

Monitoring Organizational Performance
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Contemporary management philosophies over the last several decades have progressively moved toward statistical process control methods. These methods, also referred to as continuous process improvement (CPI) or continuous quality improvement, are frequently considered to be one of the governing principles of the management strategies referred to as total quality management (TQM). CPI involves the use of statistical tools to convert data into meaningful information. The methods are based on the presumption that measuring (observing and quantifying) phenomena allows for systematic analyses that can lead to insights and a better understanding of a process. A better understanding provides opportunities for creating more control over a process, resulting in a reduction in unwanted process variance and consequently an improvement in the process and the product it produces. Decades of experience with SPC and TQM have demonstrated that sufficient knowledge of a process and the use of statistical models can produce an effective method for monitoring organizational performance.

Although CPI was initially more prevalent in engineering and industrial environments it is now common to find these methods employed in many types of organizations, including service oriented organizations such as the Federal Government. The Clinton administration has implemented two related initiatives, the Government Performance and Results Act (GPRA) and the National Performance Review (NPR), that have mandated Federal agencies to establish measurable performance standards and procedures for implementing continuous process improvement. Since 1988, the Bureau of Prisons' Office of Research and Evaluation has provided a tool to assist management with monitoring the organization's performance. The tool, the Key Indicators/Strategic Support System (KI/SSS, Saylor, 1988, 1994), is a PC based, menu driven executive information system designed to provide management with on-demand access to a synthesis of the operational data they require to draw conclusions and make sound decisions. The KI/SSS is a voluminous reservoir of easily accessible measures, providing managers with a continuous flow of characterizations and measures of organizational behavior and performance about the Bureau of Prisons.

The KI/SSS design is based on the concept of organizational climates. It contains two varieties of climate measures, objective and subjective (Saylor, 1983). The objective measures are a by-product of the organization's operational data needs. These measures are meaningful summaries of individual inmate, staff, and financial units that are culled from the Bureau's operational mainframe MIS with a monthly periodicity. By meaningful summaries I mean summaries that relate to the mission of the Bureau and to the goals and objectives of management. The subjective measures are obtained from administrations of the Prison Social Climate Survey (Saylor, 1983); a survey questionnaire administered to a stratified proportional probability sample of Bureau staff on an annual basis and to inmates on an ad hoc basis.

Strategic planning and quality control are two processes that empower managers by

providing vehicle for iteratively monitoring and modifying performance in order to achieve a desired level of performance. In my view strategic planning and quality control are interrelated processes. Strategic planning is an effort to produce fundamental decisions and actions that shape and guide what an organization is, and what it does. This is accomplished by setting or changing organizational objectives, identifying and obtaining the resources required to meet these objectives, and determining the strategies, programs, and policies needed to accomplish the objectives. Quality control can be defined as a set of activities or devices that help to attain the excellence of something. It is a process of establishing standards of comparison against which to check the results of a process. The control of quality is accomplished by the establishment of measurable standards for comparison against measures of quality characteristics. Quality characteristics are any properties that define or describe the nature of a product.

Strategic planning and quality control are complementary activities. While strategic planning establishes the requisite policies and resources, quality control monitors the progress made in pursuit of these goals and provides the information needed to make any necessary adjustments. In this regard, strategic planning is a prospective process, one that requires us to look forward and compare where we are now relative to where we want to be at some future point. Conversely, quality control is a retrospective process, one that requires us to look back and compare where we have been relative to where we are now, to determine if we are satisfied with the current product. As such, strategic planning and quality control have a cyclical relationship whereby strategic planning sets the course and quality control tells us how well we stuck to our course and whether we arrived at our intended destination. Consequently, the utility of any strategic planning effort is contingent upon the quality (accuracy and comprehensiveness), and quantity (volume) of information available to the process. The greater the reliance on quality control processes in formulating a strategic plan, the more efficient and effective our planning effort becomes. KI/SSS promotes the use of strategic planning and quality control cycles by providing managers with quick access to organizational measures over spans of time.

In order to plan for the future, measures of institutional operations must be readily accessible to prison system managers. The development of a strategic system is the essence of pro-active data management. Planning for an organization's strategic information needs can produce measurable resource savings. Conversely, the costs of management decisions made without the benefit of adequate information may not be obvious, and are often difficult to measure.

The Bureau's strategic support system can contribute to management's ability to ensure quality planning because it will place a multitude of relevant information at their disposal. This strategic system provides managers a tool with which to monitor their organization's performance. The ability to monitor the organization's operations can provide the Bureau's managers with a better understanding of whether there is compliance with existing strategic goals (and the plans and policies designed to achieve them), whether policies are having their intended impact, whether policies are in need of modification, or whether new policies or plans are needed. The strategic system allows the Bureau's managers to make decisions based on information that is selected for its relevance rather than by the constraints of what is available and can be accumulated and assembled within the time allotted before some action is required.

References

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