

Improvement of Performance-Based Management (IPBM)

METHODOLOGY FOR FORMULATING  
AND APPLYING PERFORMANCE  
MEASURES USED IN STRATEGIC  
PLANNING DOCUMENTS

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## METHODOLOGY FOR FORMULATING AND APPLYING PERFORMANCE MEASURES USED IN STRATEGIC PLANNING DOCUMENTS

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VIEŠOSIOS POLITIKOS IR VADYBOS INSTITUTAS  
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## FOREWORD

The Office of the Prime Minister of The Republic of Lithuania is implementing, in cooperation with the Ministry of Finance, a project Improvement of Performance-Based Management (IPBM) financed by the European Social Fund (Project Ref. No. VP1-4.2-VRM-01-V-01-001). Aim of the Project – to improve performance-based management by creating conditions to enhance continuously the efficiency of performance of public administrations. In pursuit of this goal, efforts will be geared towards better monitoring of performance of institutions accountable to the Government (ministries, government agencies, institutions under ministries), improved functional analysis, enhanced evaluation of budget programmes, and better impact assessment of decisions.

On 26 March 2009, the Office of the Government of the Republic of Lithuania (now - the Prime Minister's Office), as one party, and Ernst & Young Baltic and the Public Policy and Management Institute acting as partners under a joint activity (partnership) agreement, as the other party, signed Contract No 018 for the procurement of services to improve monitoring system of results of implementation of strategic action plans (including budget programmes).

By implementing the Project it was worked out Methodology for Formulating and Applying Performance Measures Used in Strategic Planning Documents (hereinafter referred to as the Methodology). It is a methodological tool for servants of institutions accountable to the Government in drawing up strategic action plans, formulating and applying performance measures. Guidelines of the Methodology will help to formulate better performance measures, to improve the quality of performance measures and to make reliable data of monitoring, which could be used for decision making process or to improve the performance of the institution.

This paper was prepared on the basis of Order No 1K-330 of the Minister of Finance of the Republic of Lithuania of 25 October 2010 on the Approval of Methodology for Formulating and Applying Performance Measures Used in Strategic Planning Documents.

The paper defines the formulation principles of performance measures, a system of performance measures of an institution and gives guidelines

how to formulate performance measures of different levels (outcome, result, output, input, process) and types. Annex 1 defines the recommendations for analysis of performance measures – it is a tool for servants of institutions of self-questioning and self-control to evaluate does formulated system of performance measures satisfy requirements of Methodology. Annex 2 gives specific cases of different levels performance measures of health care, transport and civil service spheres.

To make all useful information about performance measures be placed in the paper, at the end of the paper is layed the extract from Strategic Planning Methodology approved by Resolution No 1220 of the Government of the Republic of Lithuania of 25 August 2010 on the Amendment of Resolution No 827 of the Government of the Republic of Lithuania on the Approval of the Strategic Planning Methodology of 6 June 2002 - V chapter's 1st part „Formulating of performance measures for strategic action plan“ and Annex 6 - Form of technical annex to performance measure.

## METHODOLOGY FOR FORMULATING AND APPLYING PERFORMANCE MEASURES USED IN STRATEGIC PLANNING DOCUMENTS

1. The Methodology for Formulating and Applying Performance Measures Used in Strategic Planning Documents (hereinafter referred to as the Methodology) defines the formulation principles of performance measures used in strategic planning documents (hereinafter referred to as performance measures), the formulation of a system of performance measures and individual performance measures, the planning of performance measure values, measures ensuring the reliability of performance measures and the key aspects of application of performance measures. The Methodology shall apply to institutions and bodies (hereinafter referred to as the institution) which are drawing up strategic or annual action plans. In order to develop a system of quality performance measures which soundly meets the specificity of operations, institutions may apply additional quality assurance measures.
2. Terms used in this Methodology correspond to the terms used in the Strategic Planning Methodology approved by Resolution No 827 of the Government of the Republic of Lithuania of 6 June 2002 (Valstybės žinios (Official Gazette) 2002, No 57-2312; 2010, No 102-5279).

## PRINCIPLES OF PERFORMANCE MEASURE FORMULATION

3. Performance measures shall be formulated in observance of the following principles:
  - 3.1. specificity – a performance measure must allow the assessment of the implementation of the specific goals and objectives of an institution and measure what is pursued by funded activities;

- 3.2. causality – performance measures of different levels must be clearly logically interrelated, i.e. the achievement of outcomes shall depend on the achievement of results, while the attainment of the latter – on that of outputs. Implementation of different-level performance measures over time shall also differ, accordingly – outputs shall be produced most rapidly, whereas outcomes may be assessed after a longer period, normally no earlier than after a year;
- 3.3. benefits – performance measures must allow the assessment of those operation results of institutions which are important to the general public and/or the achievement of which requires large amounts of funds. When creating or improving a system of performance measures the costs of data collection and processing also have to be considered – effort to collect information must be set off by the benefit of using such information. Use of the performance measures which do not present any valuable information and do not provide the basis for adopting any decision needs to be avoided;
- 3.4. measurability – the value of a performance measure must be measurable and calculable and the method (technique) of its calculation must be unambiguously defined;
- 3.5. reliability – a performance measure must be formulated so as to prevent the formation of conditions for different interpretations, its value has to be calculated using reliable data sources, and the method of calculation has to be clearly defined, i.e. a repeat calculation of the value of a performance measure must be based on the same methodology;
- 3.6. achievability – the pursued value of a performance measure must be realistic and justified. A 100 per cent implementation of a performance measure is achieved upon the maximum utilisation of an institution's all opportunities to achieve better results;
- 3.7. periodicity – information on the implementation of a performance measure shall be collected, processed and submitted to the management of an institution and other competent authorities on a regular basis in accordance with the terms set by an institution's management and the Government;
- 3.8. stability – new performance measures shall be developed when the Government's or an institution's priorities change, new programmes or individual activities are launched, or consumer needs or other important conditions change. Upon developing quality performance measures in line with the specificity of an institution it is recommended to maintain their stability;
- 3.9. proper balance:
  - 3.9.1. in order to evaluate the results of each programme, it is necessary to employ comprehensive performance measures demonstrating its achievements in terms of both quantity and quality. It is recommended to develop roughly the same number of quantifiable and qualitative performance measures, but this balance may differ depending on the activity specificity of an institution;
  - 3.9.2. it is recommended to employ performance measures of different levels according to the following proportion: around 40% of outcomes and results and 60% of outputs in the total number of performance measures. This balance may differ depending on the activity specificity of an institution;
- 3.10. leadership – institution's heads and servants in other management positions must get involved in the process of developing performance measures and setting the pursued values thereof by ensuring the importance and recognition of the measures in an institution;

- 3.11. competence – the employees formulating performance measures and their values must have the capacities and experience allowing them to develop such performance measures which meet the principles of performance measurement and well reflect the area being measured;
- 3.12. cooperation – cooperation among individual institutions and their servants as well as other stakeholders is needed with a view of developing quality performance measures. Prior to the approval of strategic action plans it is recommended to discuss the most important measures for outcomes and results and their values with the employees of other competent authorities, experts, beneficiaries, politicians and other stakeholders.

## THE SYSTEM OF PERFORMANCE MEASURES

4. When developing or improving the system of performance measures of an institution logical relationships between the strategic goals, and programme goals and objectives of an institution as well as the performance measures planned for the assessment of their implementation must be established. The subdivision or strategic planning group of an institution which is responsible for the drawing up of a strategic action plan must ensure the compatibility and justification of all elements of the strategic action plan. When creating or improving a system of performance measures it is necessary to:

- 4.1. take into account the goals, objectives and performance measures for the current period set out in the State Long-term Progress Strategy and other long- or medium-term planning documents, and to ensure the compatibility of the strategic goals, programme goals and objectives, and performance measures of an institution with the goals, objectives and performance measures laid down in the appropriate documents;

- 4.2. evaluate the context of activities, i.e. the political priorities of the Government and ministries which can have an influence on the activities of an institution, and the socioeconomic context of institution's activities, i.e. the factors which can be important for the achievement of the planned goals and objectives but which can be insignificantly influenced by the institution;

- 4.3. take into account not only financial capacities of an institution but also such factors as human resource management, partnership relationships, process and change management, and achieved goals and objectives. To evaluate the relationships between the capacities (potential) and the planned results of an institution quality management models and initiatives can be employed (e.g. the Common Assessment Framework, ISO 9000 series performance standards, Balanced Scorecard approach, the European Foundation for Quality Management Excellence Model, LEAN, and other models).

