WORKBOOK: PRIORITISATION AND PERFORMANCE MANAGEMENT

Learning Module (Workshop)

Venue

Duration - Date

....

Prioritisation &

Performance Management

....

Workbook

NAME: ....

ORGANISATION: ....

This Workbook is Personal & Confidential to the Programme Participant.
It has been designed in modular fashion to accommodate Pre-Workshop Activity, materials

provided in the Workshop and also to facilitate optional Post-Workshop further learning and

development. The Work-Book content will be delivered in sections/segments.

**WE HAVE PROVIDED A PERSONAL ASSESSMENT FROM PAGE 44, FOLLOWED BY
BLANK PAGES FOR ANY NOTES**

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WORKBOOK: PRIORITISATION AND PERFORMANCE MANAGEMENT

In this Workshop, part of a series of five for Information and Intelligence personnel, participants are encouraged to explore and better understand the worlds of marketing, promotion and communication, with a particular focus on self and team development via a series of practical healthcare/public health relevant scenarios and situations.

Whilst, as required, workshops will be provide insights into some of the basic and underpinning theories of marketing and communication, our accent throughout will be on inter-activity via individual and team practical exercises allied to encouragement for participants to develop their knowledge and understanding further, using the Workshop as a springboard for further development.

Use of a Learning Log provided to all those who attend Workshops in this series is intended to support this 'continuous learning' approach; *additional Learning Log pages are included at the end of this Workbook.*
Linked website: www.healthknowledge.org.uk

Workbook Contents

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Outline Programme

10.00

- Introduction and Objectives

- Participants' Objectives

- Trends impacting your job role

- The Organisation Success Cycle

- Creating a vision for your part of the organisation

- Holistic Strategic Planning Models, Methods & Tools : including:

  Balanced Scorecard

  Performance Frameworks and National Indicators

  McKinsey '7S' Model

- Practical : Theory and Tools into Action

13.00 Lunch

13.45

- Strategic versus Tactical Thinking

- The key elements of Strategic Thinking

- How to make strategic choices

- The features of an Effective Resource Allocation System

- Prioritisation practices within the NHS

- Linking funding to performance within the NHS

- The importance of Performance Management

- Performance Management within the NHS

- Performance Management and its link to Competencies and the creation of a
  Learning and Development Environment

- The Performance Management Process for Managers

- Types of Performance Measures

- How to describe Performance Measures

- Performance Management – a reflective practice

- Improving People Management

- Review of participants' objectives

15.45 Summary and Feed-back

16.00 Close

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Module Focus

Change Orientated Programmes require:

- The strategic alignment of Prioritisation and Resource Allocation
- The strategic alignment of Performance and Measurement aspects
- Agreement of Key Performance Indicators to measure success

It is absolutely essential in the roll-out of change-orientated programmes that those involved – employees, participants, key stakeholders - understand the importance of strategically aligning and prioritising Resource-Allocation and Performance Management aspects, building in and monitoring and managing appropriate measurements that allow organisational and programme performance to be fully and accurately assessed on an ongoing basis.

This typically benefits from agreement of a relatively small number of relevant and easily understood and communicated Key Performance Indicators (KPIs). There is a strong strategic link here with the prioritisation and linkage of programmes, projects and initiatives so that internally and across stakeholder groups people at various levels know what is happening, when and why, and also what resources are being used.

Overall these are key functions of Management and their abilities to communicate effectively.

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Module Objectives

As a result of the module participants will be able to:

- Understand how trends within their part of the organisation are creating changes in their job role.

- Understand how organisations achieve success and the parts that vision, objectives and strategy play in achieving success.

- Understand the use and application of a number of models, tools and techniques, including the Balanced Scorecard, McKinsey's '7S' model and National Indicators

- Understand the key elements of strategic thinking and link them to creating local strategies aligned with overall organisation strategies.

- Understand the best practices of Effective Resource Allocation.

- Understand the importance of Performance Management in delivering an organisation's objectives.

- Understand the link of Performance Management to Competencies and the creation of a Learning and Development Environment.

- Use a seven step Performance Management Process.

- Describe Performance Measures for different aspects of a person's performance.

- Reflect on their use of Performance Management Practices.

- Improve their People Management and Development skills.

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Contextualisation

The DH wishes to offer the opportunity for the Information and Intelligence workforce to attend five interactive learning modules that make up the component part of the skills identified to improve population health and wellbeing

- Leadership and Management
- Collaborative working
- Policy and Strategy Development and implementation
- Getting the message across
- Prioritisation and Performance Management

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On Information & Intelligence:

"The purpose of information is to promote understanding and influence behaviour and decisions."

"Information is therefore an integral part of the culture of the organisation."

Bullas and Ariotti, 2002 — Information for Managing Healthcare Resources

"Forget buildings or machines, the real source of wealth is intelligence, applied intelligence."

Charles Handy 1995

"The revolution that is underway in Information and Knowledge is about to revolutionise education and healthcare"

Peter Drucker, 1999 — Management Challenges for the 21st Century

And On Learning Generally

"We now accept the fact that learning is a lifelong process of keeping abreast of change. And the most pressing task is to teach people how to learn."

Peter Drucker, "The Effective Executive", 2002

"The organisations that will truly excel in the future will be the organisations that discover how to tap people's commitment and capacity to learn at all levels in the organisation."

PETER SENGE, The Fifth Discipline

"The illiterate of the 21st Century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn."

ALVIN TOFFLER

WORKBOOK: PRIORITISATION AND PERFORMANCE MANAGEMENT

In this workshop we will be taking some initial steps towards understanding ourselves, understanding others, understanding change and the impacts of change, understanding management, motivation, leadership, teams and team-building. We have included inter-activity and practical exercises throughout.

A KEY AIM IS TO PROVIDE YOU WITH A RESOURCE BASE OF INFORMATION & KNOWLEDGE, CONCEPTS, MODELS, TOOLS & TECHNIQUES FOR PRIORITISATION AND PERFORMANCE MANAGEMENT WITH A SPECIFIC FOCUS ON THE NHS

We thus propose the workshop be the start of a journey of discovery that we hope you will enjoy! We will provide Slides as we progress, these designed to fit into your Workbook – which we also hope will help guide you through further thinking and discovery in and around the realms of strategy, planning, prioritisation and performance management.

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Prioritisation & Performance Management

THE TERMS DEFINED:

What is Prioritisation?

As defined by the FreeDictionary

- to arrange or deal with in order of importance.

- to put things in order of importance:

"Everyone should take time to be alone, to prioritize and meditate"
ART LINKLETTER

EXAMPLE:

Befordshire PCT: Prioritisation Policy:

Prioritisation is the process whereby decisions are made about which services or interventions should take precedence in relation to each other for investment.

What is performance management?

Performance management is the activity of tracking performance against targets and identifying opportunities for improvement - but not just looking back at past performance.

The focus of performance management is the future - *what do you need to be able to do and how can you do things better?*

Managing performance is about *managing for results.*

Performance-based management at any level in the organisation should demonstrate that:

- you know what you are aiming for

- you know what you have to do to meet your objectives

- you know how to measure progress towards your objectives

- you can detect performance problems and remedy them

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Prioritisation Categories

Departments should prioritise all their programmes and projects (including those that do not involve procurement) to enable them to match their business priorities to their current capability and capacity to deliver. Programmes and projects should be categorised as Mission Critical, Highly Desirable or Desirable. Below is a set of definitions for these priority classifications. In developing this prioritisation, executive agencies and NDPBs that lie within the Secretary of State's responsibilities should be included.

1. MISSION CRITICAL

A. ESSENTIAL to the successful delivery of
   i)   a major legislative requirement OR
   ii) a PSA target OR
   iii) a major policy initiative announced and owned by the PM or a Cabinet Minister

OR

B. If the programme or project is not successful there are catastrophic implications for delivery of a key public service, national security or the internal operation of a public sector operation.

2. HIGHLY DESIRABLE

A. IMPORTANT (but not essential) for the delivery of:
   i)   a major legislative requirement OR
   ii) a PSA target OR
   iii) a major policy initiative announced and owned by the PM or Cabinet Minister

OR

B. ESSENTIAL to the successful delivery of
   i)   a minor legislative requirement OR
   ii) a high profile (but not PSA) target OR
   iii) other government policy initiatives

OR

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C. If the programme or project is not successful there are serious (but not catastrophic) implications for the delivery of a key public service, national security, or the internal operation of a public sector organisation.

OR

D. If the programme or project is not successful there are catastrophic implications for the delivery of non-key public services or the realisation of significant business benefits.

3. DESIRABLE

All programmes or projects that do not meet the mission critical or highly desirable criteria.

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Some Appropriate Quotes

"In the environment of unprecedented change that is the NHS at present, the current experiential approach to management decision making is not adequate to achieve the levels of performance that are demanded."

"Managers must be able to justify their decisions and be accountable for them, just as clinicians must be accountable for their decisions. This requires that management be evidence-based."

Information for Managing Healthcare Resources, BULLAS, ARIOTTI, 2002

"the NHS culture is not – by and large – one which encourages reporting and analysis"

"An Organisation with a Memory" - CMO Report June 2000

PLEASE ADD BELOW ANY QUOTATIONS OF YOUR OWN THAT YOU THINK ARE RELEVANT TO THE 'INFORMATION and INTELLIGENCE INITIATIVE' focusing on 'INFORMING HEALTHIER CHOICES' (You may want to refer to the 'Module Focus' on Page 5 and the Module Objectives on Page 6)

You may also want to prepare for the Workshop Introductions session by completing the Template on the next page (Page 14) and also the Trends template on Page 15…

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Participant Introductions

Please Introduce yourself briefly by sharing:

- Your name

- Your Job Title/Role

- Your location

- A little known fact about yourself

- Your Primary Objectives in attending this module

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Trends In Your Part Of The Organisation

How would you describe your job role in the three time frames below?

My Job:...

My Main Responsibilities...

....

My role 3 years ago
My role today
My role 3 years from now

PLEASE ENSURE YOU BRING THIS FIRST SECTION OF THE WORKBOOK WITH YOU TO THE WORKSHOP. THANK YOU

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Prioritisation And

Performance Management

WORKBOOK

Section 2

How Generally Are 'I & I' People Perceived Within The NHS/Wider Stakeholder Groups?

- Are we generally heads-down 'teckies', individuals who simply analyse and sort the 'numbers' and send them to others? **OR**
- Are we dedicated Team players who work together to provide not just data but Information, insights into 'evidence' and 'knowledge'?
- OR are we a valuable resource capable of making valuable contributions to decision-making, improving the health and well-being of our populations?

TASK: please consider the above questions in preparation for a short Discussion. Make a few Notes here regarding your own thoughts and perceptions

Trends In Your Part Of The Organisation

How would you describe your job role in the three time frames below?

My Job:..

