



Performance Management

Danish Public Sector Experience

The Danish Public Sector

A few facts



3 tiers

State, Regions,
Municipalities



18

Ministries at
state level



824,000

Employment in
the public sector



5,7m

Population



54,8%

General government
spending of GDP

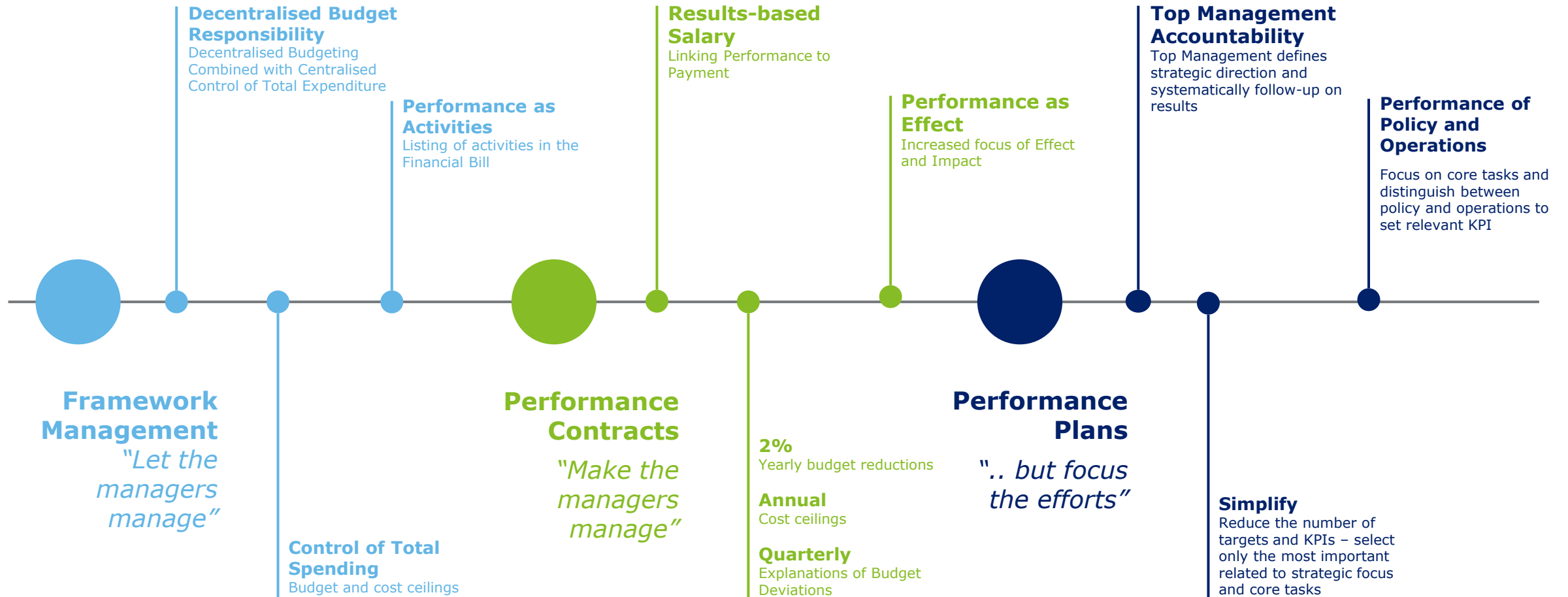


€ 148bn

Public sector
expenditure

Performance Management Trends in the Danish Public Sector

From the 80'ies to today



Governance of Performance Management in the Danish Public Sector

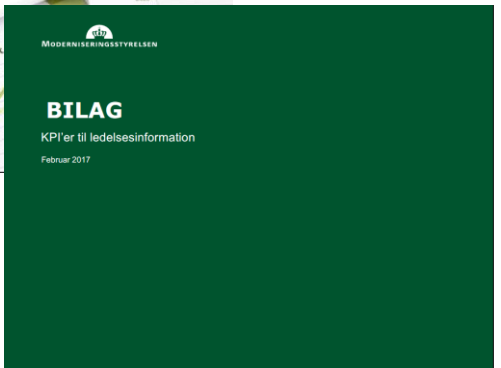
Ministry of Finance Driving Policy and Compliance

The efforts are governed through regulation, policy development and inspiration

Requirements for Strategy Formulation, Performance Plans and Performance Reporting

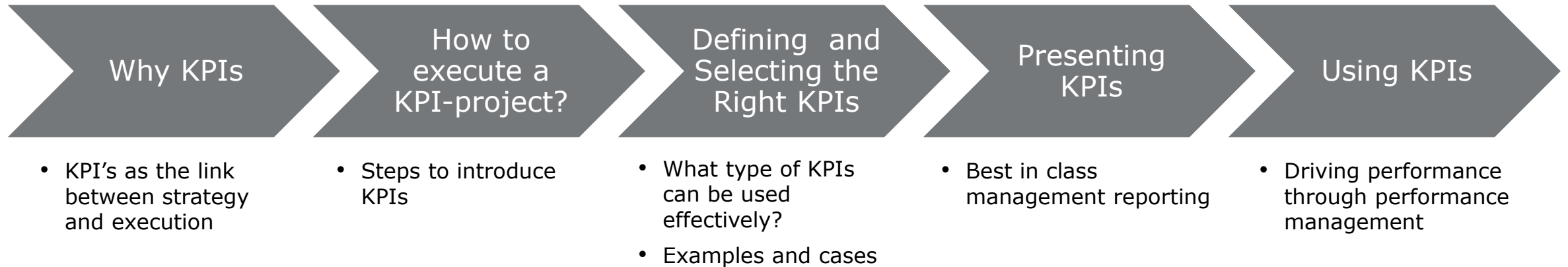


Best Practice descriptions of KPIs, Case Studies, Inspirational Materials, Benchmark Database etc



