The Role of Leadership in Building High Performing, Sustainable Organizations

BY ROBERT GOEHRIG

Despite the current economic situation, all is not doom and gloom for public-sector managers. There is an alternative to slashing services, laying off employees, and raising fees. There are proven performance improvement methodologies that will allow local governments to do more with less — or, more aptly, do the same with less. Or, when the only option is doing less with less, these techniques will help with prioritization; the jurisdiction might be doing less, but at least it will be doing the right things.

Unfortunately, many performance improvement efforts fail. In fact, seven out of 10 "reengineering" efforts fail, even though organizations spend billions of dollars on them.[1] Simply stated, the problem is a lack of commitment on the part of senior leaders, who act as if a change in terminology will carry the day. Without real commitment, these improvement efforts just whip employees from one fad to the next. Employees have learned to assume "this too shall pass" and therefore do not jump on board immediately. In other words, "people go in the direction leadership is walking, not pointing."[2]

All the tools leaders need to create winning organizations are already at their fingertips. On its 15-year journey, the City of Coral Springs, Florida, has learned lessons that are appropriate for any organization that seeks to energize employees, improve service delivery, provide excellent customer satisfaction, and lay the groundwork for a high-performing, sustainable organization.

CORAL SPRINGS' JOURNEY

Performance excellence is not an event, destination, or slogan, but a journey. The City of Coral Springs began its journey in response to a looming fiscal crisis of its own. The city manager set the tone by saying that his goal for the city was to stand toe-to-toe, shoulder-to-shoulder with the very best the private sector had to offer. To accomplish this vision, the city had to adopt best practices, principles, and decision-making tools being used in the private sector then adapt them to fit the needs of local government.

Beginning in 1993, the city began adopting and adapting the principles of Total Quality Management as a way to infuse customer- and quality-oriented values into the workforce. Eventually the city embraced the Florida Sterling and Malcolm Baldrige Criteria for Performance Excellence because of its holistic approach to performance improvement, integration, and alignment. The Baldrige criteria are now the foundation of the city's performance improvement toolbox and business model. In short, customer satisfaction, quality, and performance excellence has become everyone's job. It is the way we do things; not something we do.

Coral Springs uses the Baldrige criteria to listen to its citizens and businesses, learn about their needs, plan ways to efficiently address them, and then implement improvements based on hard data. As a result, the city has been able to offer its residents extraordinary results in a cost-effective manner. Examples include:

- Coral Springs has the lowest operating millage rate among large, full-service cities in Broward County.
- The city's debt service millage rate has dropped by 72 percent since 2002.
- All three Wall Street credit rating agencies recently reaffirmed the city's AAA credit rating.
- Residents gave the appearance and maintenance of the city's 48 parks a 93 percent satisfaction rating in 2007.
- Coral Springs' crime rate is the lowest in Florida and the fourth lowest in the nation for cities with populations between 100,000 and 499,999 people.
- The city's fiscal 2009 net direct debt per capita is $439. The median direct net debt per capita is $931, according to Moody's Investor Service.
- The city has six employees per 1,000 residents (a standard measure of productivity), as compared to other large cities in Broward County, which have between 8 and 15 employees per 1,000 residents.
- The city had a 94 percent resident satisfaction rating in 2007, a 97 percent business satisfaction rating in 2008, and a 97 percent employee satisfaction rating in 2008.

Although Coral Springs was honored in 2007 as the first state or local government to receive the Malcolm Baldrige National Quality Award — the country's highest award for organizational performance excellence — the journey was not without its jarring bumps, wrong turns, and flat tires. The difference between an organization that is searching for direction and an organization moving in the right direction, however, is the ability of leaders to maintain focus on the vision. They must be able to integrate core values into the culture of the organization, create a clear picture of what defines success, and take advantage of the organization's core competencies in the best and worst of times.

REPLACE REACTING WITH PLANNING

There is all too often a disconnect between strategy creation and strategy implementation.[3] This is a stunning revelation, given that creating strategy and executing strategy are both wholly within the purview and control of senior leaders. Bridging the two is often overlooked because, while senior leaders have the best intentions, they get caught up reacting to political pressure. In other words, senior leaders fall into the trap of responding to what is urgent rather than what is important.

