COURSE DESCRIPTION

All public and not-for-profit organizations must assemble and report information on their performance. The need for performance measures goes beyond legal and regulatory requirements. To provide services effectively and efficiently, managers need information to make decisions. What performance measures are needed, how they should be created and what forms of communication are most effective are questions currently being widely debated.

The major purpose of this course is to provide students with an understanding of how managers make decisions through the use of quantitative measures of performance. The importance of performance measures and how they are used in areas such as human resources and strategic management is examined. The principal measures used by public, not-for-profit and healthcare organizations are presented. The selection of measures to meet needs such as meeting stakeholder expectations and requirements is described.

An information system is needed to collect and manipulate the data required to turn it into useful information. Examples of such systems at different levels of cost and complexity are presented. The information produced needs to be communicated effectively to managers and other stakeholders. Options such as “balanced scorecards” reports, flexible report writers and “dashboards” are described and how managers select the most appropriate tools for their organizations.

People are a critical part of performance measurement. They affect the quality of the data collected and whether the measures have any effect on the decisions made. Examples will be provided of how organizations have increased cooperation and compliance, and improved the effectiveness of performance measurement through systems design and user involvement.
OBJECTIVES

At the end of this course, students should be able to:

1. Describe how performance measurement is related to performance management, and state how performance measurement is used in human resources management, strategic management, financial management, operations management and quality management.

2. Describe the difference between measures of inputs, outputs, results and outcomes and the purposes of each type of measure. Explain how the performance measurement process used by managers differs from program evaluation done by external evaluators.

3. Define performance measures in the areas of service quality; client satisfaction; staff productivity, turnover and morale; process; outcomes; and financial performance.

4. Select performance measures based on stakeholder expectations, organization strategy, usefulness in taking actions, measurability, data availability, and cost of collection.

5. Create or select an information system that will capture the needed data. This would include hardware and software options and emerging technologies like RFID tags and wireless devices.

6. Explain the options for benchmarking. This would include the selection of measures and the collection of data through secondary and primary sources.

7. Define how measures could be communicated effectively. This could include paper or digital reports, “balanced scorecards”, “report cards” or “dashboards” for real-time information display. Understand the range of software available.

8. Describe how human factors affect performance measurement and what strategies have been used to improve cooperation and reduce resistance to data collection (improving the validity and accuracy of the data), as well as to help decision-makers use the measures.

REQUIRED COURSE MATERIALS


3. Packet of readings available at the Unique Copy Center on Greene St. Articles are included only if full-text is not available on the Internet. Two copies of all readings are also on reserve at Bobst Library. [These readings are marked “Course Pack” in the syllabus.]

INTERNET RESOURCES


3. The Performance Management, Measurement and Information project (PMMI) in the United Kingdom seeks to provide assistance to local government councils. [http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=76209](http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=76209)


7. The Straphangers Campaign is a program of the New York Public Interest Research Group that collects and publishes rider evaluations of the New York City subways. [http://www.straphangers.org/](http://www.straphangers.org/)

8. The United Way’s Outcome Measurement Resource Network provides outcome measurement knowledge and resources. They have developed accountability measures and procedures for use in agencies providing health, youth and family services. [http://www.liveunited.org/outcomes/](http://www.liveunited.org/outcomes/)


10. United Nations Joint Inspection Unit, Overview of a series of reports on managing for results
in the UN System
http://www.unjiu.org/data/reports/2004/en2004_5.pdf See also
http://www.gao.gov/htext/d05392t.html

13. Performance-Based Management Special Interest Group, U.S. Department of Energy
http://www.orau.gov/PBM/default.htm

Has published a series of reports on performance-based management.
http://www.orau.gov/PBM/pbmhandbook/pbmhandbook.html

ASSIGNMENTS AND GRADING

All assignments will be graded as Pass or Fail and returned with comments. Grades will be
assigned based on the number of assignments completed

<table>
<thead>
<tr>
<th>Grade</th>
<th>No. of Assignments</th>
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<tbody>
<tr>
<td>A</td>
<td>5</td>
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<tr>
<td>B+</td>
<td>4</td>
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<tr>
<td>B</td>
<td>3</td>
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<tr>
<td>C</td>
<td>2</td>
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<tr>
<td>F</td>
<td>1 or 0</td>
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The assignments and due dates are:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Date Distributed</th>
<th>Date Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memo assignment</td>
<td>Assigned weekly</td>
<td>One week later</td>
</tr>
<tr>
<td>Case analysis</td>
<td>February 25</td>
<td>March 11</td>
</tr>
<tr>
<td>In-class exam on the readings</td>
<td>April 29</td>
<td>April 29</td>
</tr>
<tr>
<td>Final project (counts as 2 assignments for grading)</td>
<td>February 11</td>
<td>May 6</td>
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</table>
CASE ANALYSIS