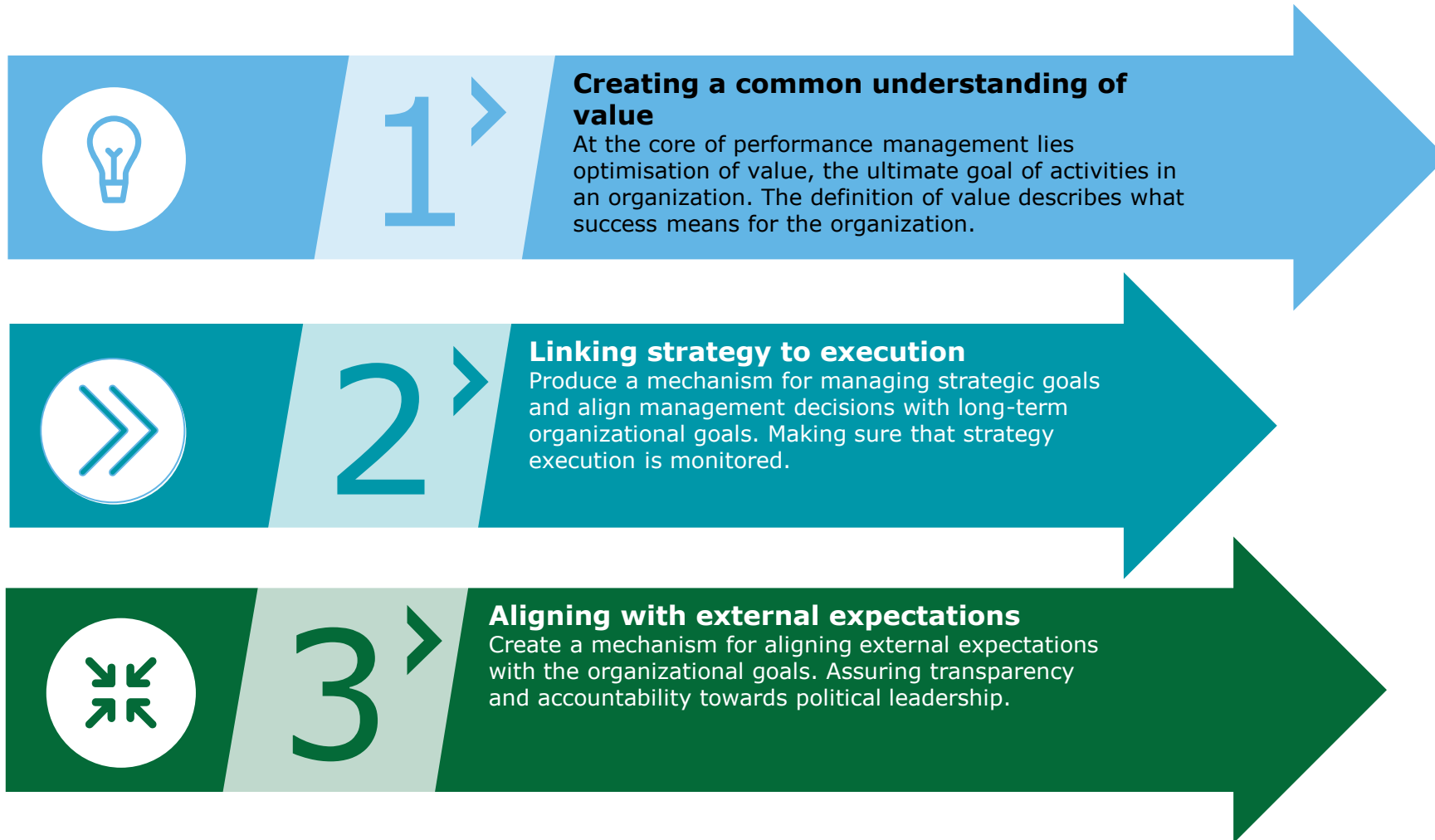
What will I cover today?