My Main Responsibilities...

....

| |
| --- |
| **My role 3 years ago** |
| |
| **My role today** |
| |
| **My role 3 years from now** |
| |

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Strategic Planning Models, Tools & Techniques

1. THE ORGANISATION SUCCESS CYCLE

The following diagram (Figure 1.) shows the eight issues impacting you as your organisation seeks to achieve long term success.

Changes at an organisation level in any of the eight issues will be a contributor to future trends in your part of the organisation and in your own job.

Figure 1.

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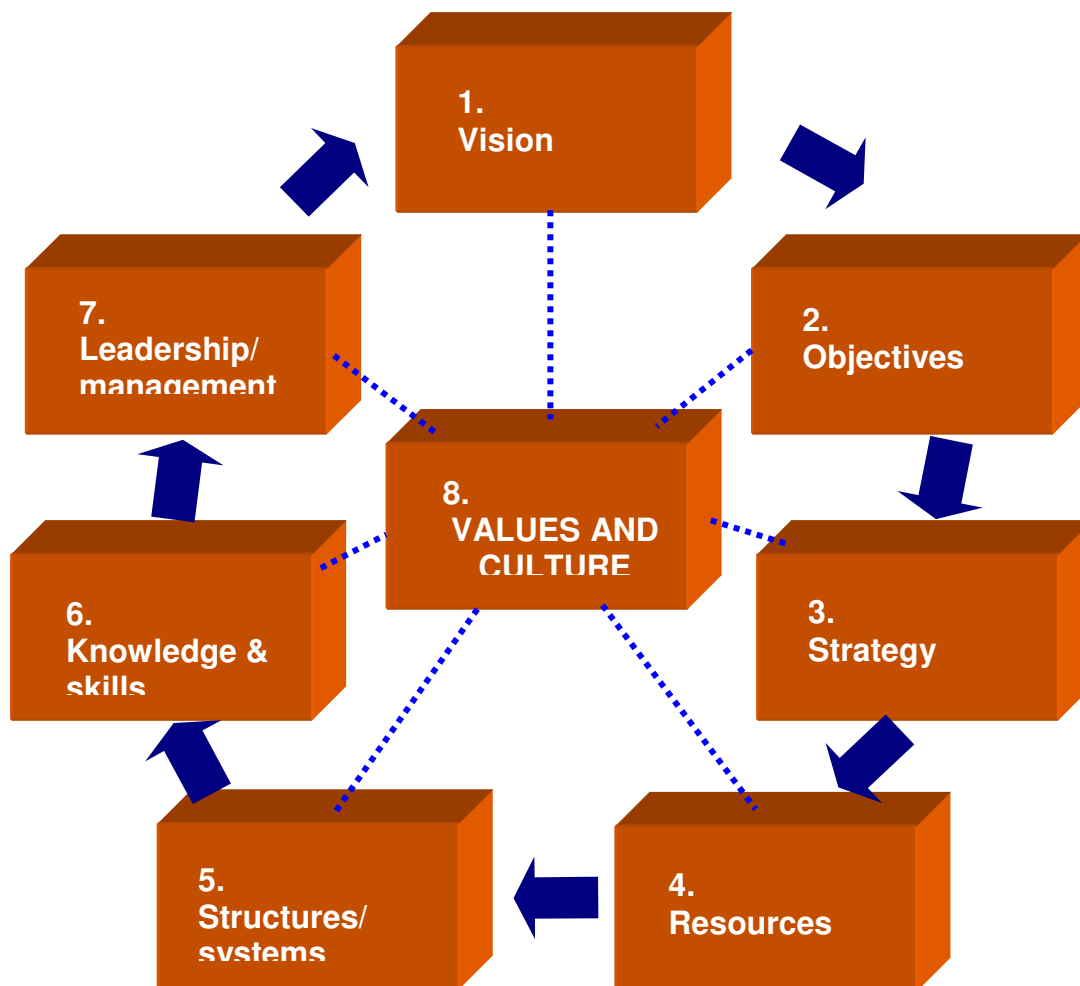
The Organisation Success Cycle Explained

Vision is a vital step in the organisation success cycle. Vision asks the question 'what is the preferred future we are trying to create?'

Objectives put measures of success to the vision and ask the question 'how will we know if we succeed?'

Strategy is about the 'how' of achieving the objectives. It asks the question 'by what means will we achieve the objectives?'

Resources include finance, people, technology, premises & products. The question is 'what resources will be required to deliver the objectives and strategy?'

Structures & Systems involve using resources in the most efficient way and measuring their performance. What organisation structure, what technical and information systems and processes will be required are the key issues.

Knowledge & Skills defines the level of knowledge, skills & know-how which will be required of people to work in the structure and use the resources and processes.

Leadership and Management asks the question what leadership style and management skills will be required to make it all happen and live out the culture and values.
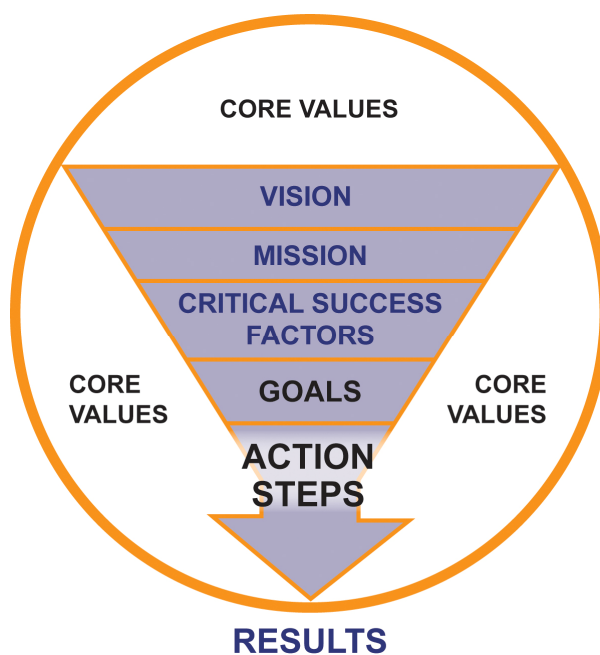
Values and Culture defines the beliefs and behaviours that the organisation wishes to adopt to operate in a consistent way and to guide all decisions.

HOW WOULD YOU DESCRIBE YOUR ORGANISATION'S VISION, OBJECTIVES AND STRATEGY?

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2. STRATEGIC PLANNING MODELS & TOOLS : Example and Web-Link

Here is another representation (Figure 2.) of the way that Strategic Planning techniques are incorporated into a wide variety of Models designed to help organisations conduct this vital part of business activity . This one comes from Strategy PlanTool

FIGURE 2.

CORE VALUES

VISION

MISSION

CRITICAL SUCCESS FACTORS

CORE VALUES

GOALS

CORE VALUES

ACTION STEPS

RESULTS

Copyright ©2001-2008 Strategic Plan Builder, LLC

Note the emphasis above on 'Core Values', a clear reference to the prevailing culture of organisations (often referred to as 'the way we do things around here' but in fact typically drives much deeper than this) as it is very important that these 'cultural' and 'values' aspects are taken into account when formulating strategy, particularly where this involves change.

3. WEISBORD'S SIX-BOX ORGANISATIONAL MODEL

Description and use

This Model is included in the SDO Change Management Series "Managing Change in the NHS" under the title ""Organisational Change - a Review for Healthcare Managers, Professionals and Researchers", May 2001

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Weisbord suggested, back in 1976, that there were *six* key areas in which *'things must go right'* if an organisation was to be successful. These are depicted in Figure 3. <u>The model provides a diagnostic tool for identifying the key areas.</u>

This Model is not particularly well-known - or well-used – but as the Note, next page, says, it was used in the late 1990s by practitioner/researchers Plamping et al at the Kings Fund (Urban Health Partnership).
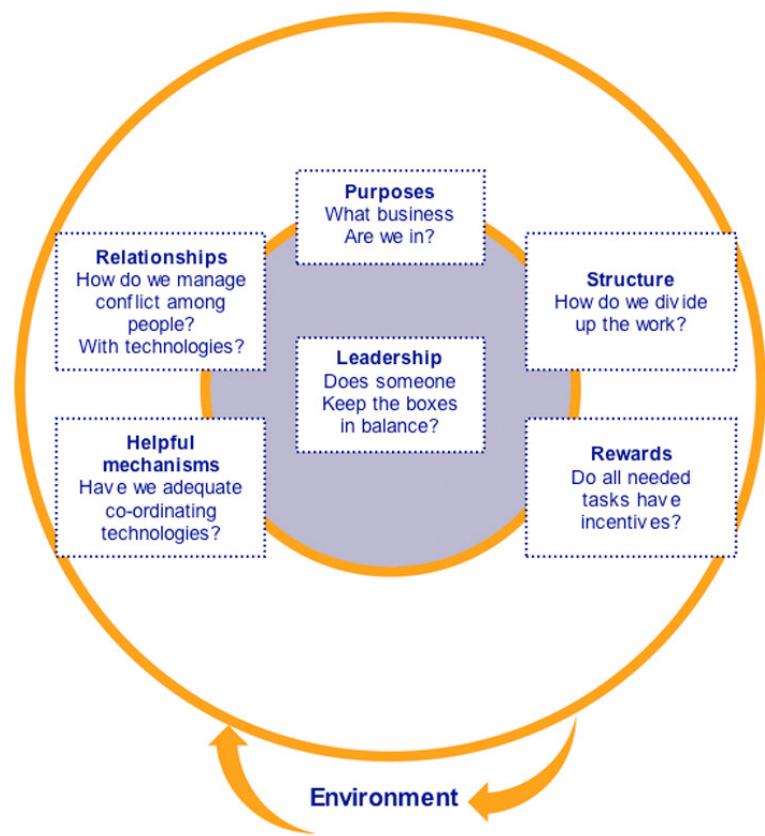
There is little recent or current evidence for the use or application of this model - which we suspect was overtaken in the early1980s by our next Model, McKinsey's '7S' Model:

4. THE MCKINSEY 7S MODEL ("Managing Change in the NHS")

By contract to the above this is a very well-known proprietary model, developed by Management Consultants McKinsey and brought to fame by Peters and Waterman in their book 'In Search of Excellence' (1982). The '7S' Model includes **'shared values'** as the centre-piece of the organisation. Although it has had its detractors over the years, the 7S Model is still quite widely used, including in several parts of the NHS.

