PES Benchlearning
PES Mutual Learning Webinar – Synthesis report
"Fair Performance Comparisons"

Main takeaways from the webinar discussion

The Webinar has not only confirmed the insights presented in the Input Paper, but also provided additional details and examples. The most important findings, as also reflected in the survey conducted during the Webinar, are two-fold. First, a good benchmarking system is a core requirement for fair performance comparisons. And second, but equally important, "softer" aspects are crucial to generate staff buy-in, promote a culture of open dialogue in performance management, and minimize unintended outcomes and behaviours associated with "gaming" the system.

Top lessons from the webinar

There are a number of lessons coming out of this webinar for setting up a system of fair performance comparisons, which can be summarized – and illustrated with comments and examples – as follows:

First, PES need access to **good data**, i.e. data that captures targets and associated (key) performance indicators (K)PI in a valid way (valid refers to indicators chosen are an appropriate way to operationalize the intended outcome/process). **Second**, PES have **staff with the appropriate (statistical) skills** to adequately interpret the data. **Third**, PES have the **ability to communicate data** to local offices in a meaningful and transparent way (many PES stressed the importance of an "intranet" so that all units always know where they stand vis-à-vis their targets and in comparison to others; such an intranet may be used to also share good practices).

Four, when it comes to targets "less is more"; this means that a **small number of meaningful targets and KPIs** is preferred over a multitude of measures as a method to capture a complex reality. This lesson is reflected in the point made during the presentation from the Austrian PES: "all models are wrong, but some are useful". **Fifth**, **targets need to be SMART**, i.e. Specific, Manageable, Achievable, Realistic, and Timebound, enabling every unit to be able to actually reach targets set. One indication for having achieved this is the possibility that units move up and down in the benchmarking/ranking over time (last year's loser can be next year's winner).

Sixth, entities of comparison are typically placed in clusters (as illustrated by Austria, Germany, and Sweden) but PES may also use other ways of benchmarking (e.g. score or dash boards which allow a ranking of (a subgroup of) local PES offices on certain indicators, or balanced scorecards used us internal means for local management to assess their staff's performance). However, there will most likely be some complaints concerning the clusters entities are placed in. In response, Austria has introduced a novel way of preventing concerns at "unfair clustering" by statistically predicting a unit's individual performance and assigning "expectations" accordingly.

Eight, without staff buy-in and a culture of open and fair performance comparison, even the best benchmarking system may fail to produce intended policy outcomes due to staff gaming the system. **Ninth**, as Sweden stressed, PES need to actively build a "culture" of performance management". Such a culture may flourish through the introduction of mission statements, flatter hierarchies, team-building activities, staff exchanges, and a

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consideration of "soft" ways to establish a system of "fair" performance comparisons. Notions of "fairness" may include:

- possibilities to provide feedback (especially from frontline officers) about targets and KPIs

- meaningful performance dialogues that establish an environment in which mistakes are accepted (if not expected, otherwise innovation is stifled) and failing to reach targets does not automatically lead to negative repercussions (if staff have a good explanation for failing to reach target and a plan how to improve in the next cycle)

- a reflexive cycle through which the performance management procedures inform future decisions

- continuous learning opportunities for staff so that they keep up with an evolving system and are able to update their skills

- appropriate incentives that include both rewards (e.g. extra holidays or pay) and recognition (e.g. award, honorary mentions)

Tenth, and finally, performance management has an evolving nature – there is no "one-size-fits all" and there is always room to become even better.