Best Practice and Examples from the Danish Public Sector



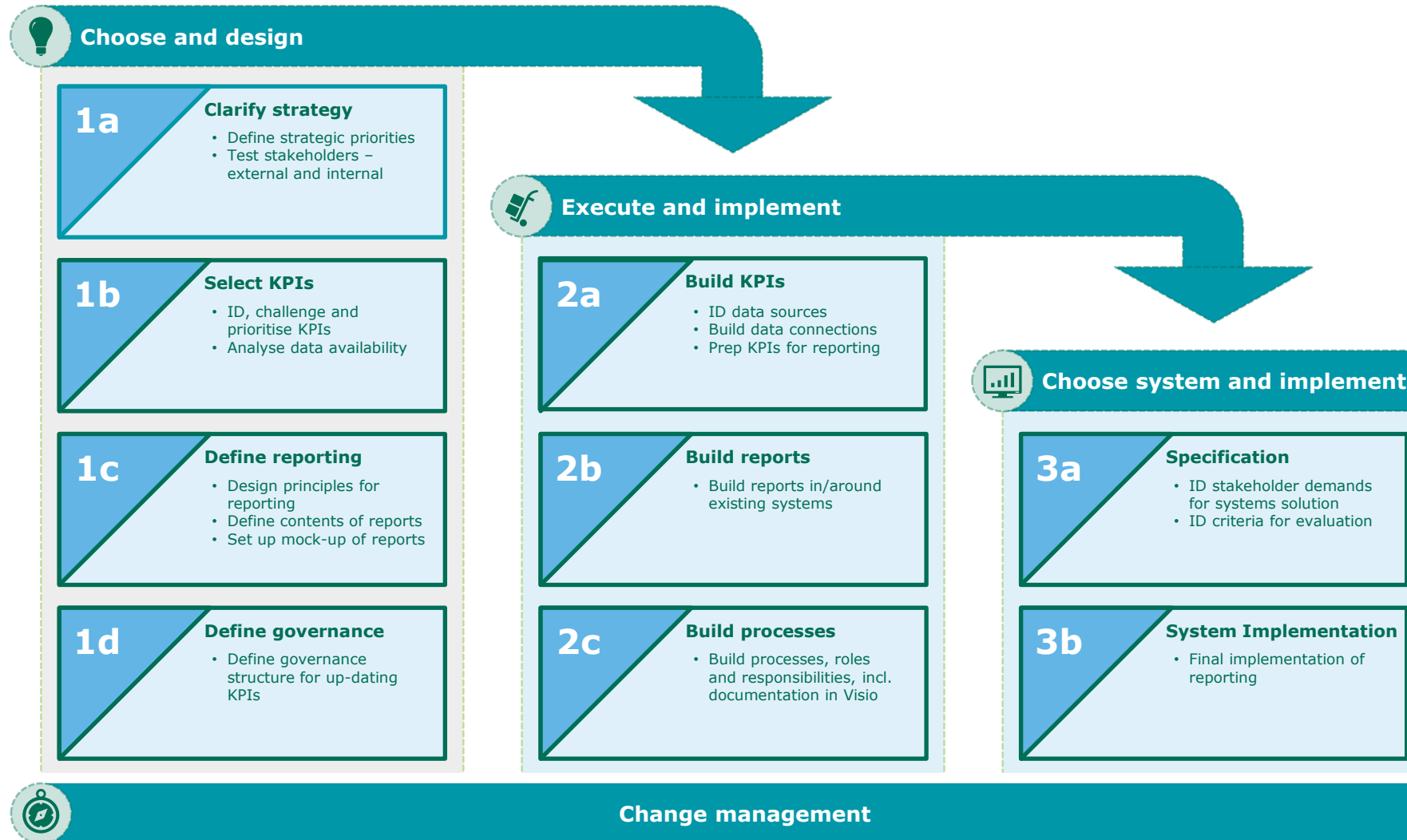
Why KPIs?

Linking Strategy to Execution



How to execute a KPI project?

Steps to introduce KPIs (used in numerous projects in the Danish public sector)



Defining and Selecting the Right KPIs

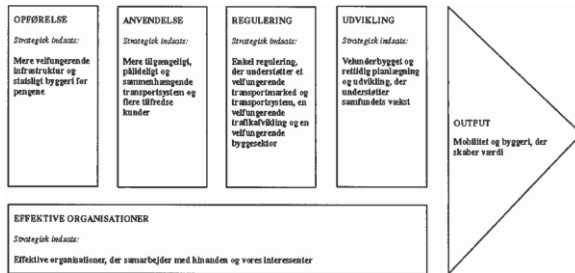
DK Ministry of Finance recommends distinguishing between different types of KPIs

	Core Tasks (Organisational KPIs)		Managerial KPIs
	Policy	Operational	Internal Administration
Examples	Preparation of policy initiatives, law-making proces, analysis etc.	Operations, production, case management etc.	Measures of organisational effectiveness
Characteristics	Typically change over time Often difficult to measure	Typically stable over time Often measurable	Typically stable over time Often measurable
How to formulate goals/targets	Go for objective, quantifiable effect indicators Accept measures of more qualitative type	Output and effect indicators Quantitative measures KPIs and clear criterias of succes	Go for multiannual quantifiable KPIs Benchmarks relevant for setting level of ambition

Defining and Selecting the Right KPIs

Examples of Organisational KPIs – Core Policy Tasks at the Danish Road Directorate

Core Policy Tasks



Mål.....

1	Transportpolitiske beslutningsgrundlag
2	Overholdelse af projektbevilling jf. Ny Anlægsbudgettering
3	Projekter til aftalt tid og kvalitet jf. Finansloven
4	Overholdelse af projektspecifikke milepæle
5	Nedbringelse af efterslæbet.....
6	Overholdelse af serviceniveau for løbende drift på statsvejene.....
7	Trafikanterne er tilfredse med vintertjenesten
8	Trafikanterne er tilfredse med trafikinformationen.....
9	Trafikanterne er tilfredse med ubemandede rasteplasser
10	Ministerbetjening til aftalt tid og kvalitet.....