There is also a nuts and bolts reason why strategy fails to produce the desired results. As Paladino discovered, 9 out of 10 strategies fail because only 5 percent of the workforce understands the strategy; 85 percent of executives spend less than one hour per week or month discussing strategy; 60 percent of organizations do not link budgets to strategy; and just 25 percent of managers have incentives linked to the strategy.[4]

The City of Coral Springs business model (shown in Exhibit 1) begins and ends with the customer. It uses information collected from customers via surveys, focus groups, SWOT (strengths, weaknesses, opportunities, and threats) analysis, community visioning forums, etc. as the basis for the strategic plan, as well as input from data analysis (e.g., demographic trends, economic analysis, technology changes, land development trends, legislative challenges, etc.). This environmental scan helps managers and elected officials identify emerging issues that may affect the city's ability to provide the type and level of service that customers demand.
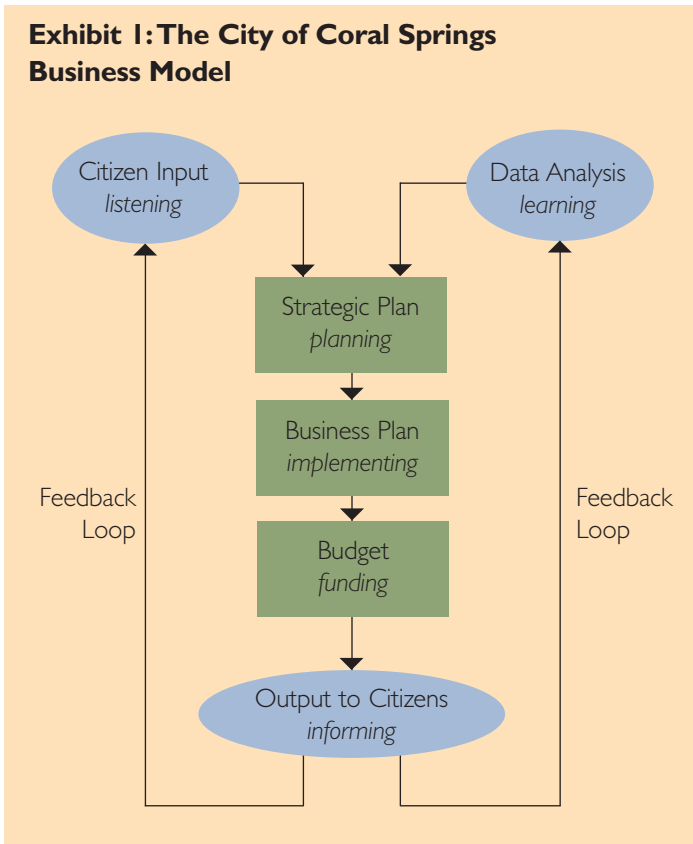
Based on the information provided in the environmental scan, the City Commission selects a slate of strategic priorities that guide the direction of the organization and resource allocation over the life of the strategic plan. The strategic plan becomes the commission's policy on priorities, objectives, and direction. It is the vision for the city. Coral Springs currently has seven strategic priorities:

■ Customer-involved government

■ Financial health and economic development

■ Excellence in education

■ Neighborhood and environmental vitality

■ Youth development and family values

■ Strength in diversity

■ Traffic, mobility, and connectivity

A set of directional statements is developed for each priority, defining broad objectives that help focus activities on desirable outcomes. The commission defines success and measures progress toward achieving its vision by establishing 2-10 key intended outcomes for each strategic priority.

The city bridges the gap between the strategic plan and work implementation by creating a business plan. While the strategic plan is long-range in scope (2-3 years), the business plan sets out a short-term (1 year) approach to bringing the strategic plan to life through a series of programs, initiatives, projects, and financial strategies. Departments put the strategic plan into operation by assessing the current raft of products and services the city offers to determine which are in alignment with the strategic plan. Departments then recommend changes to current programming and develop department-level performance measures. The business plan becomes the work plan for the city manager and department directors.

