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Developing Performance Measures
Positive Leadership in PM
by Frank Saladis

Positive Leadership in Project Management [1]

Developing Performance Measures [2]

By Frank Saladis, PMP, PMI Fellow

Project managers, as part of their leadership responsibilities, must occasionally work with the project team, and possibly their managers and customers, to develop clearly defined and measurable performance metrics. This particular element of leadership is actually associated with the managerial element in the balance between being a manager and a leader. Interestingly, the development of performance measures is, for many, very challenging and often does not result in a truly useful set of metrics. The following information may be useful during your activities and discussions with your team regarding performance measures.

A Process for Developing Performance Measures

Performance Measures – Quantitative descriptions of the quality of products and services offered by an organization.

Step 1 – Describe the outcomes. Why are we doing this work? What is the desired change? Who will benefit from the work? What financial benefits will be realized?

Step 2 – Describe the major processes involved. What are we doing and how should we be doing it?

Step 3 – Identify results that will be expected. What is produced? (the deliverables) (You must be able to describe it if you want to build it or improve it).

Step 4 – Establish performance goals for the results. How will I know when I get there? How will the team know they have completed the work?

Two applicable Acronyms:

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[1]This article is one in a series on Positive Leadership in Project Management by Frank Saladis, PMP, PMI Fellow, popular speaker and author of books on leadership in project management published by Wiley and IIL in the United States. Frank is widely known as the originator of the International Project Management Day, the annual celebrations and educational events conducted each November by PMI members, chapters and organizations around the world. Learn more in his profile at the end of this article.

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P – Profitable – The benefit / cost. Is it worthwhile?
A – Achievable – Can it be achieved? Who will do it?
I – Important – Does it matter to anyone? Who will be affected and why is it important?
N – Numerical – Without a number you won't know when you get there. Establish metrics to track progress.

G – Goals
A – Are
I – Important
N – Numbers

Step 5 – Define measures for the goals. What can you use to track progress?

Characteristics of performance measures:

- Reflect results, not the activities used to produce the results
- Relate directly to a performance goal
- Are based on measurable data
- Contain normalized metrics for benchmarking
- Are practical and easily understood by all
- Provide a continual self-assessment
- Provide information about the benefit – example: benefit exceeds the cost to produce
- Are accepted and have owners

Measures are selected to track progress and to indicate where to change processes or activities (or the system) is needed to improve results. Measures will also assist in determining actions that can be taken if any programs are not progressing toward the goal at an acceptable rate.

Step 6 – Identify Required Metrics. What specific things should I measure? Need to establish baselines for each item to be measured (include beginning and end dates). Who will do the measuring? How often should work output be measured?

Examples of Measures

Income compared with previous year / quarter
Volume – Increase or decrease (increase in membership, increase in # of volunteers, increase in corporate sponsorships, retention, a decrease in attrition, an increase in meeting attendance, increase in # of programs offered, increase in # of PMPs)
Funds – comparison with budget requests
Cost Savings
Spending (comparison with previous year)
Revenue increase
Customer satisfaction levels
Quality Levels or effectiveness of services / programs (surveys at the end of a program)
Demography of membership (also leadership team, volunteers, committees)
Tuitions provided

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Physical facilities – expansion to meet attendance and to improve services and networking or member / stakeholder interaction
National / International recognition for initiatives and programs
Number of publications produced
Awards received
Number of educational hours provided
Number of scholarships granted
Expansion of services
Participation increases
Number of initiatives

Best Practice and Baldrige Winner Strategic Planning Key Performance Metrics (examples):

Stakeholder confidence
Stakeholder expectations met
Board of Directors acceptance of short and long term directions
Strategic objectives / goals attained /fulfilled
Strategic objectives progress
Organizational goals and targets defined
Employee satisfaction / motivation
Shareholder perception of strategy effectiveness
SWOT analysis
Residual risks determined from audits
Comparisons / benchmarks of internal strategy development process to leading external strategy development processes
Planning process objectives supported by benchmarks and comparisons
Supplier and partner capabilities
Information technology capability to support strategic objectives
Conformance audits
Accumulated performance measures related to the strategic action plans

Examples of metrics:

- # of programs this year / # of programs last year

- Funding available / funding requested

- Customer satisfaction this year / customer satisfaction last year

- # of projects completed on time / # scheduled

- Total actual score / total possible score (for quality, customer satisfaction, or other evaluations)

- Amount spent / amount budgeted

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The Four "A's" of Performance Measurement

Actions: Are we doing what we agreed upon? If not, why not? What is needed to set things in motion?

Assumptions: Are conditions as we expected? Adjust strategies to actual conditions

Achievements: Are we getting the results we anticipated? If results are not what we intended, a cause and effect analysis is required to identify and then determine how to correct the problem(s).

Adjustments: Are we applying what we have learned? What are we doing with the measurements? Use measurements as a steering mechanism to make adjustments as the organization moves forward.

These steps may facilitate the process of developing and improving or enhancing your performance measurements and processes for establish the "right metrics." As a leader, your team and your organization have an expectation that you will provide the appropriate actions to support your company's goals, motivate your team, and provide status about the progress of your project or work assignment. Effectively establishing solid and well-defined performance measures is clearly a skill that every person in a leadership role should develop.

Frank P. Saladis PMP, MMCM, LIMC, PMI Fellow

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About the Author

Frank P. Saladis

New York, USA

Frank P. Saladis, PMP, PMI Fellow is the Owner/Founder of Blue Marble Enterprizes Inc. and Project Imaginers. Frank is an accomplished leader and contributor in the discipline of project management. He is the author of 12 published books, the past editor of the All PM Newsletter and the author of over 160 project management articles. Frank provides training and consulting internationally and has educated and entertained countless audiences with a special blend of project management knowledge and tasteful humor. He is also an experienced and well-known project management instructor and consultant and a member of the PMI ® Seminars World team of trainers. Mr. Saladis' 35 year career includes 28.5 years with AT&T, 3 years with Cisco Systems, and more than 25 years as a professional trainer, facilitator, mentor and keynote speaker.

Frank is the Originator/Founder of International Project Management Day which launched in 2004 and has been growing in recognition yearly. The goal of International Project Management Day is the worldwide recognition of the many project managers and project teams in every industry including nonprofit organizations and health care who contribute their time, energy, creativity, innovation, and countless hours to deliver products, services, facilities, and provide emergency and disaster recovery services in every city and community around the world.

Frank was PMI's 2006 Person of the Year. Frank is a Project Management Professional, a graduate from the PMI Leadership Institute Master's class, and has contributed significantly to the organization's growth and knowledge base for more than 20 years. His leadership activity within PMI included the position of President of the New York City PMI chapter from 1991-2001, President of the Assembly of Chapter Presidents, and Chair of the Education and Training Specific Interest Group. He received the high honor of the "PMI Fellow Award" in October 2013 and received the very prestigious "PMI Distinguished Contribution Award" in October 2015.

Frank can be contacted at saladispmp@msn.com