1 Transportpolitiske beslutningsgrundlag

Vejdirektoratet skal gennemføre en række undersøgelser i perioden frem mod 2017. Disse undersøgelser skal gennemføres som aftalt og i henhold til Aftaler om En grøn transportpolitik samt Aftale om En moderne jernbane, Udmøntning af Togfonden DK og Aftale om Fremrykning af investeringer mv. (Togfonden).

Det indebærer, at undersøgelserne for så vidt angår form, indhold og proces skal ske i henhold til kommissorierne for de enkelte undersøgelser, i henhold til Ny Anlægsbudgettering (hvis omfattet heraf), i henhold til øvrige regler mv. på planlægningsområdet og i henhold til eventuel konkret aftale med departementet.

I målopfølgelsen indgår færdiggørelsen af tre strategisk vigtige infrastrukturprojekter. Det indbefatter i 2016 færdiggørelsen af VVM-undersøgelser for de to togfundsprojekter, Vejle Fjord og Vestfyn, samt en VVM-undersøgelse for udvidelse af Rute 54, Næstved-Rønnede.

Målemetode:

I 2016 udgøres målopfølgelsen af nedenstående tre projekter, med følgende vægtning (i %)

VVM-undersøgelse af togfundsprojekt, Vejle Fjord (40 %)
Udkast til færdig VVM-analyse, inkl. eksternt kvalitetssikring, skal være afleveret til departementet senest d. 30. september 2016, med mindre andet aftales med departementet.

VVM-undersøgelse af togfundsprojekt, Vestfyn (30 %)
Udkast til færdig VVM-analyse, inkl. eksternt kvalitetssikring, skal være afleveret til departementet senest d. 30. juni 2016, med mindre andet aftales med departementet.

VVM-undersøgelse af udvidelse af Rute 54, Næstved-Rønnede (30 %)
Udkast til færdig VVM-analyse, inkl. eksternt kvalitetssikring, skal være afleveret til departementet senest d. 15. september 2016, med mindre andet aftales med departementet.

Resultatmålet vægter 18 % og har et forventet ressourcetræk på 40,8 mio. kr.

10 Ministerbetjening til aftalt tid og kvalitet

Vejdirektoratets ministerbetjening skal have en sådan rettidighed og anvendelse, at mindst 95 pct. af besvarelsene er rettidige og mindst 95 pct. af besvarelsene bliver skønnet anvendelige. I forhold til rettidighed foretages egentlige registreringer.

Målemetode:

Vejdirektoratet fører statistik over ministerbetjeningssagerne. Statistikken bliver kvartalsvis sendt til godkendelse i departementet.

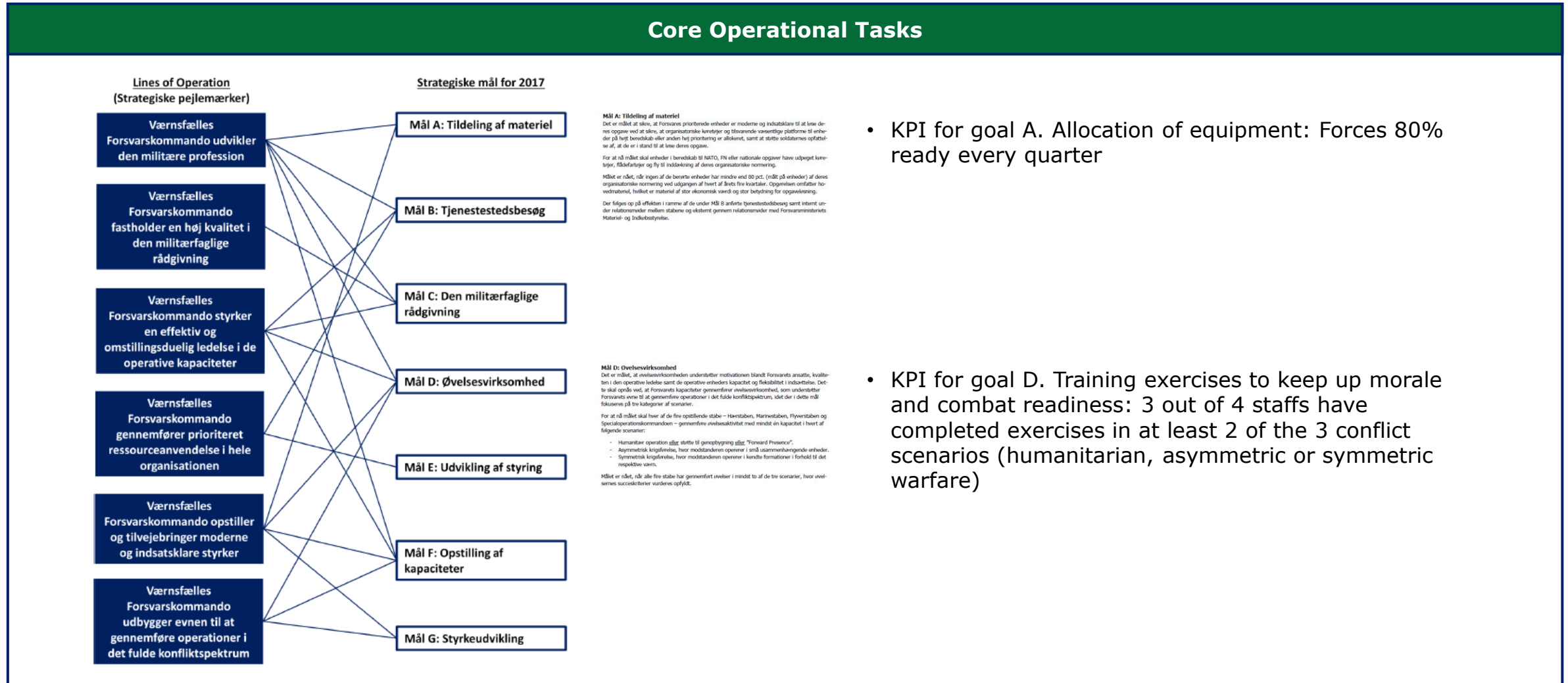
Den skønnede anvendelighed drøftes kvartalsvis mellem Vejdirektoratet og departementet. Når året er gået, fremlægger og begrundet departementet sin vurdering af anvendelighed over for Vejdirektoratet.