The case analysis will test your knowledge of the readings by asking you to apply what you have learned to carry out a series of tasks. Students will be given a case study and will prepare a written case analysis. The case analysis will be in two parts. Part one will be a 5-page report to the senior manager of the organization under discussion. Part two will be a one-page memo to the instructor explaining how the concepts and knowledge in the course have been applied, and will include appropriate footnotes.

FINAL PROJECT

The final project will be to recommend to the executive director of a public, non-profit or healthcare organization a performance measurement and management process. Revisions to an existing process can also be proposed. For complex organizations, the project can focus on a major component (e.g., a set of measures or a reporting mechanism). Students may work individually or in teams of up to 3 people. Papers will be 10-15 pages excluding charts, tables and appendices.

Further instructions on what should be included in the project will be provided by the instructor on February 11. Students should submit a one-page proposal describing the project and the organization by March 4. Papers are due on May 6. Late papers will not be accepted without prior approval by the instructor.

INCOMPLETES

See the Wagner School’s policy on Incomplete Grades at: http://wagner.nyu.edu/current/policies/incompletes.php

STATEMENT OF ACADEMIC INTEGRITY

As members of the NYU Wagner community, we are all expected to adhere to high standards of intellectual and academic integrity. You can view our Academic Code at: http://wagner.nyu.edu/current/policies/ . This is a good resource for issues of academic integrity, especially regarding writing. For this particular course, there are some specific behaviors required to meet our standards of academic integrity:

Team Project & Individual Assignments: Team projects should be completed by teams working together. Individual written assignments should be the sole work of the individual student.

Exams: All exams must be the sole work of the individual student or team if permitted.
Violations of these standards will automatically result in all participating students failing the course and being remanded to the discipline committee for further action.

**COURSE OUTLINE & READING ASSIGNMENTS**

**January 21**  
History and Purpose of Performance Measurement; Relation to Other Management Tasks; Problems and Limitations


Optional Reading:  
http://www.urban.org/UploadedPDF/311040_OutcomeInformation.pdf

**January 28**  
Selecting A Performance Measurement Methodology

1. Poister, Chapter 3.  

**February 4**  
Design and Implementation of Performance Measurement Systems; Clarifying Objectives and Identifying Outcomes; Types of Measures and Indicators; Sources of Performance Data

1. Poister, Chapter 2,4  
http://www.businessofgovernment.org/pdfs/BehnReportCiti.pdf

Optional Reading:  
Institute. Full-text available at:
http://www.urban.org/UploadedPDF/310776_KeySteps.pdf

http://www.seagov.org/sea_gasb_project/suggested_criteria_report.pdf

Describes a set of suggested criteria that state and local governments can use in preparing an effective report on performance information.

February 11 Analyzing Performance Data; Trends and Comparisons; Validity and Reliability; Measurement Problems

1. Poister, Chapter 5,6
Full-text available at:
http://www.rockinst.org/nys_government/program_management.aspx

Instructions For Final Project Distributed.

February 18: External Benchmarking

1. Poister, Chapter 13.
3. Lowell, S., Trelstad, B., & Meehan, B. (2005, Summer). The Ratings Game: Evaluating the three groups that rate the charities. Full-text available at:
http://www.ssireview.org/articles/entry/the_ratings_game/

The following organizations provide ratings of non-profit organizations that are available on the Internet:

http://www.charitywatch.org/
2. Charity Navigator evaluates “the financial health of America's largest charities”. http://www.charitynavigator.org/

February 25  Reporting Performance Measures; Needs of Stakeholders; Balanced Scorecards; “Dashboards”

1. Poister, Chapter 7.

“The Boston Lyric Opera was the fastest growing opera company in North America during the 1990s. Having successfully completed a move to a larger facility in 1999, the board and general director recognize the need to develop a formal strategic planning and governance process to guide the company into the future. Board members, senior managers, and artistic leaders use the Balanced Scorecard (BSC) as the focus of a multi-month strategic planning process that develops a strategy map and objectives in the four BSC perspectives for three core strategic themes.”

Case Analysis Distributed.