5. An institution must envisage the optimum number of performance measures. Although performance measures have to provide comprehensive information on the performance results of an institution, the quantity of performance measures has to be limited. An excessive number of performance measures prevents the identification of and concentration on the most important results when analysing the activities of an institution itself and accounting to the competent authorities as well as taking the required responsive actions during programme implementation, such as legal, administrative or financial actions, follow-up intensive monitoring or assessment of the programme, review of appropriate costs, etc.

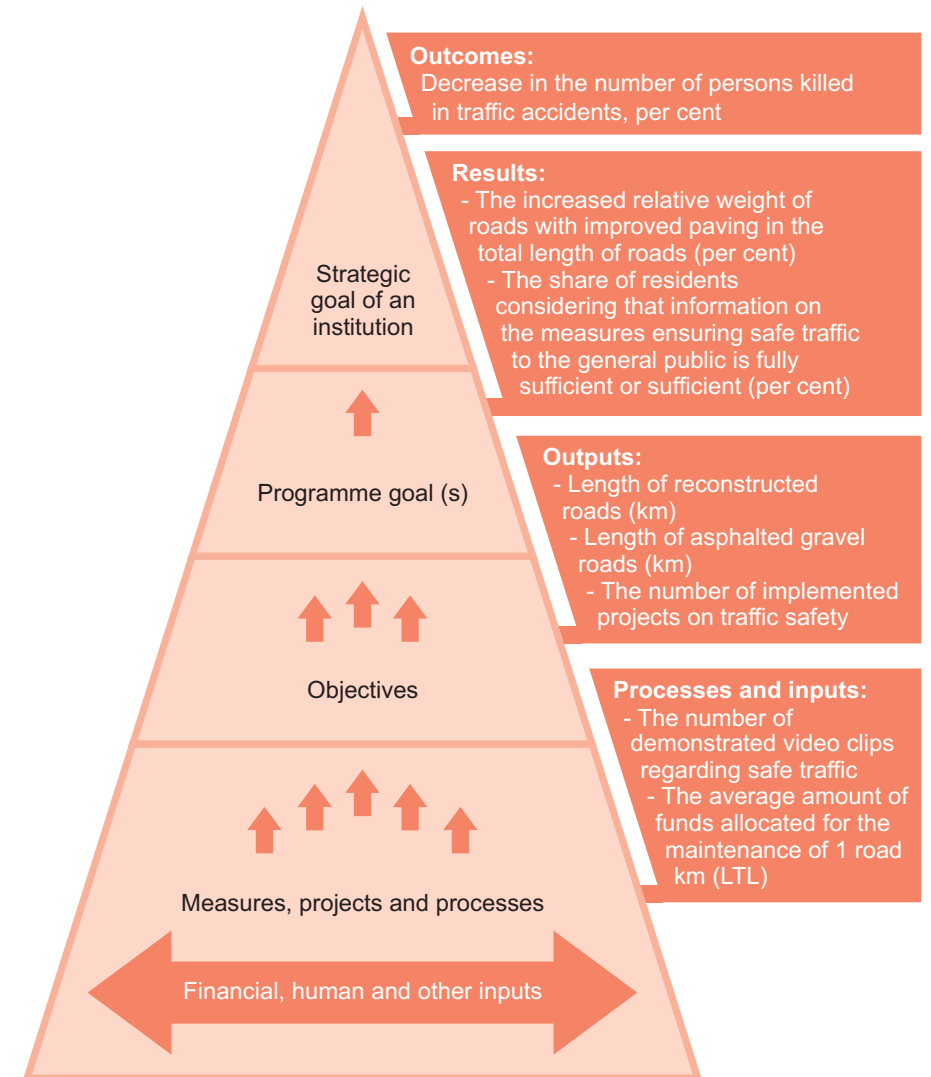
6. The system of performance measures needs to employ such performance measures which would enable the identification of the most important performance results, implementation of the Government's priorities (if they cover the area of activities of an institution), changes in public attitudes, performance effectiveness and/or would be related with large appropriations from the State budget.

The performance results to be assessed by the formulated performance measures shall be determined by an institution itself depending on its activity specificity and the amount of appropriations allocated for the achievement of results.

## VERTICAL PERFORMANCE MEASURES (ACCORDING TO LEVELS)

7. Strategic action plans employ such performance measures as outcomes, results and outputs which are formulated according the principle of hierarchy: outcomes shall be used to measure the achievement of strategic goals, results – programme goals, and outputs – programme objectives. Annual action plans or other internal planning documents can additionally employ the performance measures for processes and inputs, and these types of performance measures in the strategic action plans shall be presented at the output level. Performance measures of different types must be clearly logically interrelated. An example of the hierarchic-logical relationship of performance measures is presented in Figure 1. Examples of performance measures of different levels are presented in Annex 2 to the Methodology. Recommendations concerning an analysis of performance measures are presented in Annex 1.

Fig. 1: Example of the hierarchic-logical relationship of performance measures



#### FORMULATION OF OUTCOMES:

- » a performance measure for outcome shall assess the achievement of the strategic goal or the goal in the area of administration of an institution and shows the benefit which, upon implementing the appropriate strategic goal, is received not only by direct programme beneficiaries but also by the public;
- » the number of outcomes may not be lesser than the number of strategic goals as the outcomes must evaluate the implementation of all strategic goals, i.e. evaluate the results achieved in all main activity areas of an institution;
- » the performance measure for outcome shall directly reflect the implementation of the institution's strategic goal or be capable of replacing it (e.g. the wording of the outcome "The decrease of persons killed in traffic accidents" clearly shows what is aimed at and can replace the goal "To decrease the number of persons killed in traffic accidents");
- » the performance measure for outcome must enable evaluation of the activity results of an institution or an area of its administration, primarily the results it and/or institutions under its subordination can have a certain influence on. For example, responsible institutions can have an influence on the strategic goals which are measured by the following outcomes: "The share of agricultural, domestic and industrial wastewater treated according to standards" or "The decrease of a statistical reporting burden on economic operators";
- » the head of an institution shall participate in selecting the performance measures for outcomes and setting the planned values thereof in order to ensure the fulfilment of the highest-level obligations of an institution. Information on these performance measures shall be communicated to all employees of the institution.

#### FORMULATION OF RESULTS:

- » result is a performance measure for programme goal achievement showing the benefit which, upon implementation of the programme, is received by direct programme beneficiaries;
- » the number of measures for result shall be no lesser than the number of programme goals. The performance measures for result shall be used to evaluate the main activities of a programme and therefore they must clearly show the content and direct results of the programme. When formulating the performance measure for result a clear understanding of the desired aim is needed, while its actual value shall show whether a problem

was successfully solved and whether the envisaged benefit was received (e.g. whether bio-diversity was preserved after the responsible institutions had carried out the planned number of inspections);

- » there must be a logic linkage between results and outcomes. Results shall measure the most important factors which have an influence on the achievement of outcomes, i.e. results measure the benefit which is obtained, through an expedient use of appropriations for the programme, in acquiring services or creating products;
- » formulation of results revealing a process but not showing the specific pursued result or progress over a certain period of time needs to be avoided. For instance, such performance measures as "The interests of Lithuania's citizens in the European Union are represented" or "Ensured provision of information on certain issues" shall not be used;
- » the head of a responsible administrative subdivision shall participate in selecting measures for result and shall also take a decision on their values. Information on these performance measures shall be provided to all specialists who directly or indirectly contribute to their achievement.

