Bob Behn's Performance Leadership Report

An occasional (and maybe even insightful) examination of the issues, dilemmas, challenges, and opportunities for improving performance and producing real results in public agencies.

Vol. 10, No. 11, July 2013

On how public executives are constrained by both their

Financial Budget and Time Budget

Public executives can't do everything. They can't do everything that citizens want them to do. They can't do everything that their stakeholder groups want them to do. They can't do everything that they, themselves, want to do. They have to choose.

They have to choose on which purposes, problems, and challenges to focus and thus (if only implicitly) which to ignore.

After all, all public executives are constrained by their finances. They can't fully fund every program. They don't have the resources—the financial budget—to accomplish everything that everyone would like.

Moreover, like all humans, public executives face a second and even more stringent constraint: They must work within this most absolute and unbendable resource limit. For every human has exactly the same "time budget": 168 hours in every week.

This time budget is absolute, unbending, and unbendable. It can never increase. Never! No public executive has ever figured out how to increase his or her weekly time budget to 169 hours.

Conversely, the time budget also has an advantage. It can never be cut. No interest group can mobilize a constituency movement that will (somehow) reduce an executive's week to 167 hours, though they can be a big enough pain to force a reallocation of the 168. Every week, every budget executive is guaranteed 168 hours (though some must allocate more of these hours to sleep than do others).

In contrast, financial budgets go up, and financial budgets go down. They do this in response to the business cycle. They also do this in response to the political cycle. The time budget, however, is immutable.

This time-budget constraint helps explain why many PerformanceStats—launched with so much fanfare and promise—have withered and faded away.

When creating his or her own PerformanceStat leadership strategy (and its associated performance targets), a public executive—whether an elected mayor or governor or an appointed agency head—is investing a lot of political capital. This executive is making a public commitment to improve performance, to produce some specific results, to hit some publicized performance targets. Having made such a public commitment, why would an executive abandon it?

Whenever an agency or jurisdiction is thinking about developing its own PerformanceStat, the leadership team always wants to know how much it will cost. The answer is pretty simple: *Financially,* PerformanceStat is cheap.

Indeed, drawing up a financial budget for the staff, the technology, and the room is relatively straightforward. And although there may be more uncertainty about the financial cost of creating the necessary data collection system, making this estimate is still quite routine.

> The time-budget constraint helps explain why many PerformanceStats—launched with so much fanfare and promise—have faded away. For to prepare for, conduct, and follow-up on the meetings is a significant cost to the leadership team's time budget.

How much *time,* however, will it take the leadership team to ensure that its PerformanceStat strategy does, indeed, improve performance significantly and produce meaningful results? Estimating this "cost" to the leadership team's time budget is much more complicated, much more uncertain, and much more likely to be overlooked.

The leadership team can visit other PerformanceStats and observe several meetings. The team can chat with agency managers, PerformanceStat staffers, and the chief executive. Unless, however, they devote multiple days to their site visit—unless they *spend the time* necessary to observe all of the behind-the-scene's work necessary to make the strategy effective—they will fail to appreciate how much their PerformanceStat will cost their time budget.

[Note the metaphor: "Spend time." We don't "spend time" in the same way that we "spend money." And yet we do. We all spend resources from our time budget just as we spend money from our financial budget.]

Specifically, unless the members of the leadership team spend the time necessary to understand what it takes to make a PerformanceStat strategy effective, they won't comprehend—let alone internalize—all of the preparation and follow-up work required to make the meetings effective.

Thus, only after holding a series of these meetings will the leadership team finally appreciate how much the strategy costs their time budget. It is then that they begin to lose their enthusiasm.

First, they postpone and reschedule a meeting or two. Next, they lengthen the time between meetings. Then they cancel some meetings. Eventually, they simply stop conducting the meetings.

Time budgets are completely unforgiving. They are not amenable to the usual budgetary tricks. You can't put any time in the bank for withdrawal next week. You can't borrow any time from a friend's "time account." Public executives, like all humans have only 168 hours in their week. They, too, have to think carefully about how to allocate their time budget. B

Robert D. Behn, a lecturer at Harvard University's John F. Kennedy School of Government, chairs the executive-education program "Driving Government Performance: Leadership Strategies that Produce Results." He is finishing up a book tentatively titled *The PerformanceStat Potential.*