The business plan keeps budget decisions focused on what is important. Since specific activities, necessary resources and staff, financial investments, and capital projects are outlined in the business plan, all resources are allocated in the business plan, not the budget. For example, the business plan adds or removes services, which are then quantified in the line-item budget. In short, the budget becomes a numerical reflection of the business plan.

Exhibit 1: The City of Coral Springs Business Model

Citizen Input
listening

Data Analysis
learning

Strategic Plan
planning

Business Plan
implementing

Budget
funding

Output to Citizens
informing

Feedback Loop

Feedback Loop

The business plan was one of those private-sector best practices that the city adopted and adapted. It captures the city's vision in a quantifiable form, improves decision making and resource allocation, and bridges the gap between strategic planning and the work being done on the street. A benefit of using the business plan is the direct link between strategic priorities and cost. The entire business model is used to monitor performance through variance analysis; linking budget line item to measurable activities and identifying which activities add value and which do not.

The linkage between the customer-involved government strategic priority and clarifying directional statements is shown in Exhibit 2. In 2004, the city conducted its first business survey to complement its ongoing resident survey. In that first survey, 77 percent of business owners said the city did a good job communicating with them about issues of importance. This was in stark contrast to the 93 percent of residents who said the city did a good job communicating with them. This and other data were incorporated into the environmental scan for the commission to consider.

Based on this information, the commission decided that the city's existing customer-involved government strategic priority was still relevant but that a new directional statement would signal the city to shift its resources toward communicating with city business owners. The commission established a new key intended outcome (overall rating of the city in terms of communicating with businesses) to measure progress in achieving this new direction (increase contact with community businesses about city news and issues). Departments began by examining the ways in which they currently communicated with businesses and then recommended changes to those service levels, or new initiatives. Since 2005, the city has implemented eight new initiatives to improve communication with businesses, leading to an increase in the city's business communication rating to 89 percent in 2007 from 77 percent in 2004.

The strategic and business plans are communicated to all stakeholders, including employees, citizens, and business owners, in a variety of ways. For example, the city manager holds quarterly communication meetings with all employees to share information, articulate goals, answer employee questions, and address concerns. The strategic plan is also communicated to employees via the intranet, payroll stuffers, and departmental meetings. The plan is communicated to the public on the city's Web site, discussed at the three annual neigh-

Exhibit 2: New Initiatives Link to Strategic Priorities

Strategic Priority	Customer-involved government
Directional Statements	Encourage citizens to volunteer
	Promote voter turnout
	Diversify the methods of communicating with citizens to provide information on city news and issues
	Increase contact with community businesses about city news and issues
	Maximize opportunities for staff to directly meet customer needs
	Enhance and publicize the city's nationally acclaimed identity, consistent with the mission statement
	Develop and advance mentoring opportunities for youth, in partnership with the school board and non-profit groups
	Align city services with customer needs and expectations
Key Intended Outcomes	Number of citizen volunteer hours
	Percentage of voter turnout per election
	Overall rating of the city in terms of communicating with residents
	Overall rating of the city in terms of communicating with businesses
	Customer service rating by residents
	Customer service rating by businesses
	Number of mentors trained
	Overall quality rating, by residents, for city services and programs
	Overall quality rating, by business, for city services and programs
	Employee satisfaction rating

Although many initiatives were enacted to address the strategic priorities and directional statements over the life of the strategic plan, the following were enacted to address "increase contact with community businesses about city news and issues."