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Background

Waterman, Peters and Phillips (1980), working for the US management consultancy McKinsey, suggested that there were seven aspects of an organisation that needed to harmonise with each other, to point in the same direction like the needles of seven compasses. If each aspect supports the others then the organisation can be said to be 'organised'. As each of these aspects can be titled with a word beginning with S, this list or web has become known as the 7S Model (see Figure Below).
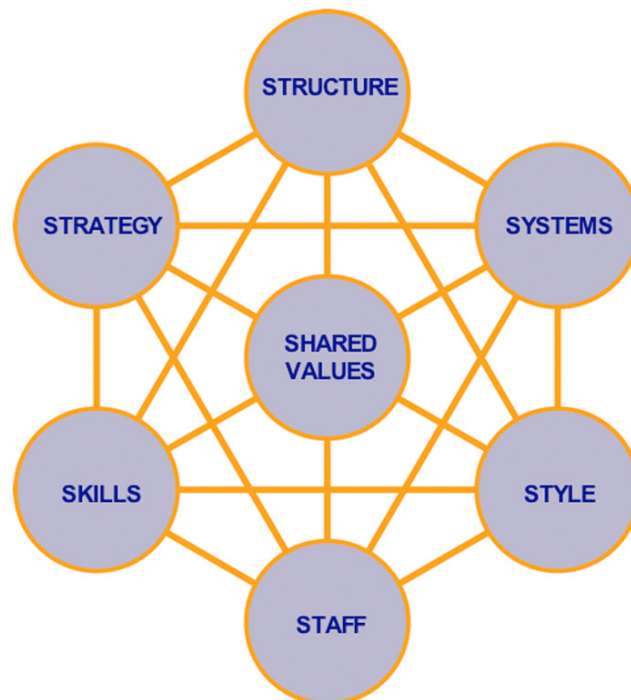
The constituent parts of the 7S Model are:

- **Strategy:** plan or course of action leading to the allocation of an organisation's finite resources to reach identified goals
- **Structure:** salient features of the organisational chart (e.g. degree of hierarchy, presence of internal market, extent of centralisation/decentralisation) and interconnections within the organisation
- **Systems:** procedures and routine processes, including how information moves around the organisation
- **Staff:** personnel categories within the organisation, e.g. nurses, doctors, technicians
- **Style:** characterisation of how key managers behave in order to achieve the organisation's goals
- **Shared values:** the significant meanings or guiding concepts that an organisation imbues in its members
- **Skills:** distinctive capabilities of key personnel and the organisation as a whole.

The 7S Model can be used in two ways:

1. **Strengths and weaknesses** of an organisation can be identified by considering the links between each of the Ss. No S is a strength or a weakness in its own right; it is only its degree of support, or otherwise, for the other Ss which is relevant. Any S which harmonises with all the other Ss can be thought of as strengths, any dissonances as weaknesses.

2. The model highlights how **a change made in any one of the Ss will have an impact on all of the others**. Thus if a planned change is to be effective, then changes in one S must be accompanied by complementary changes in the others.

The Evidence

Using the 7S Model, Peters and Waterman surveyed 62 successful US companies in the late 1970s. In their book In Search of Excellence (1982) they identified eight features common to excellent performance.

- A bias for action: a propensity to act, even in the light of incomplete information, rather than to engage in extensive discussion and analysis.

- Close to the customer: listening to, learning from, and providing exemplary service for their customers.

- Autonomy and entrepreneurship: fostering leaders and innovators throughout the organisation; encouraging practical risk taking and tolerating failure.

- Productivity through people: respect for and validation of staff; recognition that staff are the source of quality and productivity gain.

- Hands-on, value-driven: led by executives that are 'in touch' with the essential aspects of the organisation; paying explicit attention to promulgating the organisation's core values.

- Stick to the knitting: operating primarily in fields of established expertise.

- Simple form, lean staff: characterised by few administrative layers, and uncomplicated systems.

- Simultaneous loose–tight properties: a combination of centralisation and decentralisation; promoting individual autonomy within the boundaries of the organisation's core values.

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This by itself does not constitute evidence about the efficacy of using the 7S model and there is little empirical support for Peters and Waterman's conclusions:

Five years after the publication of In Search of Excellence, two-thirds of the 'excellent' companies had 'slipped from the pinnacle'
Pascale, 1990.

Nevertheless, the 7S approach is considered important by many commentators because of its dual emphasis on *'soft'* organisational components (**style, staff, skills, and shared values**) as well as the *'hard'* (**strategy, structure and systems**).

It facilitated the translation of academic research into managerial practice, popularising the notion of organisational culture as the 'normative glue' that holds together the organisation, promoting consensus and integration
Hughes, 1996

As a result, the notion that organisations are independent social systems – whose values, symbols, rituals, myths and stories exert a powerful influence on the behaviour of members – was encouraged into the mainstream.

*It has been criticised, however, as providing a **one-sided perspective of organisational culture, focusing solely on the similarities that bind an organisation, ignoring the conflict and dissension that also shape an organisation's culture***
Martin, 1992; Hughes, 1996

Commentary

Many observers of organisations have developed lists or models of aspects which are interdependent and which purport to encapsulate the organisation, or situation, as a whole. Where the 7S Model or Six-Box Organisational Model (or any of the other checklists and models in regular use) is used as a basis for a rigorous, perceptive, and comprehensive consideration of an organisation, in relation to what the organisation is trying to achieve, then it can yield valuable insights, and support change programmes that tackle causes rather than symptoms.

Strategic Planning And Prioritisation (1: Fundamentals)

Planning is one of the fundamentals of modern life. We all practice it to a greater or lesser extent. In our *personal* lives we plan holidays, careers, the acquisition of assets (e.g. cars, consumer goods, houses); sometimes we do detailed planning with budgets, on other occasions we do it fairly informally, simply 'work things out in our heads'. But however we do it, planning, essentially, is the *'organisation of a series of actions to achieve a specified outcome'*.

In *work* environments, where we typically refer to it as '**business planning'**, we adopt a generally much more systematic, disciplined approach. We plan projects, plan and develop new products and services, new initiatives and programmes. We also draw up plans for change, for doing things differently, doing things better. We also discuss, draft and then implement short, medium and longer-term plans as to where, organisationally, we want to get to, what we want to achieve.

In essence such plans are organisational 'route maps' to get us from 'where we are at now' to 'where we want to get to' at some defined point, or points, in the future. They are also the essence of what, today, we call *strategic* planning, something that has, since the early 1960s grow steadily to become, now, one of the essentials of modern business and organisational life.

The Classic 4-Step Approach To Business Strategy

Here we introduce a very useful structured approach to strategic and change management planning, which was developed from work done initially by Price Waterhouse (accountants) back in the 1980s..

The **4-Step approach** is a simple structure that helps us to look both holistically and in detail at the drafting and development as well as the *implementation* of our Plan:

STEP 1 "Where We Are At Now?"

In this stage we establish our present position – what we sometimes refer to as our "current reality" . This should be an honest and realistic assessment of our position across key factors in the organisation generally and in our part of the organisation specifically; *any ducking of issues or avoidance of existing problems here will have detrimental impacts later*.

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STEP 2 "Where Do We Want To Get To"

This effectively is our **Vision** (see Strategic Planning Process). In a large organisation, such as the NHS, there will almost certainly be an overall Vision, often enunciated in a Strategic Plan (e.g. The NHS Plan) and supporting/subsequent documents. It is also necessary to consider the *local* situation – within the overall Plan what do *we* have to achieve in our area? Where do *we* need to get to?

STEP 3 "How Will We Get there?"

This is especially important, It is our carefully thought-through 'Route Map' to get us from where we are now to our Vision for the Future. It will comprise a series of detailed actions and steps that we will take to help us to get to "where we want to go"

STEP 4 "How Will We Know When We Get There?"

This stage of the planning has to do with **key measuring and monitoring aspects.** Once we have our journey plan, our Strategic Plan we need to set monitoring points (often referred to as 'milestones' to check how things are going, assess how well or otherwise we are performing against Plan. Thus we schedule key review points as part of a **PLAN : ACTION : REVIEW** approach. To ensure that we do this *effectively* we need to determine at the outset a number of relevant **Key Performance Indicators (KPIs)**, these will be critically important areas that we will monitor, measure and assess as we roll-out our Plan.

Strategic Planning and Prioritisation (2. Today)

Strategic Planning is today considered an essential business practice for all organisations, be they small, medium or large and whether they are located in private, public, non-government social or voluntary sectors. It is a form of business discipline that recognises organisations have a purpose, a 'raison d'etre', a vision and that in an increasingly fast-changing and complex world, they need to consider carefully how best they can first determine, then **prioritise** , then achieve their key aims, goals and objectives. Typically, to achieve this they adopt a particularly strategic, medium-to- longer-term approach and use a defined monitoring and management system to ensure that they measure and assess performance against Objectives along the way.

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The NHS London Strategic Plan, 2008-13, published by the London Strategic Health Authority summarises their overall aims and objectives within the undernoted Vision:

"Our strategic plan for the period 2008-13 sets out an ambitious programme of work to deliver the high-quality, value for money services that Londoners deserve."

Havering Primary Care Trust (PCT) Strategic Plan, 2006-2010, covering a defined local authority area within London, summarises their five prioritised aims within an overall Vision:

"Havering Primary Care Trust's (PCT's) strategic plan for 2006-2010 outlines our vision for the health of the 240,000 people living and working in Havering. We have identified five aims, which will help us achieve our vision. These aims are informed by national policies and local need. Our aims will guide and direct our policies and plans for the next five years and put the health and well-being of Havering people at the heart of what we do."

HAVERING PCT VISION STATEMENT

The Trust's strategic goal is to increase life expectancy for all the people living in Havering and to reduce inequalities in health outcomes

The Strategic Planning Process, adapted from QUICKMBA and NETMBA

VISION, MISSION & VALUES

AIMS, GOALS & OBJECTIVES

SITUATION ANALYSIS/ ENVIRONMENTAL SCANNING

STRATEGY FORMULATION

STRATEGY IMPLEMENTATION

MANAGEMENT, MONITORING & CONTROL REGULAR REVIEWS AGAINST PLAN

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Creating A Vision

Use the following five step process. Think about a 3 year time frame.

1.	Describe the 'preferred future' you are working to create in your part of the organisation

2.	List up to 4 major objectives (to create the preferred future)

3.	Describe the main elements of your strategy (i.e. how you will deliver your objectives)

4.	Describe your part of the organisation 3 years from now. Think about:

Resources

Structures/systems

Knowledge and skills of team members

Your leadership and management of the team

Culture and values

5.	List the benefits for the organisation and your team.

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Characteristics of an Effective Vision

Effective visions are:

- *Imaginable:* Conveys a picture of what the future will look like.
- *Desirable*: Appeals to the long-term interests of employees, customers, stockholders, and other stakeholders who have a stake in the enterprise.
- *Feasible*: Comprises realistic, attainable goals.
- *Focused:* Is clear enough to provide guidance in decision making.
- *Flexible*: Is general enough to allow individual initiative and alternative responses in the light of changing conditions.
- *Communicable:* Is easy to communicate; can be successfully explained within five minutes.