#### FORMULATION OF OUTPUTS:

- » a performance measure for output means a performance measure for the implementation of an objective, i.e. a tangible or intellectual product and/or services that are produced by reasonably using the resources allocated to implement the objective. The performance measures for output may be composed of the performance measures for process or input;
- » the number of output measures shall not be lesser than the number of objectives as the output measure or a whole of several output measures must enable evaluation of the achievement of the programme objective. An objective normally indicates the provision or development of certain services or products. A list of these services and products may be very long and, therefore, in order to avoid an overabundance of information and an increased workload concerning the collection of inessential data it is important to assess only the major activities in implementing the objective and set a limited number of performance measures;
- » it is recommended to employ outputs for the measurement of the purchase or development of relatively very expensive services or products with the aim of observing whether the allocated resources are used efficiently. Even in the cases when programme drafters are not able to qualify these services and products as "very important" for the achievement of the programme goal they must be measured by employing performance

measures. A decision on which services and products are very expensive shall be taken by programme drafters;

- » outputs must show direct obligations of a specific institution and, therefore, there is no need to plan such outputs the achievement of which may depend on the activities of other institutions;
- » the head of a responsible administrative subdivision shall participate in selecting the outputs and shall take a decision on their values. Responsibility for the achievement of a performance measure shall be placed on particular specialists, information on the performance measure shall be provided to all specialists who contribute to its achievement.

#### FORMULATION OF PROCESSES:

- » a performance measure for process is a criterion of measure implementation designed to capture the internal processes (actions) of an institution which are needed in order to develop products, provide services or execute other functions of an institution. The performance measures for process are also employed for the evaluation of the quality of a service or product; for instance, by specifying the time-frame and level of services to be provided;
- » employment of performance measures for process is especially useful for those institutions whose products or services are difficult to evaluate in terms of quantity. For instance, after carrying out an assessment and identifying certain typical processes which are necessary for the provision of services, the implementation of these processes can be measured on the assumption that this will ensure the provision of the planned services;
- » the performance measures for process shall be used in institutions' internal systems of performance measures for the internal analysis of performance and shall be laid down in annual action plans or other internal planning documents, but the most important measures for process may be set out in strategic action plans at the output level.

#### FORMULATION OF INPUTS:

- » input means a performance measure which measures what kind of resources (financial, human, tangible, etc) will be employed to develop the envisaged products or provide the envisaged services. These performance measures are important for the measurement of performance effectiveness (the ratio of expenditures and outputs or results);
- » employment of processes is especially useful for those institutions whose products or services are difficult to evaluate in terms of quantity. There-

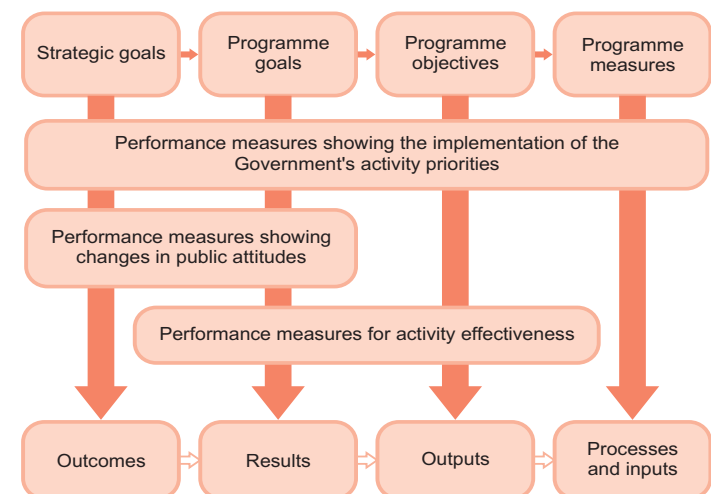
fore, they can be used to measure the amount of funds or the number of installations, employees, etc that are necessary to develop these products or services;

- » the performance measures for inputs shall be employed in institutions' internal systems of performance measures for the internal control and analysis of performance and laid down in annual action plans or other planning documents; however, the most important input measures may be laid down in strategic action plans at the output level.

## HORIZONTAL PERFORMANCE MEASURES

8. A strategic action plan shall include the performance measures which show the implementation of the Government's activity priorities (if an institution is implementing them), changes in public attitudes and the effectiveness of performance. A single performance measure may reflect several or all of the three aspects. For instance, the measure "Modernisation of multi-apartment buildings will result in the saving of 35 to 65 KWh thermal power in 2011" shows the implementation of the Government's priority "Promotion of the economy" and the effectiveness of performance. In strategic plans such performance measures may be presented as outcomes, results or outputs (see Fig. 2).

Fig. 2: The system of performance measures of an institution



### FORMULATION OF PERFORMANCE MEASURES SHOWING THE IMPLEMENTATION OF THE GOVERNMENT'S ACTIVITY PRIORITIES:

- » performance measures for Government activity priority implementation are the performance measures used to assess the progress of Government activity priority implementation. After the Government approves its activity priorities (and in certain cases performance measures for them), in their strategic action plans responsible institutions must lay down the appropriate performance measures which would allow the evaluation of the implementation of these priorities. In strategic action plans such performance measures shall be presented as outcomes, results or outputs;
- » where several institutions are responsible for the implementation of one activity priority of the Government and use the same performance measure for the assessment of its implementation, the description and value calculation method of this performance measure must be coordinated.

### FORMULATION OF PERFORMANCE MEASURES SHOWING CHANGE IN PUBLIC ATTITUDES:

- » Government institutions serve the public interest and when measuring the quality of their activities, therefore, involvement of performance measures showing changes in public attitudes is of utmost importance. These performance measures are normally presented at the outcome level but can also be employed at the result level;
- » performance measures showing changes in public attitudes are such performance measures which show public's:
  - awareness of certain issues; for instance, a share of the persons who consider that drug trafficking and abuse is a relevant problem in their urban district;
  - satisfaction; for instance, by measuring how patients assess the availability of primary healthcare services;
  - involvement; for instance by measuring the gap between the involvement into the civic society of socially vulnerable and non-vulnerable groups;
  - confidence; for instance, confidence in a certain state or municipal authority;
  - other performance measures which allow evaluating the experience of programme beneficiaries or the public in the area related to programme activities.
- » satisfaction of a consumer of services with public and administrative serv-

ices can be measured pursuant to the Methodology for Calculating the Index of Satisfaction of Public Service Consumer approved by Order No IV-339 of the Minister of the Interior of the Republic of Lithuania of 30 June 2009 (Valstybės žinios (Official Gazette) 2009, No 81-3391). If necessary, the Ministry of the Interior shall furnish institutions with comments and proposals on the formulation of the appropriate performance measures. As a survey of public attitudes is not always possible due to price, time or other limitations, such performance measures may also be formulated by specialists or experts.

### FORMULATION OF PERFORMANCE MEASURES FOR ACTIVITY EFFECTIVENESS:

- » performance measures for activity effectiveness are the criteria which enable evaluation of how effectively inputs were used in developing certain outputs or results, i.e. they show the ratio of the inputs (financial, human or other resources, time) to the developed outputs or results. The performance measures for effectiveness can also show the share of expenditure allocated for the execution of certain activities or functions in the total programme or other expenditure of an institution or body. These performance measures are normally presented at the output level but can also be employed at the result level;
- » the Ministry of Finance can set certain performance measures for activity effectiveness, while information collected on the basis thereof allows a comparison of operational costs of individual institutions (e.g. average monthly wage, maintenance price of one workplace, costs of official cars, funds allocated for public relations, etc) and the effectiveness of activities.

9. Apart from performance measures for activity effectiveness, other performance measures showing the relationship between different performance measures (for instance efficiency) as well as indices and ratings can be employed. An example of the performance measure showing the efficiency of activities: “The percentage of visitors to public libraries who found the desired information and are satisfied with the quality of services” or “The number of farmers who increased agricultural productivity per unit upon having applied new practices”. Examples of indices or ratings: “The number of deaths caused by 10 reasons which could have been potentially

avoided” (even though different factors are employed, each of them is attached the identical weight), “University rating” which is established upon evaluating different factors such as, for instance, a level of graduates’ employment within a year after graduation, the number of scientific publications, and certain weights attached to them. These performance measures shall be formulated on the basis of a rationale when the causal relationships between performance measures of different levels or factors under assessment are clear.

10. Compound performance measures provide a more comprehensive information on activities, but their formulation is related with certain risks, such as the inclusion of inappropriate major factors or insufficient inclusion of the major factors into the index or wrong definition of their inter-relationships, and problems to obtain data, changes in data sources or data collection methods.
11. If formulated in bad quality or misinterpreted, the compound performance measures can provide misleading information. Therefore, consultation with specialists is recommended when formulating such performance measures.
12. When a strategic action plan incorporates a compound performance measure showing the relationship between several other performance measures of an institution, the latter performance measures need not be laid down but a description explaining what performance measures were used when formulating the performance measure showing a specific relationship needs to be developed.