March 4  Outcome Management in State Government

Guest Speaker: William J. Phillips, Associate Commissioner
Division of Outcome Management and System Information
New York  State
Office of Alcoholism and Substance Abuse Services

Submit One-Page Proposal For Final Project
March 11  Selecting Information Systems for Performance Measurement; Interfacing Existing Databases; Selecting Software

1. Poister, Chapter 8.

Review the products below and think about the following questions:

1. What do you think are the strengths of the product?
2. What is the advantage of this product over Excel or other off-the-shelf PC/Mac software?
3. Would it be useful for both small and larger non-profit organizations?
4. What could be added? Why?

A. Salesforce.com

1. Public sector Uses. VIEW DEMO for Salesforce for Human Services

   2. Uses by non-profits. Read the Center for Employment Opportunities and the Utah Department of Community and Culture Snapshots.
   http://www.salesforce.com/customers/#view=list&cursor=0&sort=industry

   3. Read about the donation for non-profits program.
   http://www.salesforce.com/foundation/

B. Actuate BIRT Performance Management
   http://www.performancesoft.com

   1. View Performancesoft Views Product Demo (you may be asked to register for free)
   http://www.actuate.com/democenter/corp-ft.swf

   2. Government uses. (Skim a few that interest you, but they aren’t very helpful.)

C. SAS

   1. Uses by Government (scroll down this page)
   http://www.sas.com/success/indexByIndustry.html#1100

   Read how Oslo Prison Uses SAS® to Support a Balanced Scorecard and Improve Results
http://www.sas.com/success/osloprison.html#

D. IBM COGNOS 8

1. Demo

Be sure to click on “Cognos Scorecarding and the Balanced Scorecard Online Demo”
You’ll need to register and may get a markeing call/email after. Just say you’re a student and this was an assignment.

2. Download Government Customer Story Bundle and read the MassHousing and City of Albuquerque stories.

Case Analysis Returned by 6:45 p.m.

March 18   No Class - Spring Break

March 25   Performance Measurement and Strategic Management

   1. Poister, Chapter 9.

April 1    Performance Measurement and Human Resources; Enhancing Staff Performance

   1. Poister, Chapter 9.

   “When Anthony Williams is elected mayor of Washington, DC in November 1998, he inherits a city that had been close to insolvency. Williams had won a convincing victory at the polls in part by emphasizing the need for improved service and accountability. He faces two challenges: both to improve the quality of city
services and to devise a way to ensure voters are aware of the extent of the improvement. With both in mind, Williams and his top aides develop a new system to guide city government. The comprehensive performance measurement system requires all city departments to set measurable "scorecard" goals for improving the services they deliver and to report regularly on their progress in meeting them. This case describes the design and implementation of the DC performance measurement system. The case is designed, specifically, to help students understand the difference between outputs and outcomes.”

April 8  
**Performance Measurement and Quality Improvement; Improving Client and Customer Satisfaction**

1. Poister, Chapter 12.

The data reported in this article is available at: [http://www.hospitalcompare.hhs.gov/](http://www.hospitalcompare.hhs.gov/)

Optional:

Colorado Hospital Report Card

April 15  
**Performance Measurement and Operations Management; Improving Productivity**

1. Poister, Chapter 11.

April 22  
**Performance-Based Contracting**

“This human services contracting case describes an innovative system launched by the Oklahoma Department of Rehabilitative Services when faced with what it viewed as skyrocketing costs and ineffectual assistance for citizens with severe disabilities. Under fiscal pressure, the Department decided on a drastic change in its historic approach to contracting--which had reimbursed service providers for their billable hours. The new, "milestones" approach would reward vendors, instead, for specific results, on the road toward employment for the disabled. The case describes the virtues of the milestones system, as seen by the state; the fears of service providers and advocates that the new incentive system would cause a deterioration in the nature of assistance and therapy; and the early results of the program.”

April 29

Implementing Effective Measurement Systems; Leadership and Stakeholder Involvement; Dealing With Internal Resistance; Goal Displacement and Gaming

1. Poister, Chapter 14.

“Drivers and mechanics alleged that Express supervisors had doctored maintenance records to conceal decisions allowing unsafe and environment-damaging buses on the streets of Progress County. Further, transit workers alleged that Express management pressured them to falsify inspection reports, and they accused Express of suppressing dissent through harassment and intimidation.”

In-class Exam on the Readings

May 6

No Class - Final Project Papers Due
BIBLIOGRAPHY


