



## **Key Principles for a Successful Integrated Performance Management Strategy in the Public Sector**

### **Background & Purpose of this paper**

BQC Performance Management Ltd (BQC) is an international management consulting company that has been improving the performance of organisations, public or private, large or small, for over a decade. We help clients develop responsive organisations and build the resistance to marketplace and societal cycles, that creates advantage in today's changing and challenging world. Our track record embraces organisations public and private, in most industrialised parts of the world. We specifically help our clients to:

- Enhance their strategy formulation and deployment processes
- Commit (and equip) their entire workforces to an excellence agenda
- Communicate and obtain recognition for their achievements

Driven by globalisation, price pressure, consolidation, the need for greater efficiency & effectiveness and such like we believe the traditional concepts of strategy development and business planning, as an annual activity are increasingly challenged. Many organisations are developing "Sensing and Responding" organisational capabilities to address these strategic uncertainties in a rapidly changing world. The public sector is now subject to such constant change at both central and local government levels. We assist public sector and commercial organisations to maintain and improve such capabilities by helping them to develop "Corporate Agility" (see over) and continually improve their performance.

From our client experiences, our global networks and our research we inform our thinking. Currently we believe such Performance Management issues are the biggest challenges facing public sector organisations. We table this paper to help define such thoughts and terminology and to provoke debate. We seek to establish ongoing, global, dialogue on the key strategic challenges of the future. If you would like to comment or join our 'e-news' network on 'Performance Management in Public Sector Organisations' please contact [helpdesk@bqc-network.com](mailto:helpdesk@bqc-network.com).

## So what is 'Corporate Agility'?.....

Put simply we believe that this is a key strategic factor - based on the capability of an organisation to identify key opportunities or risks, and then subsequently to respond with speed and ability. Agility coupled with appropriate "sensing" and "alignment" skills will be the "table stakes for organisations" of the future.



In the e-world, it can be argued that it matters little how well an organisation has performed in the past, what does count is that it is equipped to respond to the changing demand of today's 'global market place'.

## There may be troubles ahead.....

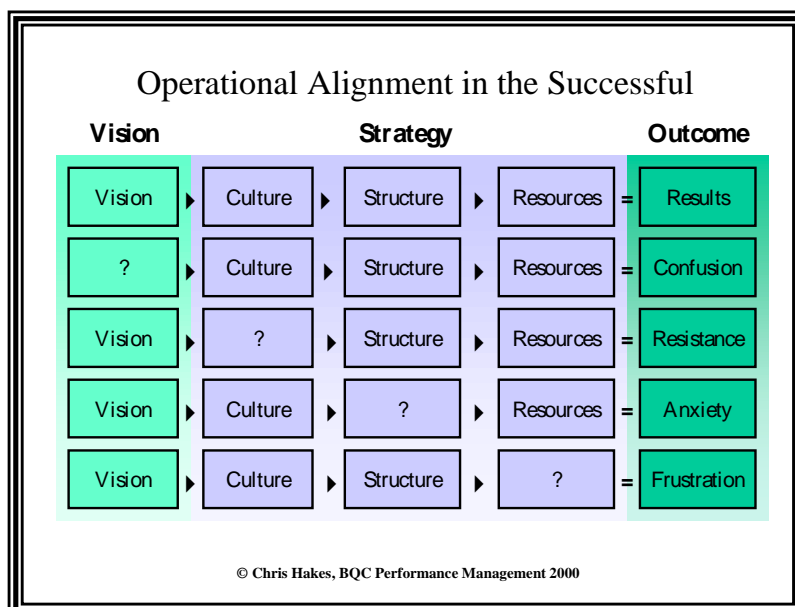
Private or public sector, it does not matter what our organisation is, the challenges for the future are similar but possibly unclear. Becoming "a modernised government", achieving best value, mixed economy, better quality services are just a few major requirements that will radically transform the public sector in the immediate future. They are already challenging management practices and identifying developmental needs. The modern manager needs all the tools, techniques and skills that they can get.

## What are Good Practice Organisations & Companies doing?

It is clear that successful organisations of the future are going to be managed very differently from today. The centralised "corporate" planning concepts of the past are in continual decline and much planning is now being initiated at the 'chalk face' – where the action is. Already it is clear that many successful businesses and leading public sector organisations underpin their operations with highly integrated, fast and flexible strategic management systems, that can both sense and respond to opportunity and challenge in an appropriate timeframe.

