

Developing Appropriate Measures

Selecting measures and measuring performance are central tasks in assessment.¹² For decision-makers managing the infrastructure, performance measurement is a technical component of the broader task of determining whether the infrastructure is meeting the jurisdiction's objectives. Measurement is an essential first step in effective decision-making aimed at achieving improved performance.

A performance measure is a mathematical method of evaluation. By tracking performance, transportation professionals can gauge the progress, or lack thereof, resulting from their actions. It must be based on data that can be collected and that truly measures the underlying performance of the system. However, unless a benchmark is established, this is only an indicator. To truly measure performance, it must be compared against an objective standard.

Criteria for Performance Measures

According to the Governmental Accounting Standards Board (GASB), performance measures should be relevant, understandable, comparable, timely, consistent and reliable. The organization, National Performance Review, sets these criteria:

Narrow Strategic Focus: The measures and goals an organization sets should be narrowly focused to a critical few. It is neither possible nor desirable to measure everything. In addition, advanced performance measure systems are linked to strategic and operational planning.¹³

Measure the Right Thing: Before deciding on specific measures, an organization should identify and thoroughly understand the processes to be measured.

Each key process should be analyzed to ensure a thorough understanding and that a measure central to the success of the process is chosen. In some cases, targets, minimums, or maximums are defined for each measure.¹³

A Means, Not an End: Employees and managers must understand and work toward desired outcomes at the core of their organization's vision. They must focus on achieving organizational goals by using performance measures, but not on the measures per se. Performance measurement is, therefore, a means, not an end.¹³

Other Points to Consider

GASB guidelines also recommend development of reporting standards for performance information. It is suggested that a performance report with a description of the way the performance measures should be used accompany the report.⁵

Finally, there should be periodic reviews of performance measures. As conditions change, a performance measure may no longer provide the information it did originally. At that point, it should be changed.⁵

MDOT Performance Measures

As part of the Transportation Management Systems (TMS) development process, the Michigan Department of Transportation (MDOT) engaged in an extensive effort to identify performance measures consistent with objectives of MDOT's business and state long-range plans.

MDOT reduced the number of performance indicators and measures significantly to a manageable number. The measures retained were relevant to MDOT's overall objectives.



The organization, National Performance Review indicates development of performance indicators and standards should be undertaken by those who will be directly affected by the results, as well as agency management.¹³ MDOT used teams of individuals directly related to program development in each area of responsibility. The necessary indicators were selected, defined and, where appropriate, benchmarked against a standard.

To varying degrees, MDOT has implemented these performance indicators in TMS and other strategic decision-support applications.

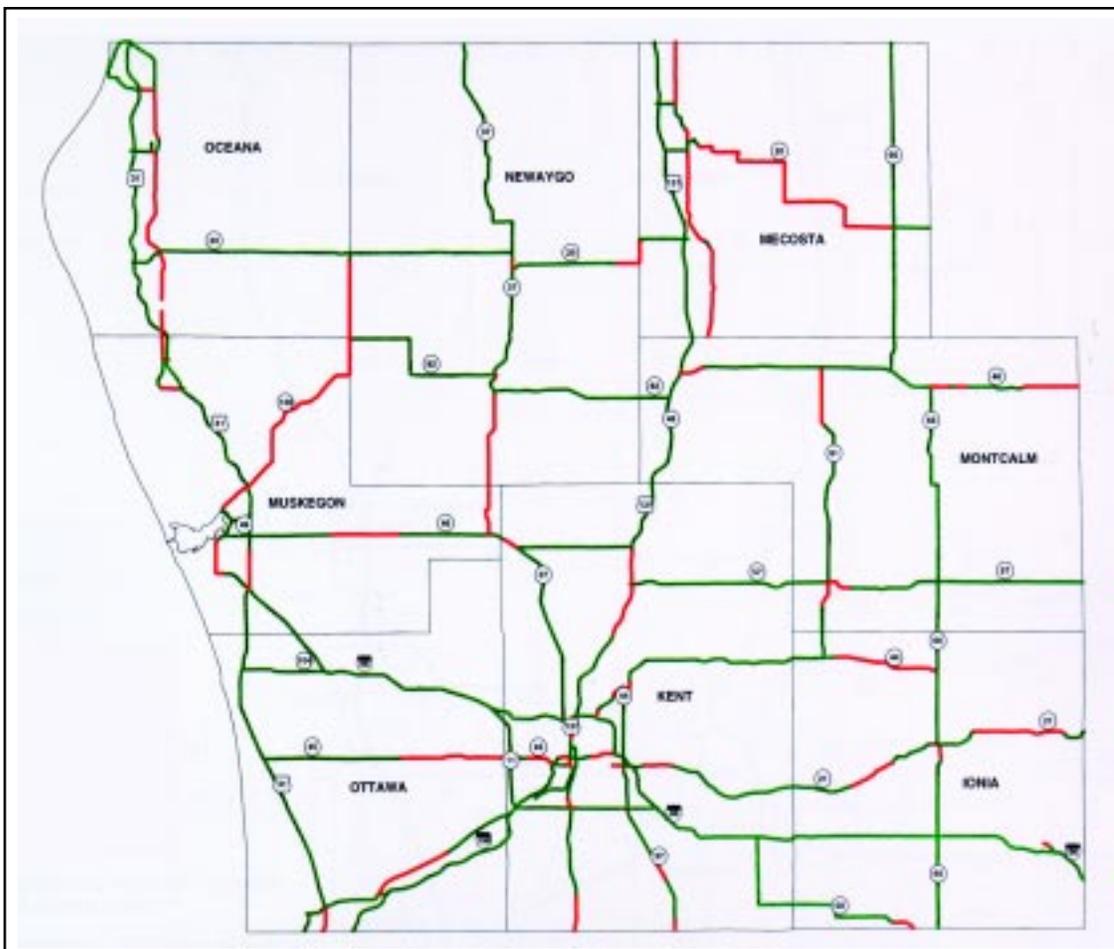
Identifying Standards & Benchmarks

Establishing standards or benchmarks for each performance measure is one of the most difficult, yet most important, parts of establishing performance measures. Understanding measures of effectiveness, reliability and cost in a particular situation is best accomplished by comparing measurements to some objective base. These bases are referred to as standards or benchmarks.

At their least formal, standards can merely be "rules of thumb." At their most refined they can be complicated

formulas based on economic factors that can vary daily. The level of sophistication must be chosen based on the importance of being right. Without the adoption of such benchmarks or standards, performance measures are less meaningful.

Standards need not be uniform statewide. They must be adapted to peculiarities of a given class of what is being measured. For example, the same standard need not be applied to interstate highways and major urban cross streets. In general, there should be a minimum standard for all classifications in a group being measured.



A key point is to assure that development of measures and standards is a cooperative effort that results in performance measures which work together, not in opposition.



GRAND REGION

| Surface Condition | |
|--------------------------------------|------|
| — | GOOD |
| — | POOR |

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