Resultatmålet vægter 10 %.

- KPI under goal 1. Creating the basis for sound traffic/road policy decisions: Environmental Impact Assessments for 3 critically important infrastructure projects ready at particular dates
- KPI under goal 10. Serving the Ministry of Transportation: Responses to requests from the Ministry is delivered in agreed time and quality in 95% of cases

Defining and Selecting the Right KPIs

Examples of Organisational KPIs – Core Policy Tasks at the Defence Command Denmark

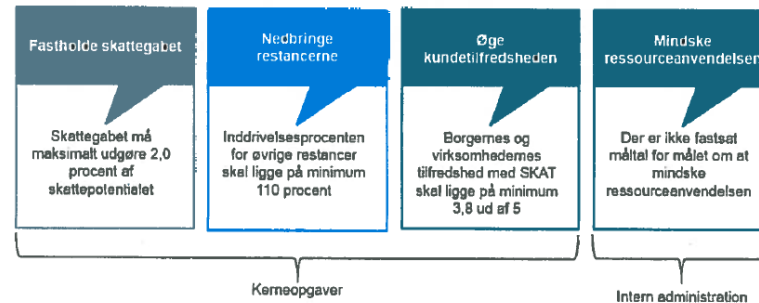


- KPI for goal A. Allocation of equipment: Forces 80% ready every quarter
- KPI for goal D. Training exercises to keep up morale and combat readiness: 3 out of 4 staffs have completed exercises in at least 2 of the 3 conflict scenarios (humanitarian, asymmetric or symmetric warfare)

Defining and Selecting the Right KPIs

Examples of Organisational KPIs – Core Operational Tasks at State Revenue Services (Organisational KPIs)

