Commissioner on outcomes before the next RPR session.



## Principle 6 – Balanced discussion at review sessions

Elements	Benefits
<ul style="list-style-type: none"> <li>Review sessions are formal, regular and scheduled</li> </ul>	<ul style="list-style-type: none"> <li>An explicit culture of performance improvement is fostered</li> </ul>
<ul style="list-style-type: none"> <li>Leaders create a constructive environment that encourages honest and open discussion</li> </ul>	<ul style="list-style-type: none"> <li>Information to improve performance is shared</li> </ul>
<ul style="list-style-type: none"> <li>The discussion focuses on both good and bad results</li> </ul>	<ul style="list-style-type: none"> <li>Poor performance is identified and managed</li> <li>Opportunity to showcase achievements</li> </ul>
<ul style="list-style-type: none"> <li>The process facilitates organisation-wide improvement and is flexible enough to address emerging issues</li> </ul>	<ul style="list-style-type: none"> <li>The process is responsive and fosters organisation-wide improvement</li> </ul>

### What is important

*‘Regular informed conversation enables improved performance’.*<sup>30</sup>

To drive performance improvement, it is important that:

- **Review sessions are formal, regular and scheduled.** The formality and layout of the room helps to create the tone of the meeting.<sup>31</sup>

Review sessions should be scheduled on a regular basis across all relevant areas of the organisation to foster an explicit culture of performance improvement. The frequency will depend on the urgency of the problems to be fixed, the timeliness of data and the speed at which actions impact on performance results.<sup>32</sup>

<sup>30</sup> Public Service Commission, *A guide for managers: Organisational performance management – making it work for you*, 2009, pg. 11.

<sup>31</sup> Robert D. Behn, *Designing PerformanceStat, Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 217.

<sup>32</sup> Robert D. Behn, *The Seven Big Errors of PerformanceStat, John F. Kennedy School of Government, Policy Briefs*, Feb 2008, pg. 4.

- **Leaders create a constructive environment that encourages honest and open discussion.** An environment of accountability should be established through an approach that is non-judgemental and non-antagonistic, to create a positive environment that encourages honest, open and constructive dialogue. The panel needs to ask probing questions of managers to ensure they adequately understand and explain performance. However, it is important that managers are not punished for poor performance but are supported to innovate and improve. The panel should know the business of the organisation and be able to facilitate problem solving.
- **The discussion focuses on both good and bad results.** Primary objectives of review sessions include identifying areas for improvement, encouraging joint problem solving and examining strategies. The leadership team should focus more on what issues are not working as opposed to those that are working, but should also provide an opportunity for managers to showcase their achievements.<sup>33</sup>
- **The process facilitates organisation-wide improvement and is flexible enough to address emerging issues.** Information and better practice identified at one session can be shared at other review sessions to encourage organisation-wide improvement.<sup>34</sup> Additionally, the process should allow organisational leaders to identify trends and issues that need resolution at the organisational level and link to other departmental functions to ensure a response. The discussion should be flexible enough to address emerging operational and strategic issues. This demonstrates that the process is responsive at both local and organisational levels.

## Why it is important

If review sessions are not formal and regular, the perceived importance of the process can be undermined. Failure to create a balanced and positive atmosphere may provoke defensiveness and distrust in managers making them unwilling to openly share problems for fear of criticism or punishment. If there is no link to the wider organisation, systemic problems may remain unaddressed.

<sup>33</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 217-20.

<sup>34</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 220.

## Principle in action

### Case study 6.1 – Queensland Police Service

Operational Performance Review (OPR) sessions are chaired by the Commissioner, or his delegate, in a formal setting with clear delineation between the panel and those responsible for performance. The environment is positive and overtly collaborative, but the leadership team do ask probing questions based on their own analysis of performance information. They also facilitate sharing of information and better practice to improve performance.

The reviews are based on a problem-oriented approach that endeavours to look beyond crime figures and to the causes that lie behind them. Questions by the chair and panellists can help determine how effective the Service is as a whole in dealing with issues and may be based around:

- a specific problem such as how staff are deployed to deal with an issue
- collaboration with other areas of the department or other agencies
- strategic or corporate matters such as determining the effectiveness of a program.

Matters raised at review sessions that require organisational change can be dealt with in an immediate and responsive way. The system links to other departmental functions such as policy development, strategic planning, resourcing, legislation review, and administrative practices so that matters are acted upon. An example of how the process has led to organisational action is the ‘Stop the Violence’ campaign:

*‘In February this year, a detailed analysis of assault offences and strategies to date was presented at an Operational Performance Review of the Rockhampton QPS district. The review estimated that assault offences would rise by 22 per cent by June this year (2010) and would amount to a 46 per cent increase since 2001. As a result, QPS organised a meeting with key stakeholders to develop strategies to address the rising trend of assaults. ‘Stop the Violence’ was born and subsequently implemented in March’.*<sup>35</sup>

### Case study 6.2 – Queensland Police Service

Themed OPRs are scheduled periodically to focus on a particular problem. They bring together all relevant stakeholders including executive management, regional and district management, practitioners and external stakeholders, where appropriate, to discuss issues and propose solutions. The outcome of the discussion is documented by the OPR Unit, that produce a report to the leadership team with recommendations for consideration. QPS have undertaken six themed OPRs to date with topics including traffic policing and intelligence practice.