Creating an Effective Vision

Creating an effective vision:

- *First draft:* The process often starts with an initial description from a single individual, reflecting both his or her dreams and real market-place needs.
- *Role of the guiding coalition:* The first draft is always modelled over time by a guiding coalition or an even larger group of people.
- *Importance of teamwork:* The vision building process never works well without effective teamwork.
- *Role of the head and the heart:* Both analytical thinking and a lot of dreaming are essential throughout the vision building activity.
- *Messiness of the process*: Vision creation is usually a process of two steps forward and one back, movement to the left and then to the right and so on.
- *Time frame:* Vision is never clear if created in a single meeting. The activity usually takes months.
- *End* **product:** The process results in a direction for the future that is desirable, feasible, focused, flexible, and is conveyable in five minutes or less.

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Key Elements in the Effective Communication of Vision

BEST PRACTICES:

Simplicity:	All jargon and technobabble must be eliminated.
Metaphor, analogy and example:	A verbal picture is worth a thousand words.
Multiple forums:	Big meetings and small, written and oral, formal and informal interaction – all are effective for spreading the word.
Repetition:	Ideas sink in deeply only after they have been heard many times.
Leadership by example:	Behaviour from important people that is inconsistent with the vision overwhelms other forms of communication.
Explanation of seeing: inconsistencies:	Unaddressed inconsistencies undermine the *inconsistencies:* credibility of all communication.
Give-and-take:	Two-way communication is always more powerful than one-way communication

Obtaining A Balanced Focus On Objectives

The Use Of The Balanced Scorecard

The Balanced Scorecard Provides a Framework to Translate Objectives into Operational Terms.
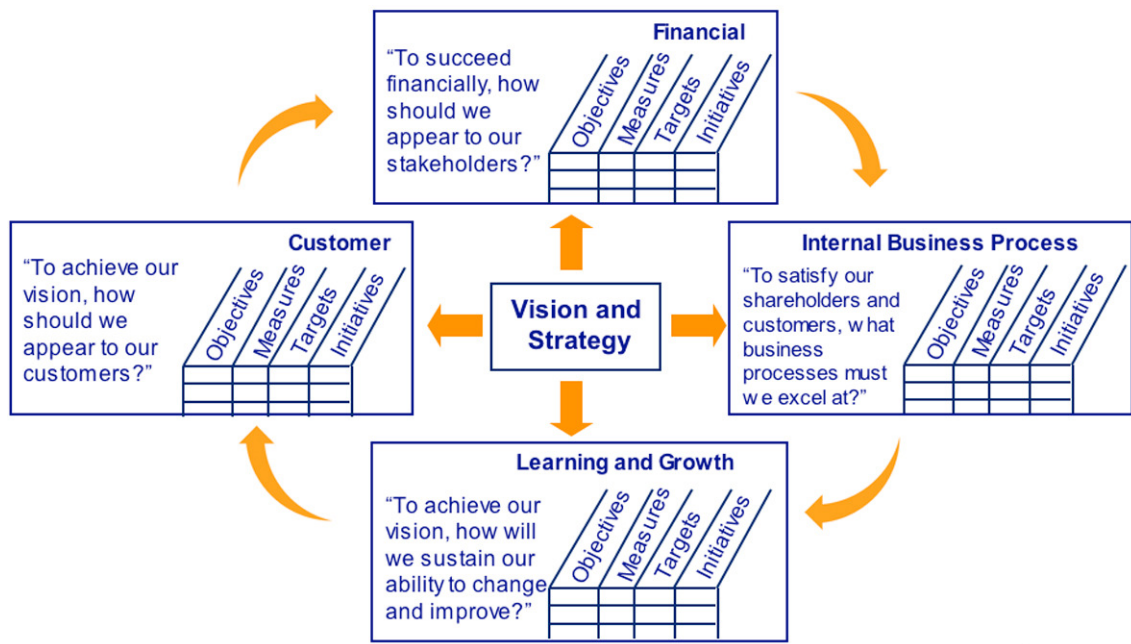
The Balanced Business Scorecard – Exercise

What is My Vision of the Future?

Statement of Vision
1. Purpose of Function/ Department/Team
2. Mission Statement
3. Vision Statement

If My Vision Succeeds, How Will I Differ?

To My Stakeholders	To My Customers	With My Internal Management Processes	With My Ability to Innovate and Grow
Financial Perspective	Customer Perspective	Internal Perspective	Innovation and Learning

What Are the Critical Success Factors?

What Are the Critical Measurements?

THE BALANCED SCORECARD

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The Balanced Scorecard Links Performance Measures

How do customers see us?

Financial Perspective

GOALS	MEASURES

How do we look to stakeholders?

What must we excel at?

Customer Perspective

GOALS	MEASURES

Internal Perspective

GOALS	MEASURES

Innovative and Learning Perspective

GOALS	MEASURES

Can we continue to improve and create value?

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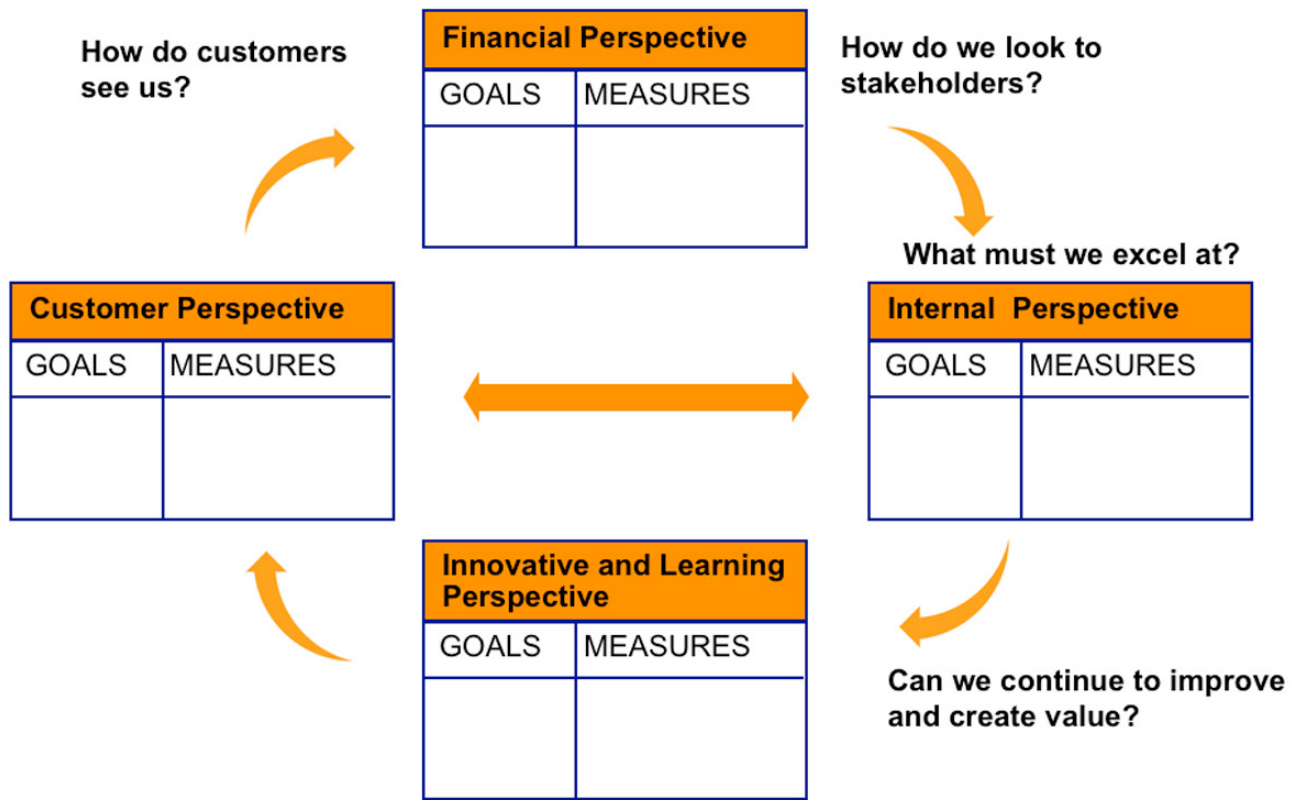
How the Balanced Scorecard is used in the DH/NHS

- As a measurement tool against the defined targets

- As a traffic light system for Trusts to identify progress

DISADVANTAGES

- The NHS does not use the BSC in a 'balanced holistic' way to develop its business from the four perspectives

- It is used in a way that it is difficult to balance progress with success (e.g. if at 6 months smoking cessation targets are below 50% that does not mean that the target will not be met, but it will highlight areas of concern)

- There is a degree of self assessment which is often subjective

- Many Trusts are now using different tools to assess performance progress

SPACE FOR NOTES ON BALANCE SCORECARD AND OTHER TOOLS/TECHNIQUES

Strategic Versus Tactical Thinking

Tactical Thinking is about:

Strategic Thinking is about:

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The Key Elements of Strategic Thinking

If the organisation's vision defines its fundamental purpose and provides a statement of its preferred future, and the organisation then defines the specific objectives it needs to deliver on to achieve the vision, then strategy quite simply is about how to achieve these objectives.

STRATEGY IS ABOUT THE CHOICES WE MAKE TO ACHIEVE OUR OBJECTIVES TO DELIVER OUR VISION

More thoroughly defined: **"Strategy is the central, integrated, externally oriented concept of how we will achieve long term success."**

The key to successful strategic thinking and planning is the carrying out of a Strategic Analysis. This includes:

- A market place analysis.
- Customer trends.
- Environmental forecast (PESTCL analysis).
- Commercial analysis.
- An external SWOT analysis.

Having completed this externally oriented analysis strategic thinking and planning also then includes:

- An assessment of internal resources.
- An internal SWOT analysis.

Once completed the two analyses combined will create a picture of external and internal forces driving change in the organisation and its activities.

This picture can then be used to consider five major elements of strategy available to an organisation to enable it to make the right choices when it comes to its future strategy.

WORKBOOK: PRIORITISATION AND PERFORMANCE MANAGEMENT

These strategic choices can then be 'sanity checked' using a template for selecting the choices which will provide the biggest benefits for the organisation.

The following models, tools, techniques and templates will help you in your strategic thinking/planning.

1. The Place of Strategy (overview of the place of strategy).
2. A PESTCL analysis covering the following key trends:
    - Political trends.
    - Economic trends.
    - Social trends.
    - Technological trends.
    - Cultural/geographic trends.

3. A commercial analysis.
4. The Five Major Elements of Strategy (overview).
5. How to make strategic choices (template).

These are provided for you in the following pages.

The Place of Strategy

Strategic Analysis
- Market-place analysis
- Customer trends
- Environmental forecast
- Competitor analysis
- Internal/External SWOT
- Assessment of resources

Vision
- Fundamental purpose
- Statement of preferred future

Objectives
- Specific targets

Strategy
The central, integrated, externally oriented, concept of how we will achieve long term success.