New Initiatives	Create a customer care center in the Building Department
	Expand business outreach in print, internet, direct mail, and CityTV
	Undertake small permit pilot project
	Implement enhanced permit notification
	Make technical improvements to the customer service call center
	Building Division conducts workshops for residents and contractors
	Leverage Economic Development Foundation Partnership on small business development
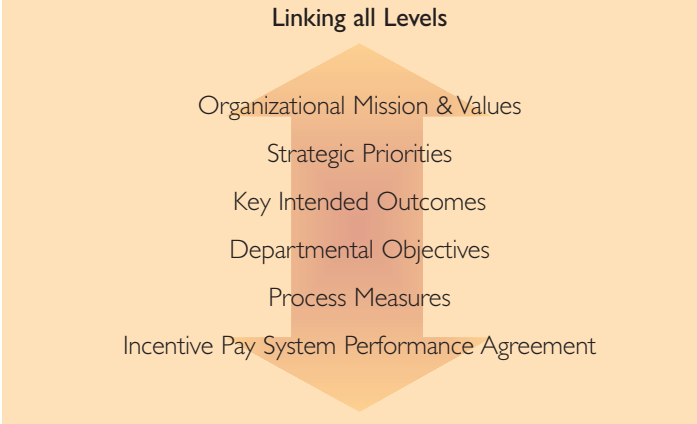
borhood Slice of the Springs meetings, and relayed via the city magazine, CityTV, and the annual State of the City report.

The city is able to keep focused on the strategic plan by the way in which it communicates and organizes meetings. For example, the city manager meets weekly with the senior leadership team to discuss issues and ensure open communication. These meetings are structured around the strategic priorities. Each department director then shares this information with his or her staff in departmental staff meetings. In addition, each department director meets quarterly with the city manager to discuss progress on strategic priorities and initiatives.

USE DATA TO TRUMP POLITICS

In an era of declining revenues, increasing expenses, and increasing pressure for more services, performance management is becoming a vital tool in the public manager's toolbox. Unfortunately, while more organizations than ever before have created some sort of performance management system, the extent to which these systems are being used effectively is unclear.[5] Performance management appears to have fallen into the same trap as strategic planning — leaders have given them lip service but are not using them in the everyday management of the operation. Simply having a strategic plan or a performance management system does not produce extraordinary outcomes or lead to change; using that system is what leads to change.

Everyone has heard that "what gets measured, gets done" and "if you don't measure results, you can't tell success from failure." In the public sector, however, using data is about more than pinpointing where the organization stands on the road to success. Using valid and reliable data is the indispensable approach for minimizing the impact of emotion, special-interest lobbying, and political maneuvering in the decision-making process because, quite simply, data trumps politics.

Internally, Coral Springs' performance measures align with its strategic and business plans. In fact, no strategic planning effort can succeed without being tightly coupled to an effective performance measurement system. Upon approval of the business plan, departments establish core processes, efficiency, effectiveness, and outcome measures. Department-level measures must define success in quantifiable terms, measure success, and use data for improving processes. The key intended outcomes form the performance agreement between the city manager and the City Commission. Departmental performance measures are negotiated between the city manager and each department director. In turn, performance agreements based on department goals and core process measures are incorporated into each staff member's performance evaluation (see Exhibit 3).

Exhibit 4 illustrates an example of aligning measures through the organization. The city's mission is to be the nation's premier community in which to live, work, and raise a family. One of the seven strategic priorities, which will help achieve this mission, is neighborhood and environmental vitality. One of the five key intended outcomes the City Commission has established to measure progress toward this priority is the city's crime rate. Burglaries are a significant element in local crime, so the Coral Springs Police Department has implemented several initiatives in the business plan to reduce burglaries. The departmental measures of reduced burglaries will allow the police department to know if its efforts in reducing crime, and in achieving the strategic priority, have been successful. Likewise, individual officers are given the objective of implementing the anti-burglary initiatives on their beat. The burglary
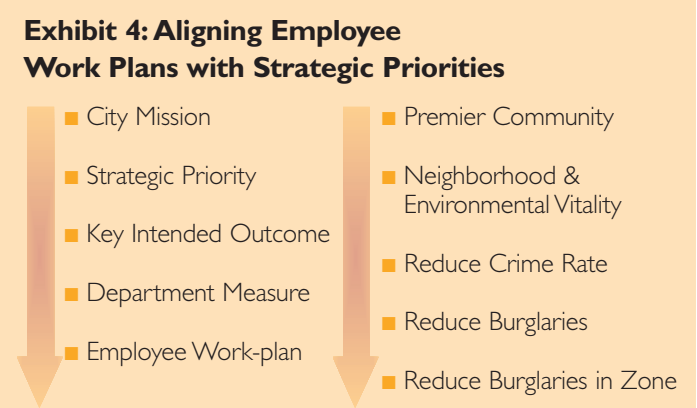
rate in each officer's zone will allow him or her to know if these efforts have been successful.