## Understanding Operational Alignment.

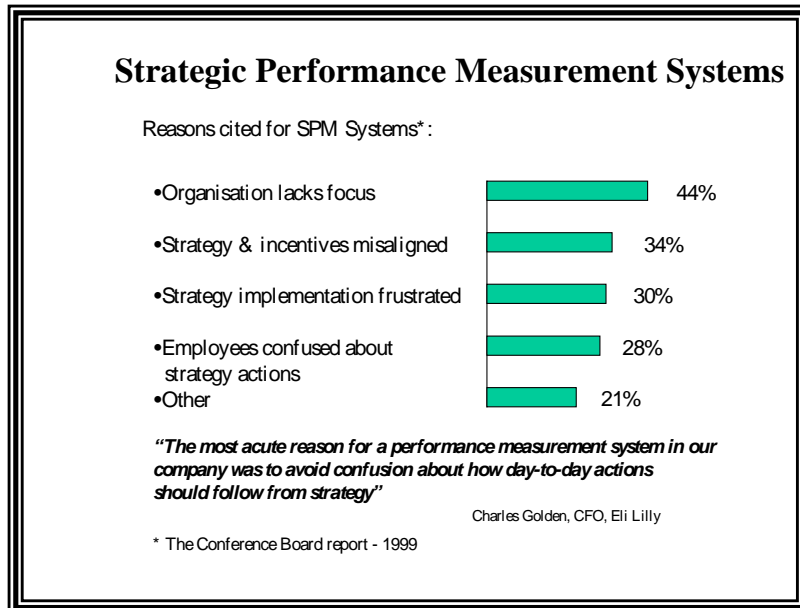
High performing organisations use operational alignment to their advantage, seeking to maintain a constant focus on keeping things together and understanding the interface issues. The consequences of mis-alignment are best described as follows.



Typically managers in most organisations will have little disagreement with what we have proposed to far, however, it is our experience that they will often have little consensus amongst themselves on how to address all the opportunities that may exist. Clearly an analysis of current performance will lead to views on current strengths (to exploit) and areas for improvement (to address) but this can be overwhelming and without a clear consensus on 'what good looks like' will not typically lead to appropriate change. Experience has taught us that change can only be effectively driven when an organisation can both **assess** clearly where it is currently at and then **define** where it intends to go. The means having both a 'handle' on current performance and an accepted consensus view on what you should strive to achieve and how to move forward. The constant and relentless pressure on public sector organisations to deliver greater efficiency & effectiveness with an inherent expectation of improved performance with less resources, means that they must constantly **assess, define and deliver**.

### Measuring Success

A key aspect of many excellent organisations is their ability to know what drives the bottom line results – to identify causal chains. With this in mind current strategic thinking has emphasised the relevance of the internal origins of competitive advantage. Good practice companies and organisations are demonstrating this by their success in defining performance indicators and linking them into causal trees.



Improving performance management systems and putting the “Measures that Matter” into their scorecards or such like is key to the success of many.

#### **What could you do next?**

We hope this brief paper will have provoked a few thoughts, and confirmed for you what good practice organisations are doing.

If you would like to register for our ‘e-news’ network on such matters, please send your ‘co-ordinates’ to [helpdesk@bqc-network.com](mailto:helpdesk@bqc-network.com)

If you would like to know more about BQC services, drop us a line to [sales@bqc-network.com](mailto:sales@bqc-network.com) and tell us of your challenges.

In conclusion, we have 5 key principles (overleaf) for a successful integrated performance management strategy in the public sector (or what will really make a difference if you do it!) We challenge your to assess your progress in these area’s:

## **INSPIRATION LEADERSHIP**

Do you:

- Understand the importance and impact of visionary & directional leadership?
- Ensure accountability at all levels?
- Employ emotionally Intelligent & astute managers?
- Ensure culturally alignment?

## **CORPORATE OWNERSHIP**

Are you:

- Corporately driven & minded?
- Strategically focused rather than operational focused?
- Ensuring that your Top Team own the strategy?

## **MAKING THE STRATEGY HAPPEN**

Are you able to:

- Ensure that the Top Team deliver the strategy by effective application of performance indicators?
- Fit all aspects of the strategy together & make sense of it (a single small diagram can describe a big picture!)?
- Make sure the organisation is connected with effective communication, feedback & that it listens?

## **MEASURE – MONITOR – ACTION**

Do you:

- Secure organisational agility?
- Use a range of measures that really matter (scorecard)?
- Establish critical success factors & performance indicators that will enable the organisation to deliver?

## **TOTAL ORGANISATIONAL APPROACH**

How well do you:

- Prioritise – know & understand what to deliver for the staff/people, customer & stakeholders?
- Keep focused on the “big picture”, is the overall performance of the organisation improving?
- Seek first to understand then to be understood?