Supporting Organizational Arrangements
- Resources
- Structure
- Processes and policies
- Leadership & management
- Systems
- Rewards
- People's knowledge and skills
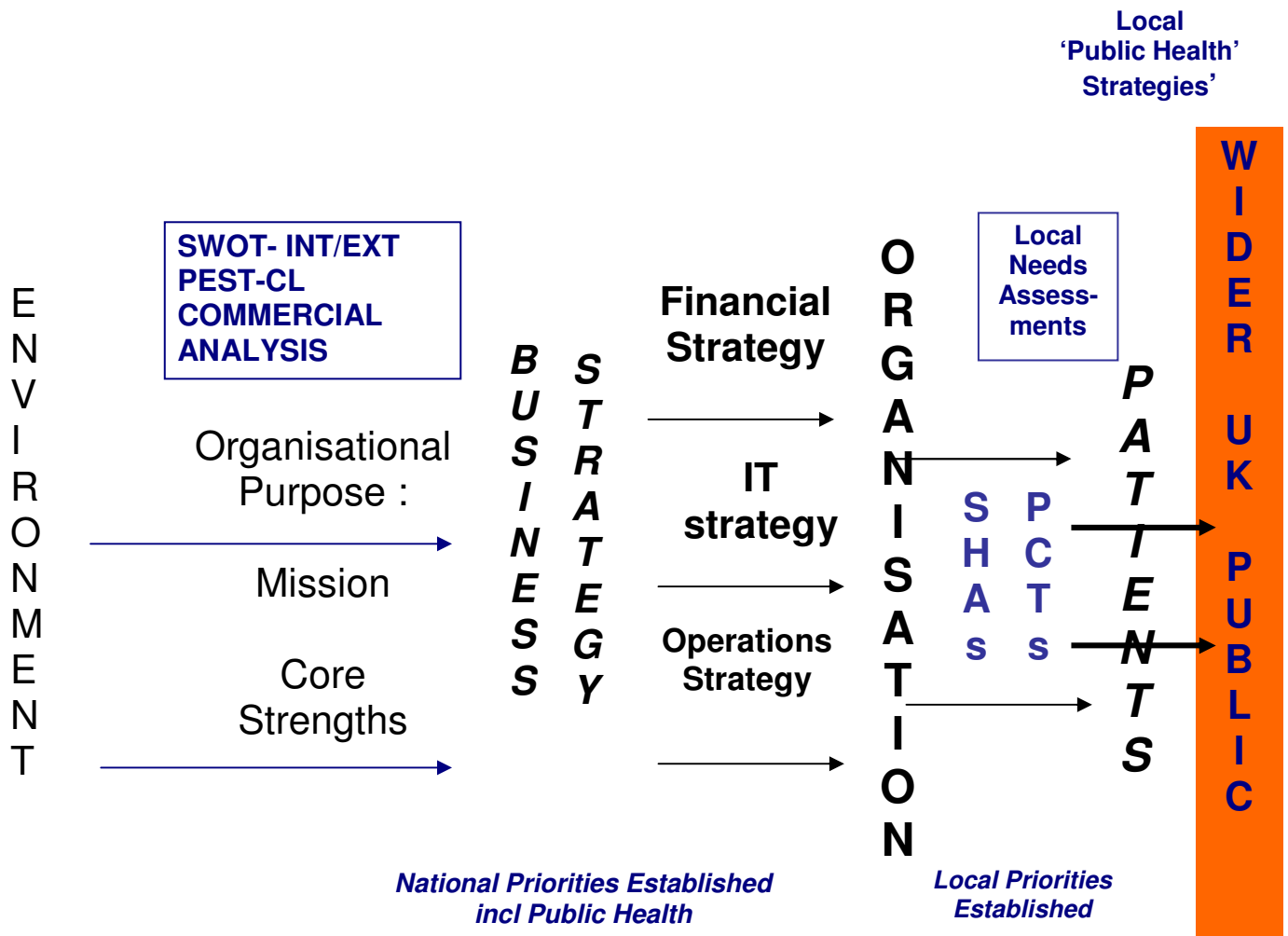- Culture & values

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PESTCL Analysis

Consider the following and their impact on your organisation.

Economic	Technological
- Growth rate in domestic market. - Inflation rate in domestic market. - Other markets – Americas, Europe, Far East. - 'Feel good' factor (level of optimism). - Economic cycle (at what stage currently). - Regional/Global trends.	- Current trends in ICT. - Dependency of your organisation on technology. - Ability of IT suppliers to meet your needs. - Information/e-commerce needs of your customers. - Level of sophistication needed to run and grow your business.
Social	**Political**
- Change in demographics. - Current employment trends. - Peoples' attitudes towards your market sector. - Employees' availability/mobility. - Current and potential employee attitudes towards you market sector/your organisation.	- Where does your organisation fit into the political agenda? - Who is lobbying for change? - Degree of visibility/importance of your business to politicians? - Political trends.
Culture (geographic differences)	**Legal**
- Culture in own location. - Culture in own region. - Culture in UK. - Culture in Europe. - Culture in U.S.A.	- Existing laws. - New laws. - European context. - American context. - Far East context. - Global context.

Which are the primary drivers of changes in your organisation?

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Local Strategies Must Align With Overall Organisation Strategies

Local
'Public Health'
Strategies'

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SWOT- INT/EXT
PEST-CL
COMMERCIAL
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**Financial
Strategy**

Organisational
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Mission

**IT
strategy**

SHAS   **PCTS**

Core
Strengths

**Operations
Strategy**

*National Priorities Established
incl Public Health*

*Local Priorities
Established*

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Directory Of Planning & Change Tools/Techniques

The Change Tool Kit

- FORCE-FIELD ANALYSIS – *well-known planning/analysis tool*
- SWOT and PEST(ELI) analyses – *generic strategy/assessment tools*
- 7 Factors of Successful Change
- Endings < Beginnings via the "Turbulent Zone" Schematic – *Adapted from William Bridges "Transitions"*
- FIVE KEY STAGES IN SUCCESSFUL TRANSITION
- PLAN : ACTION : REVIEW (Plan : Do : Review) Model – *Briner*
- THE CLASSIC FOUR STEP APPROACH TO PLANNING CHANGE : Model: – *Price Waterhouse Consultants*
- Types of Change : Chart
- Diffusion of Innovation and Change Adoption – *Everett Rogers*
- Change "Types" : Chart – *Binnie & Williams*
- Impacts of Change: Diagram – *Colin Carnall "Coping Cycle"*
- The Five 'Whys?'
- Organisational Culture Matrix – *Charles Handy*

Planning Tools, Information & Knowledge (Intelligence)

- SWOT is a powerful tool when correctly used...

  ... and generates long and useless lists when it is not!

- Taking into account the purpose of the agency, we should try to critically identify what have been particularly **strong** characteristics of the agency in the recent past, what have **definitely been unsatisfactory**. For SWOT to be fully effective we must be brutally honest about our internal strengths and weaknesses

- Then we must look at the **external environment** to recognise which changes, projects, initiatives, programmes could benefit the agency, if appropriately addressed, properly prioritised...

- and which **risks** the agency needs to prepare for because they can directly impact on the ability to achieve its purpose.

- We need access to the very best up-to-date, accurate information & intelligence to **help us make faster, better, decisions**

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Summary

Business Planning is an ESSENTIAL practice:

- especially in today's NH/NHS/Multi-Agency Multi-Disciplinary environments
- it is an <u>essential</u> *Discipline*
- local programmes and initiatives <u>must align</u> with higher-level organisational strategies and priorities : "strategic fit"
- there is a wide range of proven tools and techniques that can be used, we have only covered a few essentials today
- It links positively with Programme Development, Bid-Writing and Project Management

We RECOMMEND the disciplined Business Planning approach

- done well it can in the long-run, and not-so-long-run!, save time and money, ensure priorities are addressed, make us all more efficient, more effective in what we do, what we ACHIEVE

Prioritisation in NHS North of Tyne: 2008/9

Towards World Class Practice Based Commissioning

http://www.northoftyne.nhs.uk/about-us/the-board-the-pec/board-papers/july-joint-meeting-of-the-boards/nhs-north-of-tyne-commissioning-strategy/item11.pdf

22 July 2008 - Some relevant parts copied into below

 "The output from the strategic analysis phase will describe a wide range of priorities and options for consideration. To prioritise we will use a clearly laid out set of decision criteria to identify which particular actions we wish to take forward in the strategy. It is expected that these actions will include areas of change, services that we would wish to invest in in the future and also, where appropriate, a clear understanding of services we may wish disinvest. *The process of prioritisation will deliver the key elements of focus for the commissioning strategy."*

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Funding linked to Performance in the NHS

- The Government's drive to improve the quality of NHS performance has been backed by significant year-on-year increases in the organisation's budget since 1998. Funding has increased from circa £42bn to over £80bn in 2008

- Performance managing the NHS helps involve staff in raising standards and ultimately provides taxpayers with proof of progress in areas that matter most to them.

- The difficulties of performance managing such a large multi-function organisation were initially compounded by the adoption of too many national targets, leading to criticisms of excessive central control and skewed local service priorities.

- Recent developments have focused on setting fewer targets, with greater freedom for NHS organisations to respond to local needs.

- The growth in NHS funding is set to continue until 2008; subsequent funding allocations will partly depend on NHS performance over the next few years.

Nine Features Of An Effective Resource Allocation System

- **Baseline assessment**

  The first desired feature is *baseline assessment*, or the inclusion in the priority setting process of existing activities so that an appropriate level of funding for these activities can be determined.

- **Use of Best Evidence**

  The second feature is the *use of best evidence* embedded in the workings of the process, in other words have the past processes delivered on this criterion.

- **Clarity**

  The third feature is *clarity*, meaning a process that is clear, explicit and transparent.

- **Consistency**

  The fourth feature is *consistency* referring to a process that is applied uniformly across the organization and survives over time.

- **Clear and measurable Quality Criteria**

  The fifth desired feature is *quality criteria*, defined as decision criteria that are clear, measurable and relevant to the organization.

- **Dissemination of Information**

  Dissemination is the sixth feature. It refers to the built-in communication and explanation, throughout the organization, of all aspects of the process, including decision criteria, actual decisions and rationales.

- **Evaluation of Results**

  The seventh feature is *evaluation*; the process should have a built-in evaluation component that would ensure ongoing documentation of the activities and assessment of the impact of the resulting budget decisions.

- **Stakeholder Representation**

  The eight feature of desired priority setting processes is appropriate stakeholder *representation*. Just like dissemination, *representation* is broken down into internal and external stakeholders.

- **Alignment with Strategic Direction**

  Finally, the ninth feature is a link to the strategic direction of the organization. The priority setting process should clearly reflect, in all its operations, the strategic direction established for the organization.