Core Operational Tasks

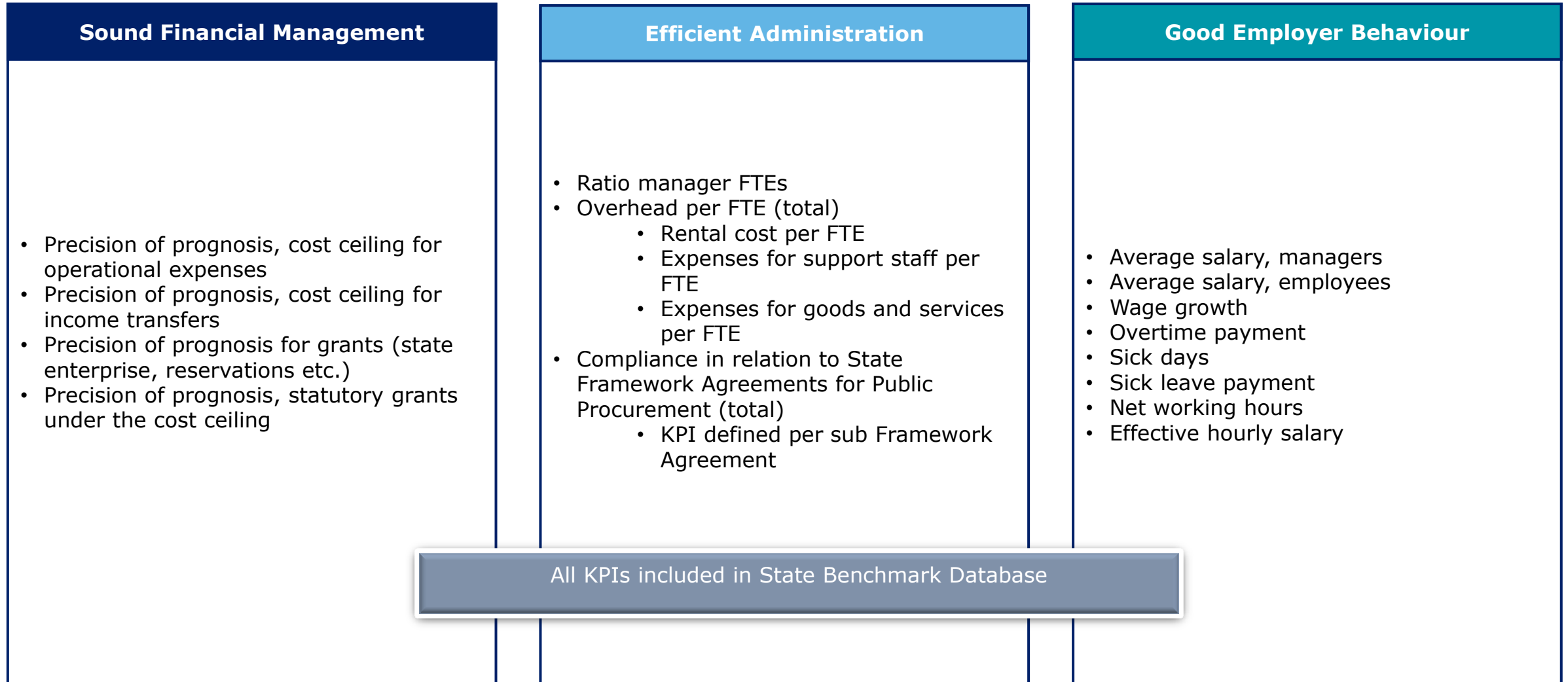


Tema	Mål
Mål knyttet til finanslovmål om at øge kundetilfredsheden og mindske ressourceanvendelsen	Mål 1: Korrekthed Minimum 95 pct. af sager skal være korrekte.
	Mål 2: Overholdelse af frister Minimum 75 pct. af alle sager skal være afsluttet inden for den fastsatte frist.
	Mål 3: Forståelighed Borgeres og virksomheders oplevelse af forståelighed i SKATs materiale skal ligge på minimum 3,8 point ud af 5 point.
	Mål 4: Tilfredshed med Kundeservice Borgeres og virksomheders tilfredshed med Kundeservices vejledning skal ligge på minimum 3,4 point ud af 5 point.
	Mål 5: Kundetilfredshed Borgeres og virksomheders tilfredshed med SKAT skal ligge på minimum 3,8 point ud af 5 point.
	Mål 6: Prognosepræcision på § 9 Prognosepræcisionen skal være på maksimalt 5 pct. afvigelse pr. kvartal mellem det faktiske forbrug og budgettet for lønudgifter, øvrige udgifter og indtægter.
Overgang til nyt skattevæsen	Mål 7: Regnskaber uden forbehold Regnskaberne for 2016 for henholdsvis § 9 og § 38 skal være uden forbehold, både for så vidt angår regnskabernes rigtighed og de interne kontroller.
	Mål 8: Nettosygefravær Nettosygefravær pr. medarbejder skal ligge på maksimum 6 dage pr. år.

- Goals on the Finance Bill: 1) Maintain tax gap, 2) Reduce outstanding tax debt, 3) Increase customer satisfaction, 4) Reduce cost
- KPIs cascaded from goal 3 and 4 on the Finance Bill:
 - 1: 95% of cases correct
 - 2: 75% of cases completed within deadlines
- You also see KPIs for internal administration cascaded from goal 4 on the Finance Bill:
 - 6: Prognosis precision budget versus cost, max. 5% deviation quarterly

Defining and Selecting the Right KPIs

Examples of Managerial KPIs – Internal Administration from State Benchmark Database



Presenting KPIs

Best in class Management Reporting

Important DK Trends

Reporting part of Continual Management Dialogue

- Annual evaluation of performance is not enough
- Reporting on performance and evaluation of performance is ongoing and part of the regular management structure