The Commissioner believes themed OPRs are an effective way to tap into talent and ideas, particularly from those on the ground, younger staff, and staff new to the Police Service. The forum establishes an environment that encourages staff to express their ideas and creates an atmosphere of potential creativity. The Commissioner encourages all attendees not to leave the room without sharing ideas.

<sup>35</sup> Hansard, *Record of Proceedings*, 5 Oct 2005, pg. 3222.

## Principle 7 – Persistent follow up process

Elements	Benefits
<ul style="list-style-type: none"><li>• Action plans for all areas of the organisation are recorded and communicated</li></ul>	<ul style="list-style-type: none"><li>• Issues are actioned</li></ul>
<ul style="list-style-type: none"><li>• Actions are monitored and progress is reported</li></ul>	<ul style="list-style-type: none"><li>• Actions are implemented in a timely manner</li></ul>
<ul style="list-style-type: none"><li>• Learnings and better practice are shared across the organisation</li></ul>	<ul style="list-style-type: none"><li>• Organisation-wide improvement</li></ul>

### What is important

To ensure performance reviews are effective, persistent follow up is critical. It is important to have a follow up mechanism after each performance review, *‘that reminds everyone of the problems identified, the solutions proposed, the decisions taken, and the commitments made. Then at the next meeting, they need to be sure to re-examine each of these problems, solutions, decisions, and commitments’*.<sup>36</sup>

To drive performance improvement, it is important that:

- **Action plans for all areas of the organisation are recorded and communicated.** This should be done through a formal report outlining the issues, actions to be taken and person/s responsible. An action item may relate to more than one area within the organisation. It is important to assign each action item to the relevant responsible officer/s. This ensures that all issues identified in the review session are actioned.
- **Actions are monitored and progress is reported.** Responsibility should be assigned by monitoring the progress of actions. This could be through a dedicated team or unit. The responsible officer should report on the status of each action item for which they are responsible. The outcomes of action items should be discussed at the subsequent performance review session. This ensures all action items are satisfactorily implemented in a timely manner.

<sup>36</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 227.

- **Learnings and better practice are shared across the organisation.** After reviews, there should be a mechanism to capture and share successful local strategies and learnings. This information should be available to local managers to assist them to address common issues. This ensures that improvement is optimised across the organisation.

## Why it is important

*‘Follow up... is essential... If [leaders] do not follow up, either relentlessly or persistently, the [performance review] exercise – room, staff, data, and meetings – will have little impact’.<sup>37</sup> ‘In the absence of some serious follow up, a human commitment made at a [performance review session] can be easily forgotten’.<sup>38</sup>*

Having in place a structured and persistent follow up process as part of the performance review system would ensure all actions are implemented across the organisation. Without persistent follow up, problems identified may not be addressed effectively and in a timely manner. If successful strategies are not shared, there could be a duplication of effort across the organisation to solve common issues.

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<sup>37</sup> Robert D. Behn, The varieties of CitiStat, *Public Administration Review*, May/June 2006, pg. 337.

<sup>38</sup> Robert D. Behn, Designing PerformanceStat, *Public Performance and Management Review*, Vol. 32, No. 2, Dec 2008, pg. 226.

## Principle in action

### Case study 7.1 – Queensland Ambulance Service

At Queensland Ambulance Service (QAS) a structured follow up process is effective in ensuring all requests for actions are monitored and progress is reported back to the Commissioner. Within four weeks after an RPR session, the RPR Unit prepares a follow up report that includes all action items from the RPR session. This includes actions for departmental areas other than the region/area under review. A deadline is set for each follow up action item. Upon receiving the follow up reports from the RPR Unit, the responsible manager/s then prepare an 'RPR Action Report' to the RPR Unit on the status and outcomes of the action items.

The status and outcomes of the action items are then collated by the RPR Unit and reported to the Commissioner about a week prior to the next RPR for the region. The outcomes of action items are also discussed at the subsequent RPR.

A database records all RPR follow up items. Each item is recorded under the relevant Key Priority Area and includes a description of the issue, proposed action and date finalised. In the RPR follow up database, issues may be labelled:

- Positive outcome
- Re-present at next RPR
- Sharable strategy.

### Case study 7.2 – Department of Communities

At Department of Communities (DOC), follow up actions for all areas of the department are captured in a final report that allocates a responsible officer to each action. Actions are then added to the responsible officer's individual performance agreement and monitored under that process.

It is intended that each of the coordinating units will produce a consolidated report for the Performance and Budget Committee that highlights common issues and better practice identified during review sessions.

Audit was advised that the department is also considering briefing all executive and senior officers after the mid-year reviews to highlight key action items, share learnings, better practice and ensure all managers are aware of key areas for future focus.

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