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Effective Prioritisation, Budgeting And Resource Allocation

The need for a Process

A strategy group, which includes the accountable decision maker or a representative, is established to guide the direction of the project and monitor progress, and a working group which includes a member of the strategy group is set up to ensure the smooth execution of the project.

The strategy group is engaged in developing the structure of the process and models to be used in the engagement: agreeing the areas to be covered, the kinds of options to be considered in each area, and the cost, risk and benefit criteria to be used on the model.

A typical process is illustrated below
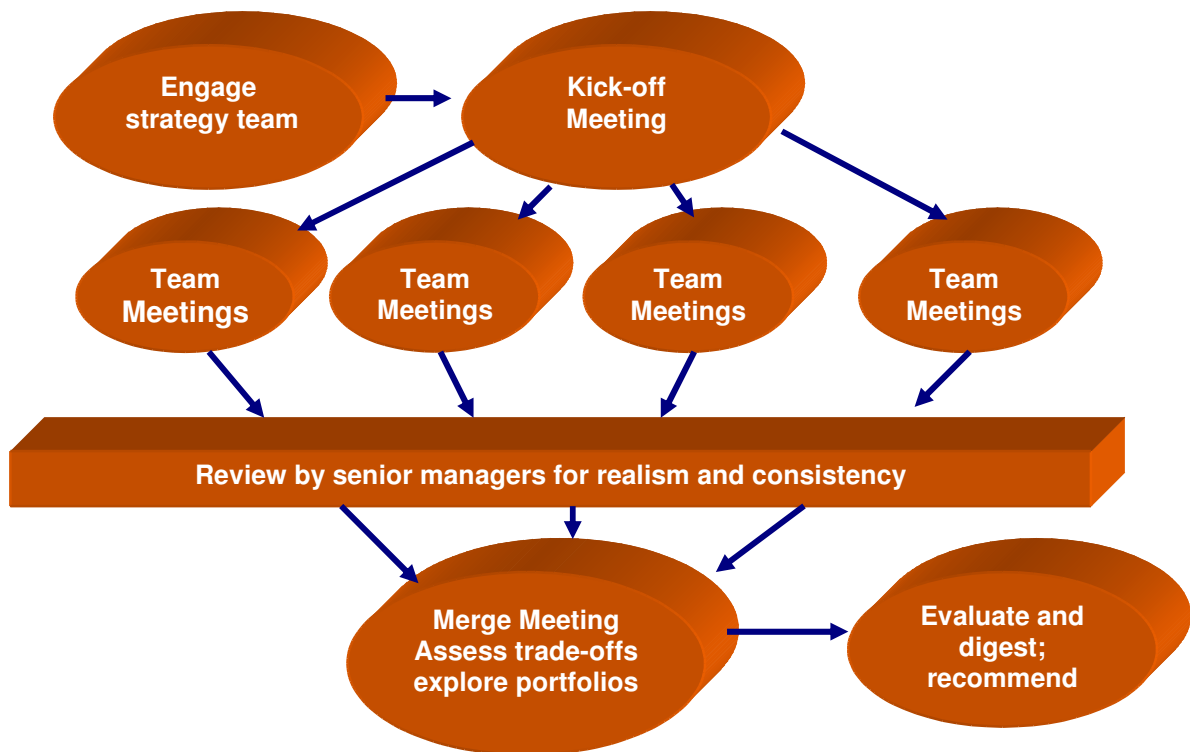
After the work with the strategy team, the working group organises the kick-off meeting, bringing together the heads of all teams that will help build the model. The meeting is chaired by the sponsoring manager who explains the purpose of the engagement and solicits everyone's co-operation.

Following the kick-off meeting, teams meet to provide the options.

Once the teams have completed their work, a senior team reviews the options put forward and their appraisals against the benefit, cost and risk criteria to make further checks on consistency and realism across all the teams.

The merge meeting brings together the team leaders with the senior staff to complete the model by judging results. This is the point where the bottom-up work meets the top-down judgements of the senior staff.

After the merge meeting, a period of reflection on the model's results is advisable. Some time is usually needed to digest the results, to prepare briefings of recommendations to the decision-makers, and to explore the effects of new information that might alter the results in crucial areas. Adjustments to this new way of prioritising and allocating resources may call for changes in the structure of the organisation, and if senior management see the modelling as helpful to them, they may take steps to institutionalise the process.

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Performance Management: A Definition

"a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved"
Armstrong & Baron, 2002

Performance Management in the NHS since 1997

- The **1999 NHS Performance Assessment Framework** used the Balanced Scorecard for the first time. This assessed 6 areas of performance for Health Authorities that would help improve quality standards and focus on aspects of performance that mattered most for patients and the public.

- The **NHS Plan (2000)** set out the blueprint for the development of the NHS over the next 10 years, and performance management was adapted to include its requirements for different NHS organisations.

- The **NHS Improvement Plan (2004)** announced a new commitment to high quality personalised care, examples of which included Payment by Results & Practice Based Commissioning. *This would be achieved through a balance of financial incentives and performance management.*

- **National Standards, Local Action (2004)** introduced Standards for Better Health as the main approach to ensure continuous improvement in the quality of NHS performance. Core Standards (compulsory) set out minimum levels of service, while Developmental Standards detail plans for improving local services.

- **10 High Impact Changes for Service Improvement and Delivery (2004)** was published to promote dramatic improvement across the NHS
  - based on the experiences of frontline teams.
  - seen as patient-centred, evidence based changes to the overall NHS system

www.wise.nhs.uk/cmsWISE/HIC/HIC+Intro.htm

The Healthcare Commission: 2004 Star Ratings & Annual Inspections

- **The Healthcare Commission** was set up in 2004 to promote and drive improvement in the quality of healthcare and public health, as well as to give the public the best possible information about the provision of healthcare.

- It has a **statutory duty** to assess the performance of healthcare organisations, award annual performance ratings for the NHS (Star Ratings) and co-ordinate reviews of healthcare by others.

- The Healthcare Commission replaced the work carried out by the Commission for Health Improvement (CHI).

2005 - Annual Health Checks

- From April 2005, Annual Health Checks replaced Star ratings as the framework for assessing NHS performance

- The Annual Health Check looks at a broad range of issues, with some indicators developed from Standards for Better Health

Performance is assessed by tackling two questions:

- Is the organisation getting the basics right? (Core Standards, Existing Targets, Use of Resources)

- Is the organisation making and sustaining progress (New National Targets, Improvement Reviews)

http://www.healthcarecommission.org.uk/homepage.cfm

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Performance Management

- What does a manager want to get out of a Performance Management System?

- What does an employee want to get out of a Performance Management System?

- What does an organisation want to get out of a Performance Management System?

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Performance Management In Context
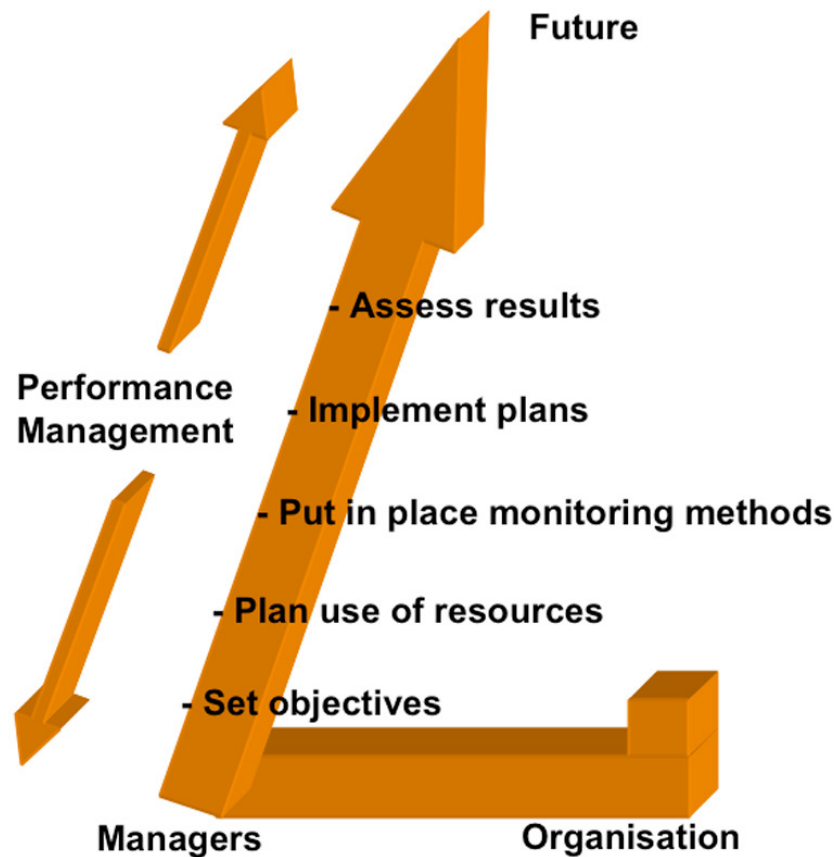
The primary purpose of a Performance Management System is to ensure that the organisation's objectives are tiered down through the organisation by function/team to an individual employee level.

Managers have a primary responsibility to:

- Set objectives with each employee
- Plan the efficient use of resources with employees/their team(s)
- Put in place monitoring methods
- Implement plans/activities with employees/team(s)
- Assess results

They can then re-set objectives and plan for continuous improvement.

Performance Management In Context

Another key purpose of a Performance Management System (PMS) is to ensure that employees understand and are using competencies, their skills and behaviours, in the most effective way to achieve the results sought from them.

This is why a modern PMS includes the measurement of skills and behaviours as well as results. It also enables the individual employees to understand what they need to do to grow their abilities, attributes, and qualities to progress their careers.