## QUANTITATIVE AND QUALITATIVE PERFORMANCE MEASURES

13. Quantitative performance measures assess quantifiable values and shall be formulated on the basis of quantitative information, i.e. facts, figures, statistics or departmental data. They show inputs (e.g. financial) or a quantitative scope of the final output or result.
14. Qualitative performance measures show the quality characteristics of institution’s performance, i.e. either its advance or decline (e.g. timeliness of results, their compliance with consumer or public needs, standards, etc). They can be developed using poll or research data, surveys, materials of experts or special group discussions and other information.
15. Programme’s performance measures have to show programme results in terms of both quantity and quality. When the qualitative performance measures obtained from surveys are used for the assessment of results, some irregularities may be encountered (the methodology used, its comparability, errors, etc) and, therefore, the quantitative measures need to be employed as well. It is recommended to develop roughly the same number of quantitative and qualitative performance measures in the system of performance measures, but this balance may differ depending on the activity specificity of an institution.
16. Performance measures showing both the quantitative and qualitative characteristics of a certain result may also be formulated. For instance, the measure “The number of statements which were issued within five business days of receipt of the properly completed application and payment” measures the provision of services in terms of quantity as well as one of the qualitative characteristics, i.e. time.

## REQUIREMENTS FOR PERFORMANCE MEASURE VALUES

### THE VALUES OF PERFORMANCE MEASURES MUST BE:

Measurable

Calculable

Reliable

### THE VALUES OF PERFORMANCE MEASURE MUST ENABLE EVALUATION OF CHANGES:

#### scope

e.g. the number of civil servants who took certain training courses; the number of investigations performed to assess professional risk.

#### scope and direction

e.g. by how many days the average duration of in-patient treatment will decrease; by how many percent the length of time of customs clearance procedures will decrease compared with the preceding year.

17. The value of a performance measure must be comparable with a certain standard or norm and/or the value of the analogous measure of another Lithuanian or foreign institution or programme, and/or other socio-economic indicators, and/or the value of institution's analogous performance measure of the preceding year (except for the cases of new measure formulation). Comparability enables planning the pursued value of a performance measure and assessing the activity effectiveness and efficiency of an institution.
18. Values of performance measures may be changed over the current budget year only in exceptional cases and only at the output level. Where, upon redistribution of appropriations among programmes during the budget year, it is possible to forecast how the values of performance measures for outputs will change, the responsible persons must by their decisions approve amendments to the respective

parts of a strategic action plan. In other cases, if the decrease or increase of appropriations makes it impossible to determine the value of a newly planned performance measure, its primary value shall be used, but an explanation on why the achievement of this value was impossible or was exceeded must be provided at the time of reporting on the implementation of the performance measure. If the changes of appropriations make it impossible to achieve the values of certain performance measures for outcome or they are strongly exceeded, an explanation must also be provided at the time of reporting.

19. When planning the values of performance measures the results of the preceding year need to be taken into account, i.e. if the planned value was exceeded with other conditions remaining the same more ambitious plans need to be pursued.
20. If the value of a performance measure indicates a change in per cent, the initial value of the performance measure expressed in figures has to be specified as well. For example, if the reduction of registered breaches is measured in per cent, the registered number of breaches at the beginning of the reporting period and a change, i.e. the reduction of breaches compared with the beginning of the reporting period, shall be specified. Thus, a possibility is provided to compare the value of a performance measure with values of other performance measures, make calculations, better analyse and summarise information.
21. In exceptional cases, when it is necessary to measure the achievement of measures (criteria) set for Government activity priority implementation, performance measures for process (or output) whose values are measured in words but not figures (e.g. "implemented"/"non-implemented", "yes/no") may be employed. These performances measures show a certain level or conditions of quality assurance. Institutions shall use the criteria showing measure implementation in annual strategic action plans or other internal planning documents.

## RELIABILITY OF PERFORMANCE MEASURES

22. Reliability of performance measures is ensured by a clear wording of a performance measure, explanation of the specific terms used therein, clear definition of the calculation method (technique) for performance measure value and use of reliable data sources and data collection and processing tools.
23. When planning the value of a performance measure, its data source must be envisaged in advance (e.g. the Department of Statistics under the Government of the Republic of Lithuania, public opinion survey, data collected by another state institution, data collected by a non-government authority, data of an international organisation, internal data, etc). When developing the performance measures, indices or ratings which show a certain ratio, the use of several data sources is possible. It is also necessary to envisage in advance the time when data will be taken from this source.
24. Reliability of the data used for the calculation of performance measure values shall be guaranteed by appropriate data collection and processing methods. Where data are obtained from other sources than official statistics (e.g. the Department of Statistics, Eurostat), it is recommended to describe the process of their collection in internal documents by defining the stages of data collection and identifying the persons responsible for their submission. Where data for the calculation of the value of a performance measure are obtained from several subordinate institutions or other sources, a uniform procedure for data collection and a concerted form (report) of data submission must be applied, and persons responsible for data reliability must be envisaged.
25. To describe the performance measures for outcome provided for in strategic action plans for 2011-2013, technical annexes to performance measures (the form a technical annex to performance measures is presented in Annex 6 to the Strategic Planning Methodology) shall be developed together with strategic action plans and shall

be made public. Starting from 2012 technical annexes to performance measures also shall be developed to describe the performance measures for results.

26. Starting from 2012 it is recommended to draw up technical annexes to performance measures for outputs as well or indicate the data source, the calculation method of the performance measure value and define the terms used in the wording of the performance measure in the internal documents of an institution, approved by the head of the appropriate administrative subdivision. This information will be required in the monitoring IT system.
27. If necessary, the Department of Statistics under the Government of the Republic of Lithuania gives advice to institutions with regard to data collection methods and reliability ensuring.

## APPLICATION OF PERFORMANCE MEASURES

28. After strategic or annual action plans are approved their implementation is started and concurrently the monitoring of implementation of performance measures (hereinafter referred to as monitoring) starts. After setting up the monitoring IT system, monitoring will be carried out with the help of this system. Before this system is developed, institutions accountable to the Government shall provide information on the implementation of certain performance measures (e.g. the implementation of Government's activity priorities), on Prime Minister's request, to the Office of the Prime Minister. Institutions may also use their internal monitoring systems employing more performance measures and other monitoring data taking account of the internal needs of the monitoring.

**INFORMATION ON THE IMPLEMENTATION OF PERFORMANCE MEASURES SHALL BE USED FOR THE FOLLOWING MAIN PURPOSES:**

Reporting  
(control)

Assessment  
of performance  
results

Improvement of  
and giving publicity  
to activities

29. When reporting on the implementation of performance measures it is important to present such monitoring data which are important to the authorities and the public. Reports to the Government shall contain information on the implementation of performance measures for Government activity priority implementation and performance measures for the implementation of other important strategic goals, programme goals and objectives. The Ministry of Finance is particularly interested in information on the fulfilment of performance measures for activity effectiveness or other measures used to assess the implementation of objectives which required major appropriations. Information on the fulfilment of performance measures which assess benefit for the public and changes in public attitudes is particularly relevant to the public and direct consumers of services. Account should also be taken of the needs of the consumers of Seimas, European Union bodies and other most important external monitoring data.

30. When the monitoring IT system is launched, institutions accountable to the Government will have to collect and enter into this system information on the implementation of performance measures on a quarterly basis. Information on the implementation of outcomes and other performance measures which are not calculated or are impossible to calculate on a quarterly basis may be presented less frequently. Information on the calculation periodicity of performance measures shall be presented in technical annexes to performance measures or other internal documents of institutions. Data about the implementation of performance measures in reports on half-year or annual performance results shall be accompanied by explanatory information.

**THE EXPLANATORY INFORMATION MAY INCLUDE:**

- » reasons for exceeding the planned values of performance measures or failure to achieve them;
- » upon failure to achieve the planned values of performance measures – additional measures (responsive actions) envisaged for the implementation of the set goals;
- » risks concerning potential failure to implement performance measures;
- » possible impact on the implementation of Government's activity priorities or achievement of institution's strategic goals;
- » forecast for the implementation of performance measures;
- » information on the implemented measures and/or responsive actions taken;
- » other important information related to the implementation of performance measures.