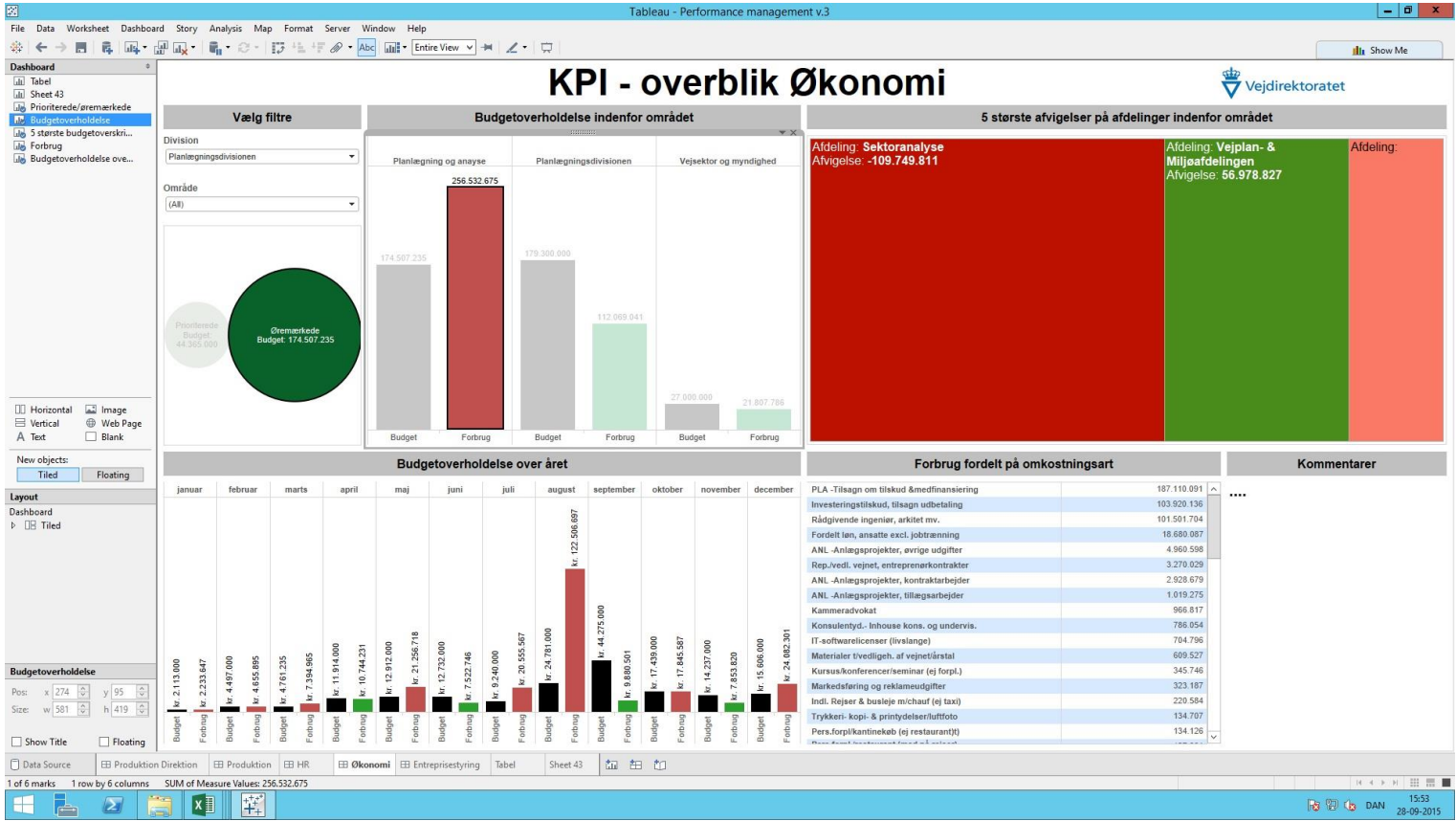
Dash Board Reporting

- Reporting supported by visualizations
- Ensures easy availability of data relevant to the decision-making and prioritization process
- Targeted presentation for different levels of management