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Performance Management In Context
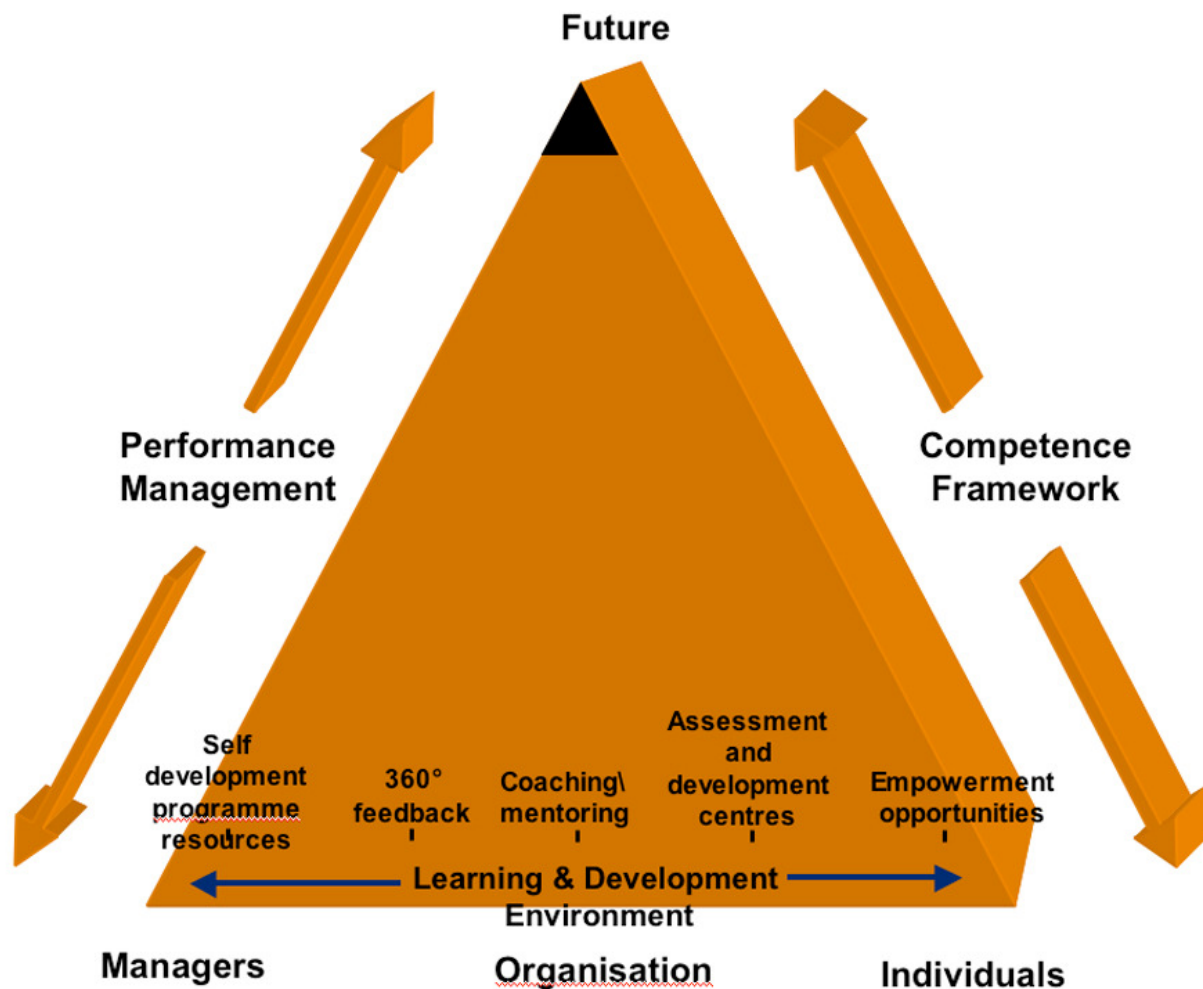
Effective performance management does not stop at measuring results and competencies it is also a contributor to the creation of a Learning and Development Environment in which the organisation provides an infrastructure of learning activities and resources to support the long term development of employees.

These activities and resources include:

- Self-Development Programmes/Resources
- 360º Feedback
- Coaching/Mentoring
- Assessment/Development Centres
- Empowerment Opportunities

Performance Management In Context
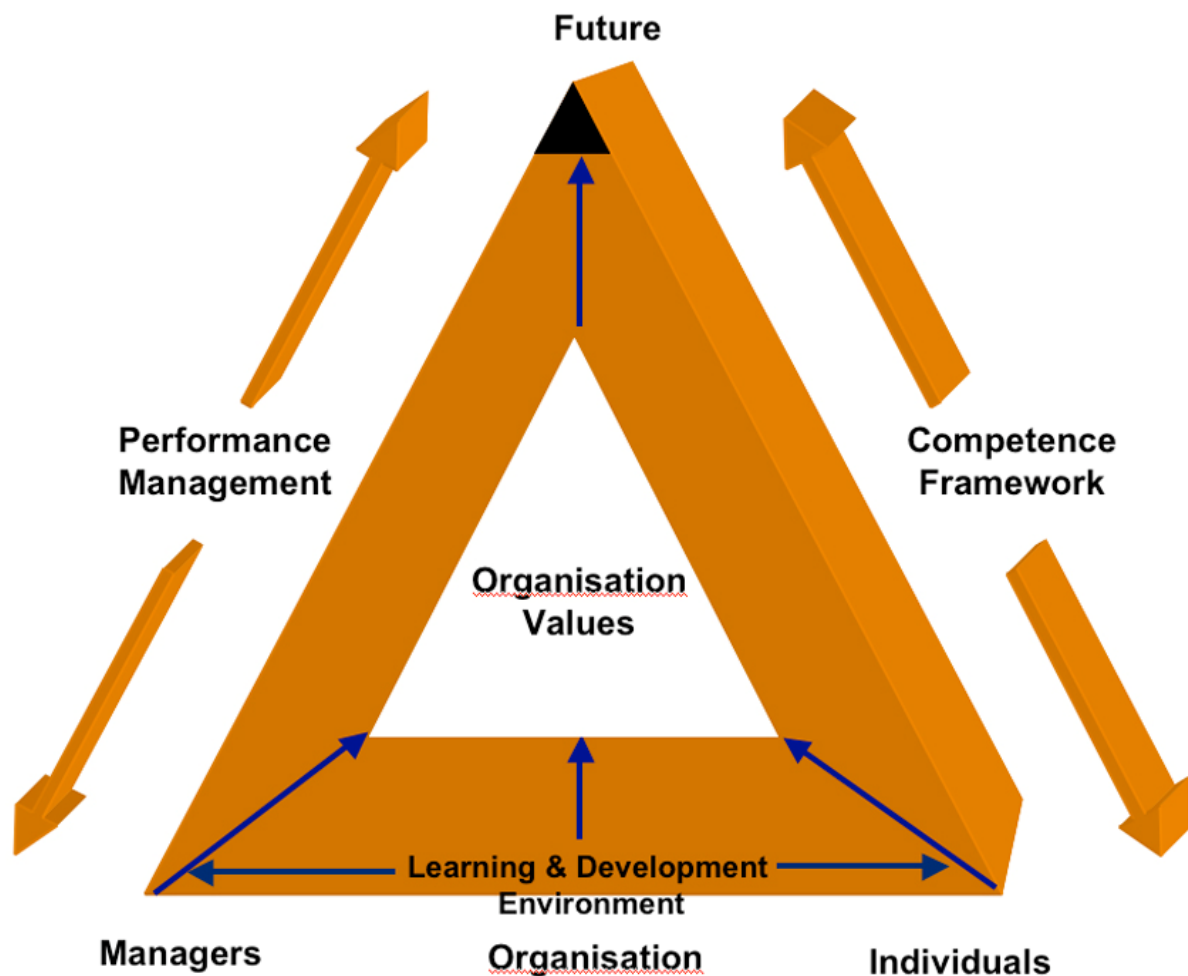
All three dimensions need to be "glued" together with a common set of organisation values which determine the culture of the organisation.

The more advanced Performance Management Systems include measurement of:

- Results
- Competencies
- Organisational Values

The Performance Appraisal Meeting is increasingly separated from discussions on Personal Development which become a separate conversation and include discussions around potential and the future aspirations of the employee.

The Performance Management Process For Managers

7. Counsel, coach or train the individual to overcome the problem or to build on their current, good performance

1. Discuss and agree core areas of job/role

2. Identify and agree on the assessment criteria for each core area

3. Agree and write down the performance measures for each core area taking into account the assessment criteria

4. Agree appropriate monitoring methods and frequency

5. Provide regular, specific feedback on performance, both positive and negative

6. Identify problem areas and consider appropriate response

An environment of:
- Open and honest dialogue
- Mutual respect
- Encouragement and praise

The Performance Management Process is a seven step process used by Managers with their Employees, over a twelve month cycle.
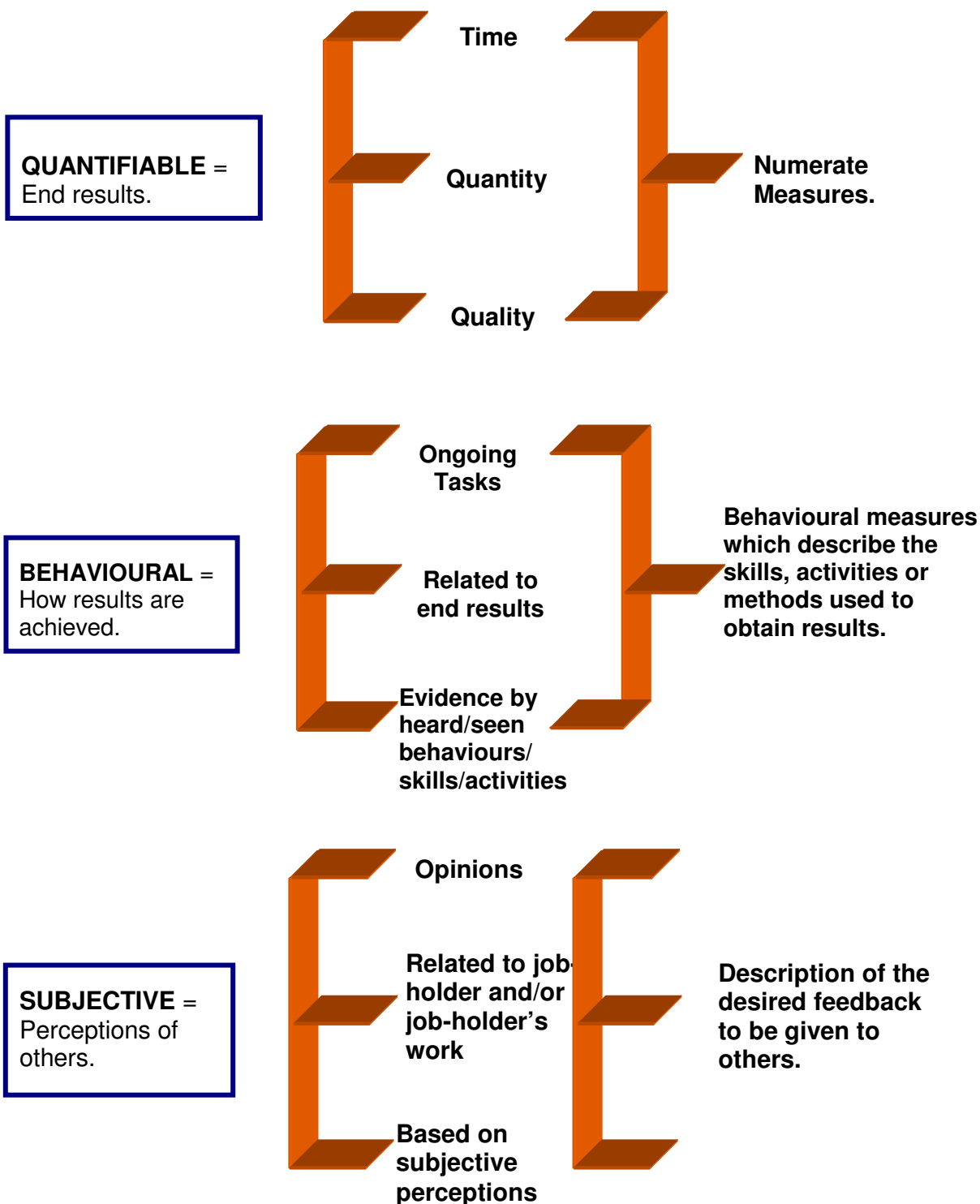
In Steps One to Three, Job Descriptions are used to identify core areas of the employee's job.

