

North Carolina Refining a Performance Management System

Ingredients for a Refined System

Like many other States, the North Carolina Department of Transportation (NCDOT) has been using performance management for years. However, in 2007 after realizing they were no longer being viewed as a leader within North Carolina, NCDOT recognized they needed to refine their performance management system and therefore began a transformation process. This was a major undertaking with 20-25 staff members pulled from other responsibilities to work on reforming the organization, which had become subjective, anything but data driven. Public perception of the department was poor; NCDOT delivering only 25-50 percent of their Transportation Improvement Program, yet 90 percent of their employees were rated as "out-standing." So, despite having used performance management for years, NCDOT needed to refine their system. To be successful, it would need to be improved as time progressed and things changed. With this in mind, they have developed a system that takes into consideration the necessity of fine-tuning and refinement.

With this transformation, the NCDOT focused on improving four areas:

- Developing a uniform organizational mission with clear goals.
- Reforming their project planning and prioritization process.
- Reinventing their performance accountability systems and culture.
- Improving the way they recruit, develop and retain their employees.

This led them to adopt a new organizational mission that included five clearly understood goals, along with the development of a tactical comprehensive strategic planning process, and refining their performance man-

KEY ACCOMPLISHMENTS

- **Developed a new Performance Management System.**
- **Identified targets and measures to ensure performance is results driven.**
- **Stabilized their transportation work program.**
- **Tied employee performance directly to agency outcomes and results.**

agement process. All four of these areas are intertwined in the performance management system, which consists of seven main ingredients:

One: NCDOT's Mission and Goals set the direction and strategy of the organization and their projects. The goals being the outcomes that the performance management and strategic planning processes seek to achieve.

Two: A Work Program prioritizes projects and services using both programmatic and project-level information. It accounts for the department's entire budget, ensuring that every dollar NCDOT spends is accounted for, and is easily understood by the public helping to effectively communicate NCDOT's work.

Three: Executive Measures are designed to track NCDOT's progress toward its goals. These are a list of critical performance targets, indicators, and outcomes identified by the department to gauge annual success. Results are monitored routinely by managers and presented



to the Board of Transportation quarterly so that decisions can be made to enable success and improve outcomes.

Four: Dashboards and Scorecards are used to report on performance. The dashboards and scorecards show the specific actions and progress towards NCDOT reaching their measures and goals. The Executive Performance Dashboard, available at www.ncdot.gov/performance, was created first in 2008 to report real-time results to the public and external stakeholders and was designed to be public-friendly and very simple to understand. Another key tool is NCDOT's Internal Management Dashboard (IMDB), which is much more intricate and detailed. It is a web-based set of critical business performance metrics depicted in an automated, user-friendly way, that allows DOT managers the ability to see real-time performance information in an interactive menu. Developing these dashboards was a two-year process and is still ongoing.

Five: Unit Work Plans that include the activities accomplished drive the higher-level measures in the work program. These work plans are created at the start of each State fiscal year forecasting the operational performance measures and activities produced during the year. NCDOT has more than 75 different core business units responsible for the day-to-day outputs that enable the department to meet its performance metrics and goals.

Six: Employee Performance is tied by NCDOT with the overall performance of the organization. The employees were resistant at first, concerned about being tied to areas that they have no control over such as crash rates. However, with improved communication over the last five years, NCDOT employees have recognized that how they perform daily can affect the organization's ability to meet its mission, goals, and performance metrics. Now employees are held accountable for the successes or failures of the organization in meeting established performance metrics.

Seven: Continuous Improvement shows that performance management is an ongoing process and reminds everyone that the results must be utilized to refine NCDOT's mission and goals. With this focus on continuous improvement NCDOT recognized in 2012 that their employees did not see themselves in the department's mission and

goals, therefore the mission and goals were redefined to add more details, principles, and objectives.

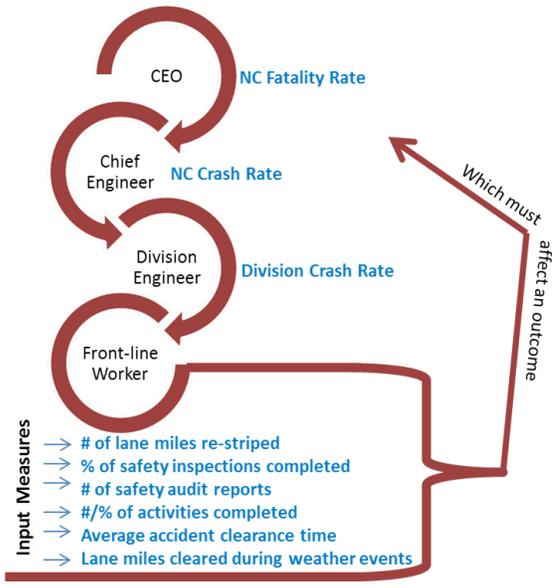


Figure 1. Measure Cascade

Results

Prior to refining their performance management system, NCDOT was delivering 25-50 percent of their Transportation Improvement Program. As of 2012 they are now delivering 75 percent of their programmed transportation projects. They continue to refine their system and performance management process, with the ultimate realistic target of achieving 95 percent delivery of their programmed transportation projects.

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