On-time data

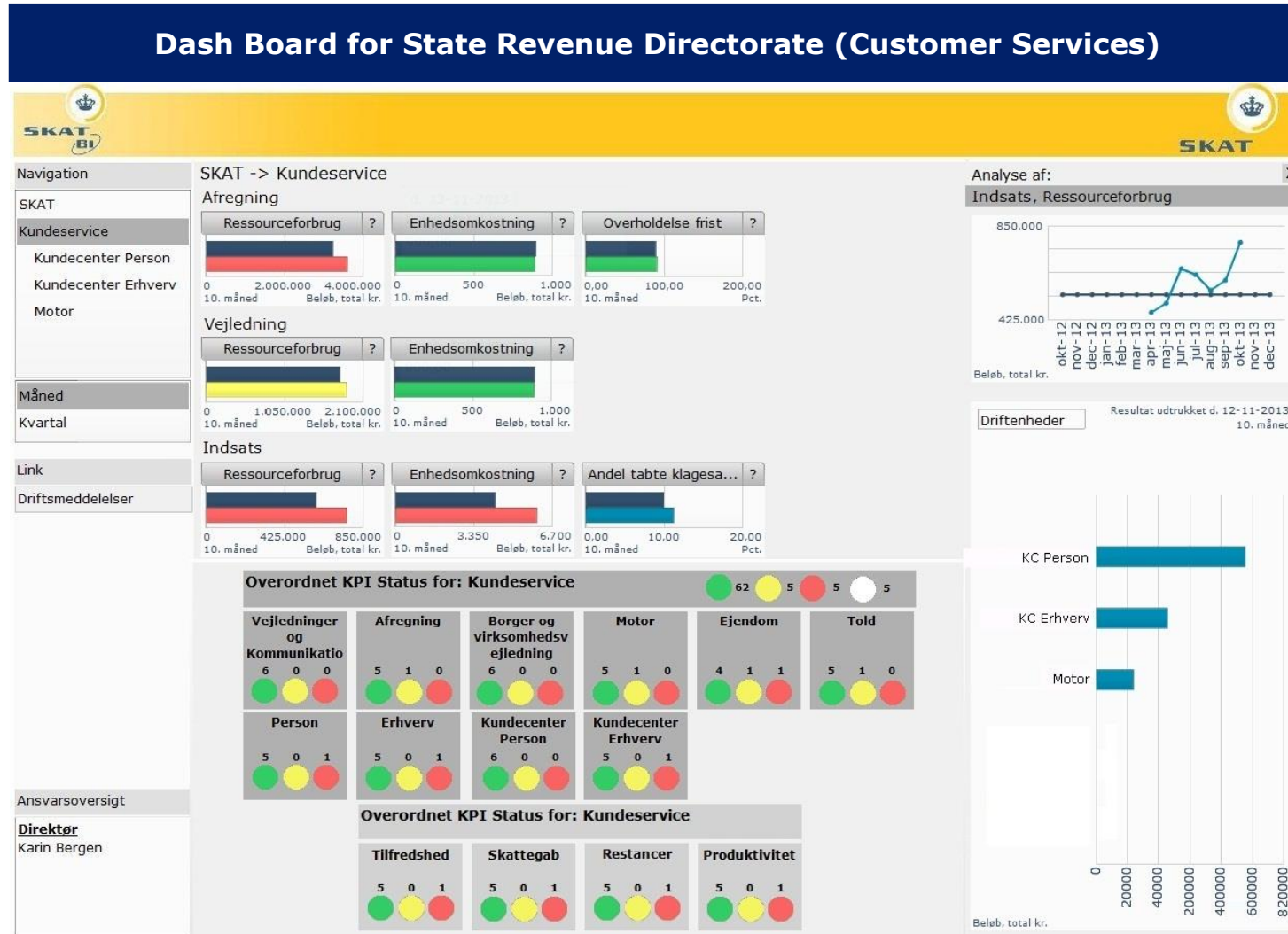
- Requires on-time data

Tableau Dash Board from Road Directorate developed by Deloitte



Presenting KPIs

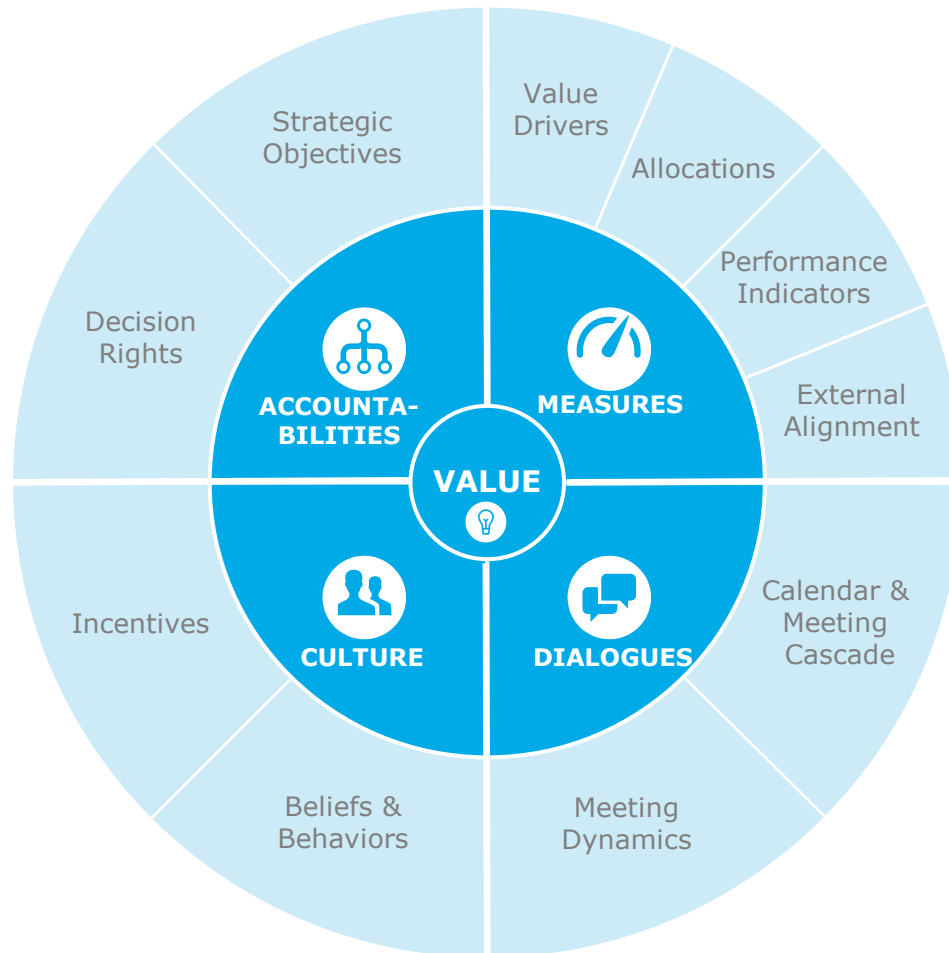
Case from State Revenue Services



How to use KIPs?

KPIs are part of a larger structure that needs to be in place to allow for best practice performance management

VALUE
What does value mean for your organization and is it commonly understood?



Accountabilities

Where are the areas of ambiguity in accountability and decision-making and what are the impacts on performance?

Culture

How does the organizational culture support or hinder effective performance management ?

Measures

How does what you measure provide the insight to drive decisions?

Dialogues

Do performance discussions lead to the right actions?

Best practice for using KPIs at State-level

Observation Points from a Danish Perspective

01

Simplify and Focus on Core Tasks

Making sure that employees understand the link between their contributions and value creation.

02

Assure Management Support

Management supports the performance management efforts at all levels of the organisation.

03

Integrate

Performance management is integrated into the general management of the organization – it is not just an add on.

04

Action-oriented reporting

Targeted management reporting that focus on the future and can be used for acting and making decisions, e.g. dash board style.

05

Follow-up

KPIs are followed up on a regular basis and are acted upon regularly by the chief executives.

06

Real consequences

Lacking performance has significant consequences – preferably in the short term.