31. In order monitoring data be usable their analysis has to be performed. The simplest analysis (of descriptive type) allows evaluating the dynamics of performance measure implementation and identifying its relationship with human and financial resources and other monitoring data.

**DESCRIPTIVE ANALYSIS SHALL COVER:**

- » a comparison of the actual and planned values of a performance measure;
- » a comparison of the actual value of a performance measure with the values of the previous period;
- » the relationship between hierarchic goals and objectives with the performance measures of a certain level;
- » a comparison of the value of a performance measure with the values of other similar measures of the sector or state level of Lithuanian or foreign institutions, standards or norms;
- » a comparison of the actual value of performance measures according to different subgroups (e.g. characteristics of consumers of services, structural subdivisions or projects, types and quantities of services, territorial units);

- » a comparison of measures and/or responsive actions with the actual values of performance measures and change in time;
- » a comparison of data about the use of appropriations with the implementation of performance measures;
- » a comparison of the number of civil servants in institutions;
- » evaluation of the implementation of a performance measure taking account of the information on the implementation and context of other performance measures of the same level;
- » a comparison of other monitoring data.

32. According to the descriptive analysis, areas which need rapid and/or important changes shall be identified and responsive actions shall be envisaged. This analysis may also identify the areas which require a deeper (of the explanatory-prognostic type) analysis.

33. With the aim of evaluating the progress of implementation of Government's activity priorities, institution's goals and objectives and using the monitoring data for administrative decision-making, the data need to be considered at the Governmental and institutional levels.

*The monitoring data may be considered at the Governmental level at a sitting of the Strategic Committee, the Government or the Commission on the Improvement of State Administration (Sunset). This information shall be considered at the institutional level in strategic planning groups and, when necessary, in the groups on state administration improvement (Sunset) of ministries and/or other internal meetings of institutions. Performance measures for the implementation of Government activity and institutional priorities, showing activity efficiency and cost effectiveness as well as other outcomes and results measuring the main areas of activities are particularly relevant for institution's employees in management positions. For the assessment of employees' results and their motivation it is important to analyse performance measures for process and output showing direct performance results of employees.*

34. Data about the implementation of performance measures and other monitoring data should be used when improving institution's activities, i.e. trying to achieve a more effective distribution of institution's financial resources, better implementation of Government's activity and institution's priorities and better internal administration. For example, monitoring data shall be used in programme assessment, cost reviews or functional analysis.

35. Monitoring data must be made public, for example when preparing annual reports on activities, reviews, announcements, information publications or ratings, which could serve as the basis for institution promotion and which could be relevant to the public. The publicity information must be transparent, clear and relevant to the public. The annual reports on activities and other publications intended for giving publicity to activities must clearly show the benefit of institution's activities for the public, the implementation of obligations assumed at the beginning of the reporting period and must present the planned activities related to the results for the coming year. The reports must indicate how activities will be improved taking account of results or other consequences of activities.

## RECOMMENDATIONS FOR THE ANALYSIS OF PERFORMANCE MEASURES

Recommendations for the analysis of performance measures regulate the issues aimed at helping institutions to formulate systems of performance measures and individual performance measures, carry out an analysis of their fulfilment and evaluate whether they meet the requirements laid down in the Methodology for Formulating and Applying Performance Measures Used in Strategic Planning Documents. The recommendations for the analysis of performance measures are intended for institutions which, according to the requirements laid down in the Strategic Planning Methodology, are drawing up and implementing strategic action plans and reporting on activity results. These recommendations can also be used by everybody who will analyse and evaluate the implementation of strategic action plans.

### THE ANALYSIS SHOULD COVER:

- » the system of performance measures;
- » the content of performance measures;
- » the values of performance measures;
- » the reliability of performance measures;
- » the process of performance measure formulation.

According to the time of performance, the analysis of performance measures is divided into ex-ante, current and ex-post analysis. The ex-ante analysis evaluates whether the system of performance measures and individual performance measures of an institution are of good quality. This analysis is carried out on the basis of the questions listed in Tables 1-7. The current and ex-post analyses focus on the implementation of performance measures. These analyses are carried out on the basis of the questions listed in Table 8.

*Before starting the analysis of performance measures, it is necessary to make oneself familiar with the provisions laid down in the Strategic Planning Methodology; make oneself familiar with the Government's activity priorities for the year n; analyse long- and medium-term planning documents related to the activities of an institution.*

## ANALYSIS OF THE SYSTEM OF PERFORMANCE MEASURES

**Table 1:** Control questions for the analysis of the system of performance measures

No	Question	Yes	No	Actions to be taken, if the answer is "No"
1.	Is the causal theory or logic model of activities employed during the formulation of strategic goals, and programme goals, objectives and measures of an institution which would allow for justification of their selection compared to alternatives? Accordingly, are there clear logical relationships among performance measures of different levels (outcomes, results, outputs), i.e. will the achievement of outcome depend on the expected result, and the latter – on the achievement of output?	<input type="checkbox"/>	→	To review the logical relationship of performance measures once again (for an example see Fig. 1 in the Methodology for Formulating and Applying Performance Measures).
2.	Are the envisaged performance measures comprehensive allowing the evaluation of programme results in terms of both quantity and quality?	<input type="checkbox"/>	→	To determine which performance measures form the major share and which ones are absent and to formulate the lacking performance measures in order to achieve a proper balance thereof.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
3.	Does a whole of performance measures express the most important areas of an institution or programmes?	<input type="checkbox"/>	<input type="checkbox"/>	To find out the areas of activities which are not covered by performance measurement and to re-formulate or formulate additional performance measures.
4.	Are there envisaged performance measures which show the implementation of Government’s activity priorities (if an institution is implementing Government’s activity priorities)?	<input type="checkbox"/>	→	To formulate appropriate performance measures.
5.	Are there formulated performance measures showing changes in public attitudes?			
6.	Are there formulated performance measures showing the effectiveness of institution’s activities?			

## ANALYSIS OF THE CONTENT OF PERFORMANCE MEASURES

**Table 2:** Control questions for the analysis of the content of performance measure for outcome

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Is at least one performance measure for outcome developed for the evaluation of the implementation of each strategic goal?	<input type="checkbox"/>	→	To find out for which strategic goals no outcome measures are formulated and to formulate additional performance measures.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
2.	Will evaluation of the achievement of a strategic goal according to the envisaged performance measure for outcome (or several performance measures) be possible, i.e. does (do) the performance measure(s) directly shows the implementation of a strategic goal?	<input type="checkbox"/>	→	To re-formulate the performance measure (s) for outcome so that it is (they are) related to the appropriate goal or could replace it. If necessary, to review the strategic goal.
3.	Does a performance measure for outcome clearly demonstrate benefit for the public?	<input type="checkbox"/>	→	To re-formulate the outcome so that it demonstrates benefit for the public. The benefit for the public can be expressed in objective quantitative performance measures related to the measurement of the physical environment (e.g. air and water quality) or qualitative performance measures showing public attitudes, opinions, values, etc.

**Table 3:** Control questions for the analysis of the content of performance measure for result

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Is at least one performance measure for result developed for the evaluation of the implementation of each programme goal?	<input type="checkbox"/>	→	To find out for which programme goals no result measures are formulated and to formulate additional performance measures.
2.	Will a performance measure for result (several performance measures) make it possible to evaluate the implementation of the programme goal?	<input type="checkbox"/>	→	To re-formulate the performance measure (s) for result so that it is (they are) related to the appropriate programme goal or could replace it. If necessary, to review the programme goal.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
3.	Does a performance measure for result demonstrate benefit for the direct users of programme results?	<input type="checkbox"/>	→	To formulate such a performance measure which shows programme’s benefit for direct or directly-related users of its results.
4.	Does a performance measure for programme results (or several ones) evaluate the most important factors having an influence on the achievement of a performance measure for outcome?	<input type="checkbox"/>	→	To review all performance measures for result of a respective programme and their relationships with outcomes, and, when appropriate, to re-formulate certain performance measures.