It is just as important to have a robust, systematic analytical infrastructure in place to provide valid, cogent scrutiny of external information upon which decisions, including long-range planning, will be based.[6] Coral Springs uses data from multiple sources in its environmental scan. Information from state and federal agencies, think tanks, professional associations, research reports, and the media is used to develop an unbiased picture of the emerging issues and financial conditions for the next three to five years.

Management by fact, rather than management by exception, anecdote, or whim, is an essential tool in every manager's toolbox. As W. Edwards Deming said, "It is not enough to do your best; you must know what to do, then do your best." An analytical infrastructure that provides valid and reliable information, therefore, is the tool that will help you navigate your organization's journey to success. It is also the tool that will help in your quest to improve service delivery by identifying areas of redundancy and waste, and then guiding your course of identifying causes and solutions.

DRIVE PROCESSES TO CREATE RESULTS

All too often, performance measures are used as a club to harass and chastise under-performing managers and staff. This is not the action that will cause managers and staff to embrace the performance measurement system. Instead, it invites obfuscation and concealment. Using performance measures as the way to start conversations about solutions, resource allocation, and process improvement is a much more effective tactic. Doing so requires leaders to shift their ways of thinking. Rather than railing against the people who just cannot seem to make broken processes work, the leader's responsibility is to put processes in place that produce the desired result. Leaders must focus on improving the processes, not blaming employees.

A process is a series of steps taken to achieve any given outcome. For example, in Coral Springs, there are six steps in dispatching an ambulance. The city's RFP process has nine steps, and its traffic citation process has 11 steps. Focusing on these process steps is important because once you understand exactly how a process works, you can better understand why, where, and how a problem occurred and therefore focus on fixing the problem. Better yet, if you get a better-than-expected result, you know why, where, and how, putting you in a much

better position to repeat that extraordinary result. Mapping a process can be used internally to improve the process, but it can also be used by the customer to understand the process (see Exhibit 5).

LEAN ON YOUR CORE VALUES

Regardless of whatever written policy and procedures are in place, culture provides powerful cues to employees concerning the proper and accepted behavior in any given situation. The central role of leadership is to guide an organization by setting vision and values, and painting a clear picture of what defines success. To be believable and effective, core values must be kinetic in nature rather than stagnant. Too often, managers use mission, vision, and values as nothing but slogans. Employees see right through it; they have been down this road before.

Leaders have the choice of actively engaging in developing a culture that supports the business model, or they can disengage from the process and allow informal leaders to shape the culture. The latter is seldom in sync with the direction leadership desires. Coral Springs, for example, has four core values: customer focus, leadership, empowered employees, and continuous improvement. To integrate and reinforce these values throughout the organization, employee awards and recognition are linked to the four core values, and the rating each employee receives in his or her annual performance evaluation is based on these values.

Leaders reinforce core values by using them to influence the organization's response to challenges. For example, during the past several years, the state of Florida has been engaged in a campaign to reduce property taxes, the chief source of revenue for Florida cities and counties. As a result of legislative action, property tax revenue in Coral Springs declined by $3.5 million in fiscal 2008, or 6.2 percent of the general fund budget, and by another $2.4 million in fiscal 2009, or 5.5 percent of the general fund budget. It would be easy to deal with the situation by making indiscriminate, across-the-board cuts, but doing so would not consider customer needs and expectations. Instead, the city created a service refinement exercise, or "widget review," to identify opportunities for cost saving and streamlining that are in alignment with the business model and core values, which are based on customer-driven excellence.

The exercise was not about cutting services but about finding a different way of providing services. The city leaned on its continuous improvement core value by involving all employ-

Exhibit 5: Process Mapping — the Permit Process

A contractor submits an application and plans for review at the front desk. A notification card is sent to the property owner.