Competency Frameworks are used to define the behaviours/skills required in a job and the level of behaviours/skills. Organisation values can also be included and descriptions of the behaviours required to support these are described.

In Steps Four to Seven the manager works with the employee to provide regular feedback and to address performance issues
The working environment and the working relationship between Manager and Employee are key to success.

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Types Of Performance Measures

QUANTIFIABLE = End results.

Time

Quantity

Quality

Numerate Measures.

BEHAVIOURAL = How results are achieved.

Ongoing Tasks

Related to end results

Evidence by heard/seen behaviours/ skills/activities

Behavioural measures which describe the skills, activities or methods used to obtain results.

SUBJECTIVE = Perceptions of others.

Opinions

Related to job-holder and/or job-holder's work

Based on subjective perceptions

Description of the desired feedback to be given to others.

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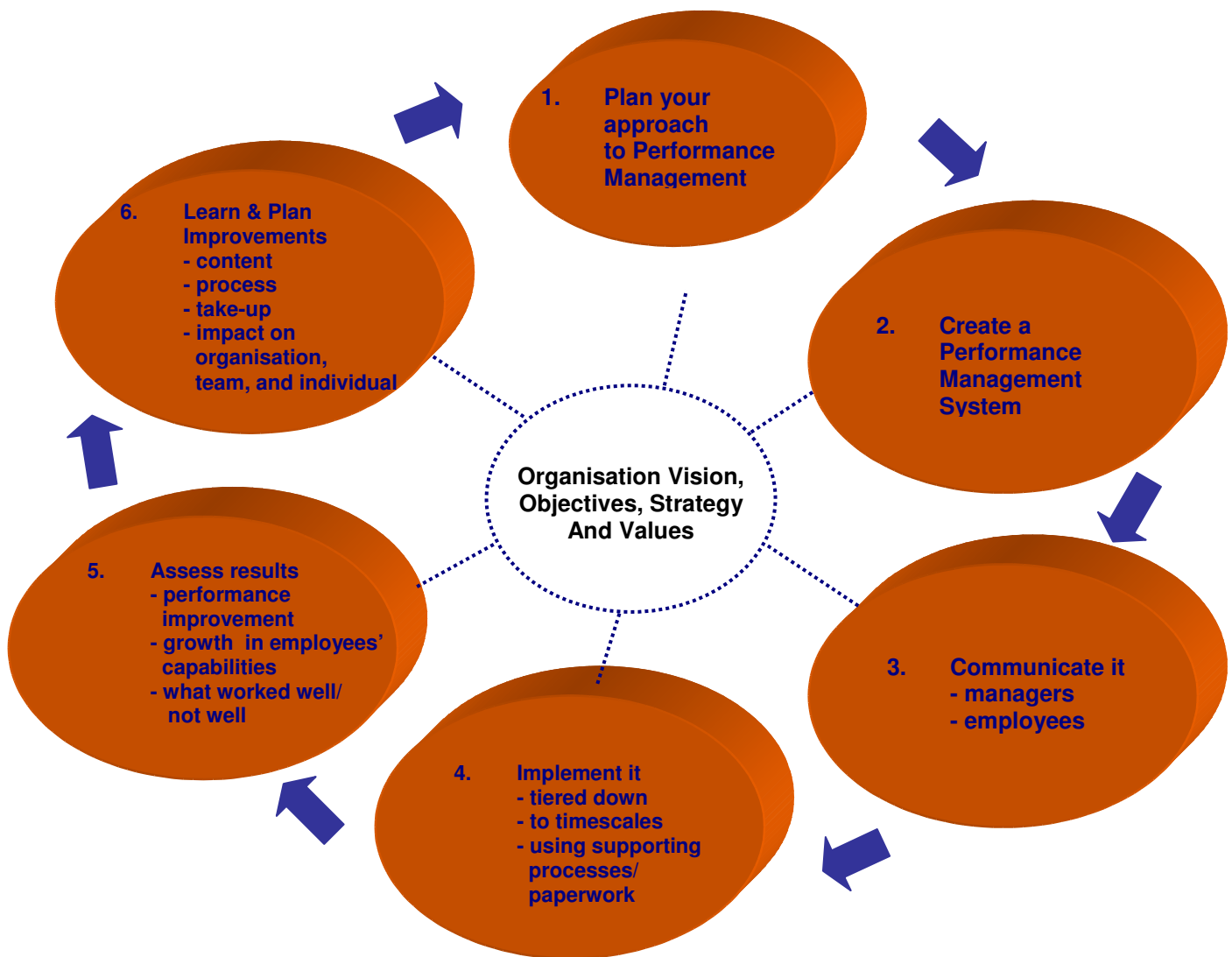
Describing Performance Measures

Exercise

1. Select one of your direct reports. What is their job title? If you have no direct reports choose your own job.

2. Write down the 5 or 6 key responsibilities of the job.
   eg Market Research, Team Leadership, Budget Management, Project Management etc.

3. Beneath each key responsibility identify what you would like to measure in the person's performance.

   e.g Market Research
   - Selection of quality Research Sources
   - Data Collection skills
   - Data Analysis skills
   - Data Reporting skills
   - Decision Making skills

4. Identify the type of performance measure
   - Quantifiable
   - Behavioural
   - Subjective

5. Write an appropriate performance measure
   Start the description with the words "considered effective when….."

Performance Management

A reflective practice

1. **Plan your approach to Performance Management**

2. **Create a Performance Management System**

3. **Communicate it**
   - managers
   - employees

4. **Implement it**
   - tiered down
   - to timescales
   - using supporting processes/ paperwork

5. **Assess results**
   - performance improvement
   - growth in employees' capabilities
   - what worked well/ not well

6. **Learn & Plan Improvements**
   - content
   - process
   - take-up
   - impact on organisation, team, and individual

Organisation Vision, Objectives, Strategy And Values

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Improving People Management And Development

A checklist to get started.

1. Is there a clear vision for your part of the organisation?

2. Has your area identified the key objectives to deliver the vision?

3. Has your area selected the best option to deliver a strategy to achieve the vision& objectives?

4. Has all the above been communicated to your team?

5. Are the Team committed to the vision, objectives, and strategy?

Where do you need to make improvements going forward?

Evaluation

- What worked well for you today? (PINK)

- What key learning points will you take away and put into practice? (YELLOW)

- What are your Future Learning Needs? (GREEN)

- What could be improved – and how? (BLUE)

Please place your completed Post-Its on the relevant parts of the Wall

Thank You

Prioritisation and Performance Management Learning Log

....

PERSONAL LEARNING LOG

NAME: **DATE:**

....

THIS DOCUMENT IS DESIGNED TO HELP YOU BUILD ON THE LEARNING AND
ACTIVITES FLOWING FROM YOUR INVOLVEMENT IN THE 'I & I' PILOT WORKSHOPS.
<u>*THE LEARNING LOG AND ITS CONTENTS ARE CONFIDENTIAL TO YOU*</u>

WORKBOOK: PRIORITISATION AND PERFORMANCE MANAGEMENT

The Personal Learning Log is intended as a record of all the learning points that you gain during the training programme. The Learning log is a way of capturing the key points that you want to remember.

The Learning Log is made up of a series of blank pages - one for each workshop in which you have participated.   These pages are based on the learning cycle shown below.

EXPERIENCE

PLAN
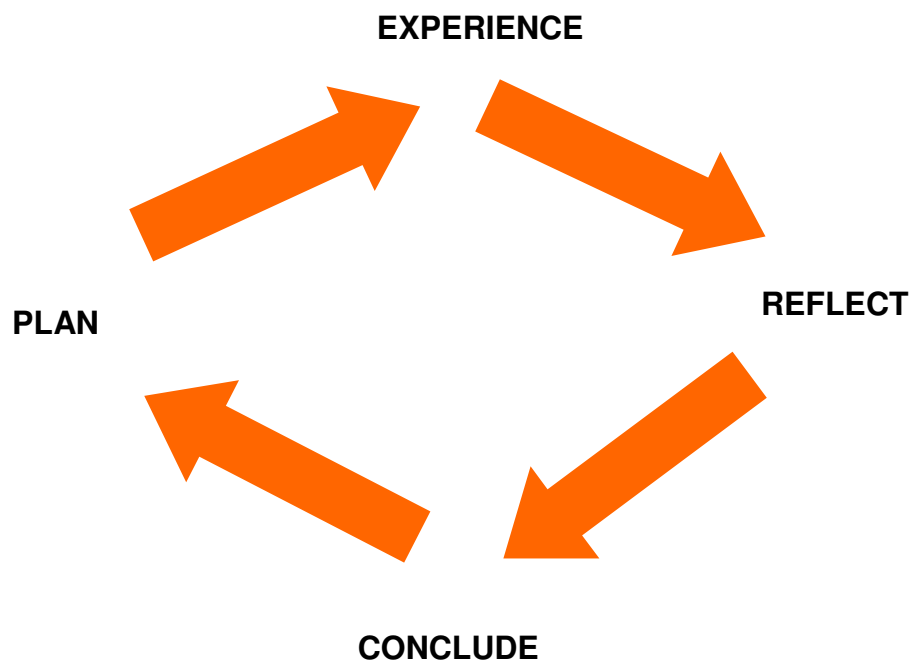
REFLECT

CONCLUDE

- You have a learning experience, be it a training session, workshop, a group discussion or syndicate exercise
- You reflect on the experience
- You come to various conclusions, identify some further activities and/or learning you would find useful
- You plan to incorporate your conclusions in your working and/or personal life

Please complete this Learning Log at the end of each Workshop that you attend.

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PRIORITISATION AND PERFORMANCE MANAGEMENT

EXPERIENCE

What main areas of Content were covered and how?

REFLECT

What are the main learning points for you?

CONCLUDE

What conclusions have you reached about the knowledge/skills/processes you have gained and need to develop further?

PLAN

How will you use these new skills/knowledge/processes in your work? How will you build on them? What actions do you plan to take? And when?

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ADDITIONAL PAGES FOR YOUR NOTES

ADDITIONAL PAGES FOR YOUR NOTES