**Table 4:** Control questions for the analysis of the content of performance measure for output

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Is at least one performance measure for output developed for the evaluation of the implementation of each programme objective?	<input type="checkbox"/>	→	To find out for which programme objectives no output measures are formulated and to formulate additional performance measures.
2.	Does a performance measure for output (or several performance measures) directly show the implementation of a programme objective or can replace the programme objective?	<input type="checkbox"/>	→	To re-formulate the performance measure (s) for output so that it is (they are) related to the appropriate programme objective or could replace it. If necessary, to review the programme objective.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
3.	Does a performance measure for output measure the units of services or products?	<input type="checkbox"/>	→	To re-formulate the performance measure so that it measures the units of services or products. It is recommended to use the absolute but not percent values of the performance measure for output in order to make it possible to carry out the analysis of effectiveness as well as other calculations.
4.	Are the measured products or services important for the achievement of a programme goal?	<input type="checkbox"/>	→	To re-formulate performance measures for output so that they measure the provision of products and services which are most important for the achievement of objective and/or most expensive.
5.	Are the measured products or services relatively expensive (in programme’s context)?			
6.	Where it is difficult to evaluate the results of institution’s activities in terms of quantity and to develop performance measures for output measuring the units of products or services, are there developed performance measures to measure the most important processes of a programme?	<input type="checkbox"/>	→	To formulate performance measure (s) for process.
7.	Where it is difficult to evaluate the results of institution’s activities in terms of quantity and to develop performance measures for output measuring the units of products or services, are there developed performance measures to measure the most important inputs (financial, human. etc) of a programme?	<input type="checkbox"/>	→	To formulate performance measure (s) for input.

## ANALYSIS OF THE VALUES OF PERFORMANCE MEASURES

**Table 5:** Control questions for the analysis of the values of performance measures

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Are all performance measures measurable?	<input type="checkbox"/>	→	To find out which performance measures will not allow evaluation of activity results. The value of performance measure must be expressed in figures and only in exceptional cases – in symbols or short words (yes/no).
2.	Does the value of performance measures for outcome and result allow evaluation of the change (progress)? Is the initial value of a performance measure known?	<input type="checkbox"/>	→	To re-formulate the performance measure so that it allows evaluation of the progress. The possibility to calculate the objective value of performance measure implementation and its comparison with the values of the previous reporting periods must be present (if it not a new performance measure)
3.	Is the planned value of a performance measure real, i.e. a 100 per cent implementation of a performance measure will be achieved upon the maximum utilisation of an institution’s all opportunities to achieve better results?	<input type="checkbox"/>	→	To specify the value of a performance measure.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
4.	Is the value of a performance measure comparable with the standard or norm?*			To formulate such performance measure whose value would be comparable with the standard or professional norm, or the value of the analogous performance measure of another institution or programme, or the value of this performance measure of the previous reporting period.
5.	Is the value of a performance measure comparable with the value of the analogous performance measure of another institution or programme or other socio-economic indicators (Lithuanian or foreign state’s)?*	<input type="checkbox"/>	→	
6.	Is the value of a performance measure comparable with the value of institution’s analogous performance measure of the previous reporting period?*			
7.	Do the values of performance measures correspond to the envisaged values of the respective performance measures for Government activity priority implementation and commitments laid down in other long- and medium-term planning documents?	<input type="checkbox"/>	→	To re-formulate

\* - the provision shall not apply to a new performance measure

## ANALYSIS OF THE RELIABILITY OF PERFORMANCE MEASURES

**Table 6:** Control questions regarding the reliability of performance measures

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Does the technical annex to a performance measure refer to the data source on the basis of which the performance measure will be calculated?*	<input type="checkbox"/>	→	To make (in the technical annex) reference to the data source on the basis of which the value of a performance measure will be calculated.
2.	Is the calculation method (formula) of the performance measure value explained and written down in the technical annex?*	<input type="checkbox"/>	→	To define the calculation method (formula) or the performance measure in the technical annex.

No	Question	Yes	No	Actions to be taken, if the answer is “No”
3.	Is the wording of a performance measure clear to a non-specialist and are the terms used therein explained?*	<input type="checkbox"/>	→	To re-formulate or to explain the wording of the performance measure and terms used therein in the technical annex.
4.	Is there appointed a contact person directly responsible for the implementation of a performance measure or for the collection of data about its implementation	<input type="checkbox"/>	→	To appoint a responsible employee
5.	Are technical annexes to performance measures for outcome drawn up?	<input type="checkbox"/>	→	To draw up/coordinate a technical annex
6.	If several institutions are responsible for the implementation of one performance measure, is the technical annex to this performance measure coordinated?*			

\* - These provisions shall apply to the performance measures for outcome envisaged in strategic action plans for 2011-2013. Starting from 2012 these provisions shall apply to the performance measures for result and output if they will have technical annexes.

## ANALYSIS OF THE FORMULATION (DETERMINATION) PROCESS OF PERFORMANCE MEASURES

**Table 7:** Control questions for the analysis of the formulation (determination) process of performance measures

No	Question	Yes	No	Actions to be taken, if the answer is “No”
1.	Did the head of an institution participate in identifying a performance measure for outcome and approve its value?	<input type="checkbox"/>	→	To ensure the involvement of heads in the process of performance measure identification.
	Did the head of a responsible administrative subdivision participate in identifying a performance measure for result/outcome and did he approve its value?	<input type="checkbox"/>	→	
2.	Was information about the performance measure for outcome provided to all employees of an institution?	<input type="checkbox"/>	→	To ensure the involvement of heads in the process of performance measure identification.
	Are all specialists directly or indirectly contributing to the achievement of a performance measure for result/output aware of it?	<input type="checkbox"/>	→	

## ANALYSIS OF PERFORMANCE MEASURE IMPLEMENTATION

**Table 8:** Control questions for the analysis of performance measure implementation

No	Question	Yes	No	Actions to be taken, if the answer is “No”
	Are data about the implementation of performance measure submitted following the time-frames set by the Government?	<input type="checkbox"/>	→	To ensure responsibility and data submission in observance of the set time-frames.

No	Question	Yes	No	Actions to be taken, if the answer is "No"
	Is information obtained from the carried out analysis of performance measure fulfilment used when reporting on the implementation of goals and objectives or improving activities? Did the analysis of performance measure fulfilment include the following actions:	<input type="checkbox"/>	→	To carry out an analysis of performance measure fulfilment on the basis of the questions listed below in the table.
	» Comparison of the actual values of performance measures with the planned values	<input type="checkbox"/>	→	<ul style="list-style-type: none"> <li>» To compare the actual values of performance measures with the planned values;</li> <li>» To identify those performance measures whose actual values significantly differ from the planned values;</li> <li>» To evaluate and present an explanation on why the planned value of a performance measure was significantly exceeded or not achieved.</li> </ul>
	» Comparison of the actual values of performance measures with the actual values of the appropriate performance measures of the previous periods	<input type="checkbox"/>	→	<ul style="list-style-type: none"> <li>» To compare the factual values of measures with the factual values of the previous reporting periods, i.e. to evaluate the dynamics of performance measure implementation (except for the case of a new performance measure);</li> <li>» To determine reasons if significant deviations from the values are established.</li> </ul>

No	Question	Yes	No	Actions to be taken, if the answer is "No"
	» Comparison of the actual values of performance measures with the values of the performance measures of similar programmes of other Lithuanian or foreign institutions and standards or norms	<input type="checkbox"/>	→	<ul style="list-style-type: none"> <li>» To compare (where possible) the values of performance measures with the results of other institutions achieved when implementing similar programmes or the results of the private sector in carrying out similar activities, or the appropriate standards or professional norms,</li> <li>» To determine the reasons for failure to achieve good results if the results achieved by other institutions are significantly better.</li> </ul>
	» Comparison of the actual values of performance measures according to different subgroups (see examples on the right)	<input type="checkbox"/>	→	<ul style="list-style-type: none"> <li>» To evaluate results by comparing information according to different subgroups of performance measures (if any), for example: <ul style="list-style-type: none"> <li>- Characteristics of consumers of services (age, gender, income, education. etc);</li> <li>- structural subdivisions or projects; their workload;</li> <li>- types and quantity of services;</li> <li>- territorial units.</li> </ul> </li> <li>» To determine the categories in which activity results are very good or bad, to find out the reasons for bad results or disseminate good practices.</li> </ul>