The front desk forwards the materials to the appropriate reviewer.

The reviewer goes over the plans and returns the application package to the status desk.

Approved Application
If approved, the application is invoiced and a notification card is sent to contractor and property owner.
Payment is made at the front desk.

Revision
The contractor must submit a revision if a change is made to approved, paid plans.
The contractor returns the revision to the front desk.
The front desk forwards the revision to the revision desk.

Approved Revision	Disapproved Correction
If the plan reviewer approves the revision, the permit is invoiced and the revision desk notifies the contractor.	If the plan reviewer does not approve the revision, the permit is invoiced and the revision desk notifies the contractor. Additional revisions may be submitted.

Disapproved Application
If disapproved, the application is put on hold and the status desk notifies the contractor and sends a notification card to the contractor and the property owner.
The contractor returns a correction to front desk.
The front desk forwards the correction to the status desk.
The status desk forwards the correction to the appropriate plan reviewer.

Approved Correction	Disapproved Correction
If the plan reviewer approves the correction, the application is invoiced, the permit desk notifies the contractor, and a notification card is sent to the contractor and the property owner.	If the plan reviewer disapproves the correction, the application is put on hold, the status desk notifies the contractor, and a notification card is sent to contractor and the property owner.

The contractor may begin work at the property site after the plan reviewer approves the plans and the permit is paid for.

ees in the widget exercise. The senior leadership team created a clear vision of what a successful widget exercise would look like, along with an atmosphere that encouraged innovation, risk-taking, and partnership. Then, having empowered employees to use their experience, skill, and training to identify widgets, the leadership team shared decision-making authority and responsibility for achieving success with frontline employees by accepting and implementing their ideas (incorporating two more core values, leadership and employee empowerment).

One example of a resulting change was in health care. As is the case with most organizations, Coral Springs' health-care costs were increasing. Rather than dictate benefit reductions and plan changes to employees, a cross-departmental employee team (including union and non-union members) reviewed information provided to them from the Human Resources Department and the city's health-care insurer, along with input from employees, to recommend revisions to the employee health plan. As a result, the employee team recommended several plan modifications that are expected to reduce costs by $500,000, in a way that was palatable to employees and fulfilled the needs of the organization.

Despite the reduction in revenue due to property tax reform and the economic recession, Coral Springs produced a business plan for the next fiscal year that decreased taxes for residents while preserving the most important city services and undertaking 38 new, customer-driven initiatives. The city was able to accomplish this by leaning on its core values and business model.

PROVIDE TOOLS FOR SUCCESS

Do more with less; work smarter, not harder — pummeling employees with slogans without providing them the tools to succeed guarantees failure. If core processes are considered to be production functions, then employees become the tools of production. Organizations that have 60-80 percent of their budgets linked to employees will not succeed unless they invest in those tools of production.
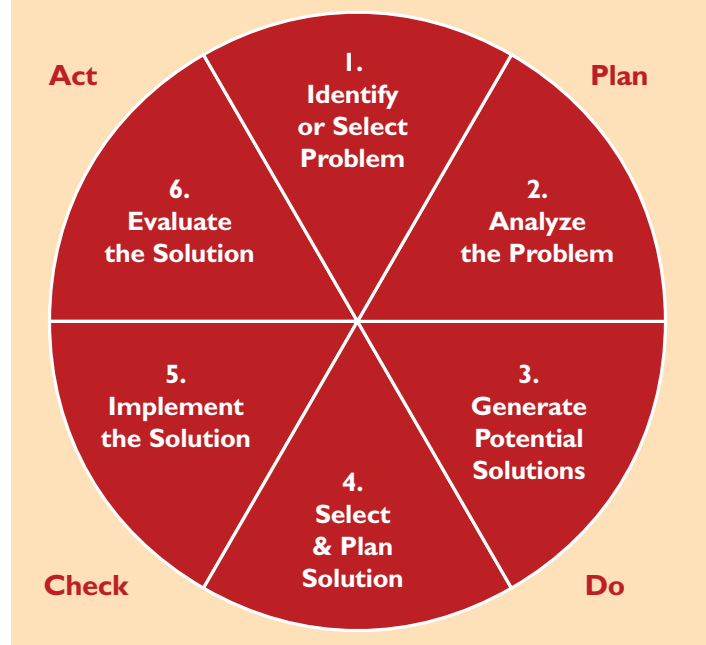
Giving employees what they need to succeed goes beyond the training they need to perform well in their jobs. It means giving employees the training and support they need to be able to improve their jobs — or, more accurately, to improve the core process, which encompasses their jobs. Coral Springs has instilled the core value of continuous improvement into its culture through training and use of its continuous improvement

process. New employee orientation includes a one-day workshop on customer service standards and a six-step process improvement tool (see Exhibit 6). Employees are taught the principles of process management (i.e., monitoring a process to ensure it is operating properly) and process improvement (i.e., recognizing when the data indicates that things are off track and then fixing the problem). Employees also receive additional training once they have been asked to join a cross-functional process improvement team. The city also encourages employees to serve as Sterling and Baldrige examiners.

CONCLUSION

Like it or not, your organization is perfectly structured to deliver the results it currently produces. Changing the outcome requires changing the structure, and only leaders can change the structure, by putting processes in place that will deliver extraordinary results. However, with so many process improvement methodologies, consultants, and management gurus promising amazing results in two, three, or four easy steps, just knowing where to begin your journey can be paralyzing. Where to begin? First and foremost, understand that the journey is not without its jarring bumps, wrong turns, and flat tires, but it is worthwhile to stay the course despite set backs. There is no single act, or single stroke of luck, that will propel an organization forward. Instead, it is a series of small steps — each linked to a greater strategy, consistent with the organiza-

Exhibit 6: Six-Step Problem-Solving Process

Act

Plan

1. Identify or Select Problem

2. Analyze the Problem

6. Evaluate the Solution

3. Generate Potential Solutions

5. Implement the Solution

4. Select & Plan Solution

Check

Do

tion's core values, and based on sound information — that will move an organization toward its vision, with leaders actively engaged in driving change. Colin Powell summarized it aptly when he said, "There are no secrets to success. It is the result of preparation, hard work, and learning from failure."

Notes

1. Robert Kriegel and David Brandt, *Sacred Cows Make the Best Burgers* (New York: Warner Books, 1996).
2. Gary Harpst, *Six Disciplines for Excellence* (Austin, TX: Synergy Books, 2007).
3. Gary Harpst, *Six Disciplines Execution Revolution* (Austin, TX: Synergy Books, 2008).
4. Bob Paladino, *Five Key Principles of Corporate Performance Management* (Hoboken, N.J.: John Wiley & Sons, 2007).
5. Anne Spray Kinney and John Ruggini, "Measuring for a Purpose: Trends in Public-Sector Performance Measurement and Management Practices," *Government Finance Review*, August 2008.
6. Lisa Calise Signori, "Stability in a Time of Uncertainty," *Government Finance Review*, October 2008.

ROBERT GOEHRIG is budget and strategic planning manager for the City of Coral Springs, Florida. For more information on the city's quality initiative, see www.coralsprings.org/quality.

Recent Recognitions and Awards

- 2007 Malcolm Baldrige National Quality Award Recipient

- 2005, 2007, and 2008 International City/County Managers Association Center for Performance Measurement Certificate of Distinction

- 2005, 2006, and 2007 America's Promise 100 Best Communities for Young People

- 1997 and 2003 Governor's Sterling Award (Florida state quality award)

- 2004 Florida City of Excellence Award

- 2007 Money Magazine Best Places to Live

- 2006 Safest City Award (10th in nation)

- 2005 *50 Fabulous Places to Raise Your Family* (number 11)*

- Tree City USA (12 consecutive years)

- GFOA Distinguished Budget Award (16 consecutive years)

- GFOA Achievement in Financial Reporting (27 consecutive years)

* Kathleen Shaputis and Melissa Giovagnoli, *50 Fabulous Places to Raise Your Family* (Franklin Lakes, N.J.: Career Press, 2006).