No	Question	Yes	No	Actions to be taken, if the answer is "No"
	» Establishment of the relationship among performance measures of different levels and the justification for performance measure value by providing information about the achievement of other (of lower level) performance measures, the implementation of measures and/or responsive actions, the use of appropriations and other information	□	→	<ul style="list-style-type: none"> <li>» To evaluate the relationship between performance measures of different levels (see Fig. 1 of the Methodology for Formulating and Applying Performance Measures);</li> <li>» To evaluate whether the achieved results are consistent comparing to the results achieved when implementing the goals and objectives of a lower level;</li> <li>» To evaluate whether the achieved results are consistent with regard to the measures and responsive actions taken;</li> <li>» To evaluate whether the achieved results are consistent with regard to the allocated inputs.</li> </ul>
	» Evaluation of the implementation of a performance measure taking account of the implementation of other related performance measures of the same level and context information	□	→	To evaluate the implementation of other related performance measures of the same level (e.g. on the basis of information of an institution or information obtained from surveys) and performance measures for context which show the activities of the appropriate sector

No	Question	Yes	No	Actions to be taken, if the answer is "No"
	» Identification, on the basis of a performed analysis, of the areas which require rapid and/or important changes and the provision of responsive actions and the identification of the areas which require a deeper analysis	□	→	<ul style="list-style-type: none"> <li>» To identify the areas which require rapid and/or important changes and to provide for responsive actions;</li> <li>» To identify (according to the results of analysis) the programmes, their groups or separate parts thereof which need a deeper assessment – the objects of programme assessment.</li> </ul>
	Was information about the implementation of performance measures for the previous reporting period submitted to the management of an institution and deliberated in the Strategic Planning Group, Group on the Improvement of State Administration or another internal meeting?	□	→	To deliberate, on a regular basis, the results of analysis of performance measure implementation in the Strategic Planning Group, Group on the Improvement of State Administration or another internal meeting

## EXAMPLES OF PERFORMANCE MEASURES OF DIFFERENT LEVELS

**Table 1:** Examples of strategic goals and performance measures for outcome

	Health area	Transport area	Civil service area
<ul style="list-style-type: none"> <li>• <b>Examples of strategic goals</b></li> </ul>	<ul style="list-style-type: none"> <li>» To reduce population mortality from cardiovascular diseases and malignant tumours</li> </ul>	<ul style="list-style-type: none"> <li>» To develop a modern, balanced, safe and environment-friendly network of road infrastructure which meets transport needs and provides conditions for reducing the number of persons killed in traffic accidents</li> </ul>	<ul style="list-style-type: none"> <li>» To enhance institution's administrative capacities to provide public services/carry out certain functions of public administration</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Examples of performance measures for outcome</b></li> </ul>	<ul style="list-style-type: none"> <li>» Decrease of mortality of the population under 65 years of age from cardiovascular diseases per 100 000 population (per cent)</li> <li>» Decrease of mortality from malignant tumours per 100 000 population (per cent)</li> </ul>	<ul style="list-style-type: none"> <li>» Decrease of the share of persons killed in traffic accidents (per cent)</li> </ul>	<ul style="list-style-type: none"> <li>» The share of employees who successfully completed a training course and are applying the acquired knowledge in their work 6 months after the end of the training course (per cent)</li> </ul>

**Table 2:** Examples of programme goals and performance measures for results

	Health area	Transport area	Civil service area
<ul style="list-style-type: none"> <li>• <b>Examples of programme goals</b></li> </ul>	<ul style="list-style-type: none"> <li>» To ensure the quality, relevance and safety of personal health-care services in the areas of cardiovascular diseases and malignant tumours</li> </ul>	<ul style="list-style-type: none"> <li>» To improve traffic conditions on roads and city streets, and enhance traffic safety</li> </ul>	<ul style="list-style-type: none"> <li>» To enhance employees' administrative capacities through the advancement of their qualifications in certain priority areas</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Examples of performance measures for result</b></li> </ul>	<ul style="list-style-type: none"> <li>» The share of biopsy tests performed within 2 calendar days (per cent)</li> <li>» Per cent of implemented proposals on ensuring healthcare quality in the areas of cardiovascular diseases and malignant tumours</li> </ul>	<ul style="list-style-type: none"> <li>» Per cent of gravel roads in the roads of national significance</li> <li>» Increased relative weight of roads with improved paving in the total length of roads (per cent)</li> <li>» The share of residents who consider that information provided to the public on the measures ensuring safe traffic is fully sufficient or sufficient (per cent)</li> <li>» The share of drivers stating they fasten the seat belts always or almost always (per cent)</li> <li>» The share of passengers stating they fasten the seat belts always or almost always (per cent)</li> </ul>	<ul style="list-style-type: none"> <li>» The share of employees who completed a training course and received study certificates in the total number of employees who took the training course (per cent)</li> </ul>

**Table 3:** Examples of programme objectives and performance measures for output

	Health area	Transport area	Civil service area
• <b>Examples of programme objectives</b>	» To ensure the prevention of cardiovascular diseases and malignant tumour morbidity through the improvement of information provision to the general public and application of preventive medical examinations	» To increase the length of reconstructed roads and asphalted gravel roads in the total length of roads	» To organise and hold training courses in certain areas (areas to be specified)
• <b>Examples of performance measures for output</b>	» The number of persons attributable to the group of a big risk of cardiovascular diseases who had preventive examinations » The number of performed controls and examinations of primary health-care services » The number of seminars and conferences intended for public awareness of the prevention of cardiovascular diseases	» Length of reconstructed roads (km) » Length of asphalted gravel roads (km) » The number of implemented projects on traffic safety	» The number of employees who completed certain training courses

**Table 4:** Examples of performance measures for process

Health area	Transport area	Civil service area
» Average duration of biopsy tests (in calendar days)	» Length of illuminated road sections of high accident rate (km) » Length of installed metal protective barriers in the places of high accident rate (km) » The number of installed speed bumps » The number of installed speed meters » The number of checked videotapes » The number of lessons on safe traffic prepared by the competent authority » The number of telecast video clips about safe traffic	» Average duration of training per civil servant (h) » The number of certain training courses/seminars/conferences

**Table 5:** Examples of performance measures for input

Health area	Transport area	Civil service area
» The number of newly acquired pieces of medical equipment for cardiovascular disease treatment » The number of newly acquired pieces of medical equipment for oncological disease treatment	» The average amount of funds allocated for the maintenance of 1 road km (LTL) » The amount of funds allocated for publicity about safe traffic	» Funds allocated for certain training courses of employees (LTL)

## EXTRACT

FROM RESOLUTION NO 1220 OF THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA OF 25 AUGUST 2010 ON THE AMENDMENT OF RESOLUTION NO 827 OF THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA ON THE APPROVAL OF THE STRATEGIC PLANNING METHODOLOGY OF 6 JUNE 2002

### V. FORMULATION OF PERFORMANCE MEASURES FOR A STRATEGIC ACTION PLAN AND MONITORING OF THE IMPLEMENTATION RESULTS OF STRATEGIC ACTION PLANS

#### I. FORMULATION OF PERFORMANCE MEASURES FOR A STRATEGIC ACTION PLAN

44. Performance measures for a strategic action plan (hereinafter referred to as the performance measures) shall be drawn up taking account of the goals and objectives and create the possibility of a versatile evaluation of the change in the most important activity areas of an institution within the set period of time. Performance measures may be vertical and horizontal (Annex 5 to the Strategic Planning Methodology). Technical annexes shall be drawn up for these performance measures (Annex 6 to the Strategic Planning Methodology).
45. Performance measures have to show the results of strategic action plan's programmes in terms of quantity and quality. Quantitative performance measures measure what can be quantified and shall be formulated on the basis of quantitative information, i.e. facts, figures, statistics or institution's data. These measures show inputs (e.g. financial) or a quantitative scope of the final output or result. Qualitative performance measures show the quality characteristics of institution's performance, i.e. either its advance or decline (e.g. the results were achieved in due time, whether they comply with

consumer or public needs, standards, etc). They can be formulated using poll or research data, surveys, materials of experts or special group discussions and other qualitative information.

46. The value of performance measures has to allow assessment of the direction and/or scope of changes and be comparable with a certain standard or norm and/or the value of the analogous performance measure of another Lithuanian or foreign institution or programme, and/or other socio-economic indicators, and/or the value of institution's analogous performance measure of the preceding year (except for the cases of new measure formulation). The values of performance measures may be changed over the current year only at the output in exceptional cases at the result level.
47. Permissible deviations shall be envisaged for performance measures in the intervals of which the implementation of performance measures can be rated "very good", "good", "satisfactory" or "bad".
48. Strategic action plans shall employ vertical performance measures for outcome, result and output which are formulated according the principle of hierarchy (Annex 7 to the Strategic Planning Methodology): performance measures for outcome shall be used to assess the implementation of strategic goals, those for result – programme objectives, and output – programme objectives. Annual action plans shall employ measures for institution's process and/or input (the most important measures for process and/or input can also be included in a strategic action plan at the output level).
49. The performance measure for outcome assesses the achievement of the strategic goal or the goal in the area of administration of an institution and shows the benefit which, upon implementing the appropriate strategic goal, is received not only by direct programme beneficiaries but also by the public. The number of performance measures for outcome may not be lesser than the number of strategic goals as the outcomes must evaluate the results achieved in all main activity areas of an institution.

50. The performance measure for result means a performance measure of the achievement of the goal. It shows the benefit which, upon programme implementation, is received by direct programme beneficiaries. The number of performance measures for result shall be no lesser than the number of programme goals. The performance measure for result shows the content and direct results of the programme. The performance measures for result shall measure the most important factors which have an influence on the achievement of outcomes, i.e. the results shall measure the benefit which is obtained through an expedient use of appropriations for the programme.

51. The performance measure for output means a performance measure of objective implementation, i.e. a tangible or intellectual product and/or services that are produced reasonably using the resources allocated to implement the objective. The performance measures for output may be composed of performance measures for process or input. The number of performance measures for output shall not be lesser than the number of objectives as the performance measure for output or a whole of several measures for output must enable evaluation of whether the programme objective has been achieved. An objective normally indicates the provision or development of certain services or products. It is recommended to formulate up to three performance measures for one objective.

52. The performance measure for process means a criterion of measure implementation designed to capture the internal processes (actions) of an institution which are needed in order to develop products, provide services or execute other functions of the institution. The performance measures for process are also employed for the evaluation of the quality of services or products. It is recommended to employ performance measures for process for those institutions whose products or services are difficult to evaluate in terms of quantity.

53. The performance measure for input measures what of kind of resources (financial, human, tangible, etc) will be employed to devel-

op the envisaged products or provide the envisaged services. These performance measures are important for the measurement of activity effectiveness – the ratio of expenditure to outputs or results. It is recommended to employ performance measures for input for those institutions whose products or services are difficult to evaluate in terms of quantity.

54. A strategic action plan shall include horizontal performance measures which show the implementation of Government's priorities (if an institution is implementing them), changes in public attitudes and the effectiveness of activities.

55. The performance measures showing the implementation of Government priority implementation shall be used to assess the progress of Government activity priority implementation. After the Government approves its priorities and performance measures for them as well as their values, the priority implementing institutions in their strategic action plans must lay down the appropriate performance measures. In strategic plans such performance measures shall be presented as outcomes, results or outputs.

56. Performance measures showing changes in public attitudes are performance measures which show the public's awareness of certain issues, satisfaction, involvement and confidence. The satisfaction of consumers of services with public and administrative services is measured pursuant to the Methodology for Calculating the Index of Satisfaction of Public Service Consumers which is approved by the Minister of the Interior. The performance measures showing changes in public attitudes are normally presented at the outcome level but can also be employed at the result level.

57. Performance measures for activity effectiveness enable evaluation of how effectively resources were used in developing certain outputs or results, i.e. they show the ratio of the resources (financial, human, time or others) to the developed outputs or results. The performance measures for effectiveness can also show the share allocated for the

execution of certain activities or functions in the total programme or other expenditure or an institution or body. These performance measures are normally presented at the output level but can also be employed at the result level. The Ministry of Finance can set certain performance measures for the effectiveness of activities or administration, while information collected on the basis thereof allows a comparison of the operational costs (e.g. average monthly wage, maintenance price of one workplace, costs of official cars, funds allocated for public relations, etc) and effectiveness of activities of individual institutions.

(Form of technical annex to performance measure)

## TECHNICAL ANNEX TO PERFORMANCE MEASURE

\_\_\_\_\_ (reporting period)

Name or title	Code
(Appropriations manager)	
(Strategic goal)	
(Programme (to be indicated when the technical annex is being filled in for performance measures for result or output))	
(Programme goal or objective (to be indicated when the technical annex is being filled in for performance measures for result or output))	
(Government's activity priority (to be indicated when the technical annex is being filled in for performance measure for Government's activity priority))	
(Performance measure)	

1.	Definition	
2.	Is it a new performance measure?	
3.	Justification of the selection	
4.	Calculation method	
5.	Data source	
6.	Data audit	
7.	Calculation frequency	
8.	Contact person responsible for the performance measure	
9.	Other information on performance measure reliability	

1. The Table's column "Definition" shall explain what is measured by the performance measure when this is not obvious from the wording of the measure. Definitions of the specific terms used in the performance measure wording shall be presented. This ensures a uniform interpretation of the performance measure by different readers as well as its comprehensibility to a non-specialist. This column needs not be completed if the wording of a performance measure clearly shows what is being evaluated and if it does not contain any terms that could be unclear or diversely interpreted.
2. The Table's column "Is it a new measure?" shall be marked with "Yes" if it is a newly formulated performance measure or in the case of the measure for the calculation of whose value in the reporting period new data from another data source are used or the same data but a new calculation method is applied, and the respective reason shall be stated. Where the same measure was used in the preceding reporting period "No" shall be entered.
3. The Table's column "Justification of the selection" shall specify the most important reasons for selecting the performance measure:
  - 3.1. where this performance measure allows evaluation of the implementation of Government's activity priority, changes in public attitudes or performance effectiveness, this shall be indicated, respectively (a brief justification may also be presented);
  - 3.2. why this particular performance measure was selected from the available options of the same-level measures for the assessment of the implementation of the respective goal or objective.
4. The Table's column "Calculation method" shall show the measuring units of a performance measure, describe the method or formula (if any) of value calculation and explain the variables that are used. For example, to measure the decrease of smoking volumes the following formula can be used:

$$\left(\frac{x}{y}\right) \times 100$$

where:

x – respondents 18 years of age and above, who answered "yes" to the question "Would you currently classify yourself as a smoker?";

y – the total number of the surveyed respondents 18 years of age and above.

This column of the Table shall also show the value of a performance measure which should be considered as a point of reference of performance measure calculation and evaluation according to which the achieved progress will be assessed.

This column needs not to be filled in if the value of a performance measure is obtained from the Department of Statistics under the Government of the Republic of Lithuania, Eurostat, international organisations or other reliable data sources in which the method of respective value calculation is explained; however, a reference to the respective explanation is recommended.

5. The Table's column "Data source" shall specify the data source from which data for the calculation of the performance measure value were taken. The values of performance measures may be calculated on the basis of the primary data sources, such as an institution's data, or secondary data sources, such as statistics, public opinion survey data, data collected by other government and non-government institutions or international organisations, assessment, research or other data. If research data are used, this column shall specify the institution, research title and the author if possible, also the database or the reference to another source from which data are taken for the calculation of the performance measure value can be indicated.
6. The column "Data audit" shall specify whether:
  - 6.1. the Internal Audit Service has performed a performance or finance audit during which the data of the performance measure

were audited; the audit title, date of carrying out and number must be specified;

6.2. the National Audit Office or another external audit institution has performed a performance or finance audit during which the data of the performance measure were audited; the audit title, date of carrying out and number must be specified;

6.3. a data audit has not been performed.

7. The Table's column "Calculation frequency" shall specify the frequency of collecting data on performance measure implementation, for instance: "monthly", "quarterly", "semi-annual", "annual", and shall specify the month and day of data taking from a certain data source for the performance measure value, where possible.
8. The column "Contact person responsible for the measure" shall specify the name and surname, position, e-mail and telephone of an institution's employee who has direct responsibility for performance measure implementation or collects data on its implementation.
9. In the column "Other information on performance measure reliability" an institution may specify other methods employed for ensuring the quality of a performance measure.