

Executive Leadership Performance Management

Committee on Operations

February 19, 2015

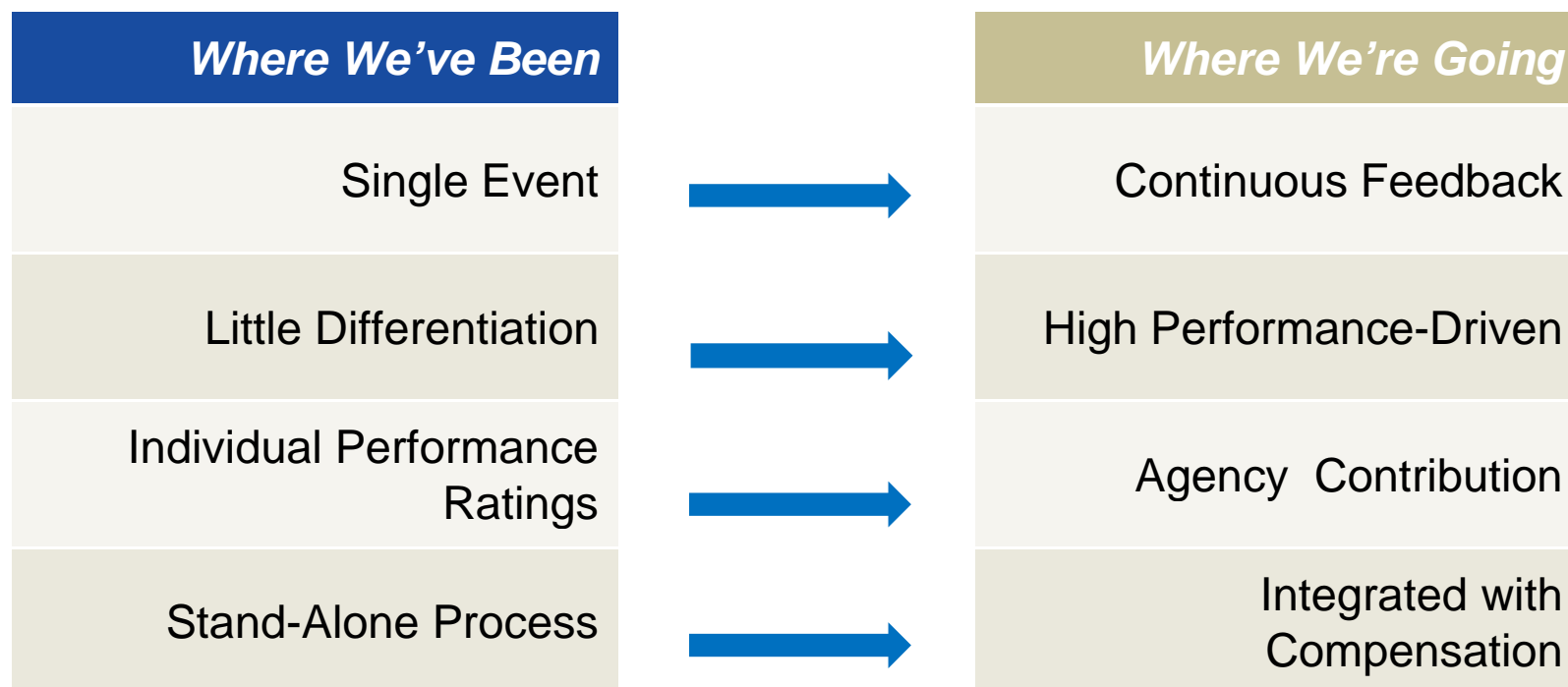
Context Setting: The Changing Nature of Work

- Organizations are grappling with the long term effects of doing more with less
- Changes in the work environment have resulted in fundamental differences in how work is accomplished
- Greater interdependence in work has changed how employees get work done.
- Shifts in organizational strategy necessitate greater transparency and accountability and accelerate the business case for change
- Performance gains and innovation are critical
 - Organizations must find ways to incent and reward new skills and behaviors
- Mitigation of enterprise risks will require executive leadership to be closely aligned in order to achieve organizational goals

Leading practice recommends formalizing executive leadership goals and objectives

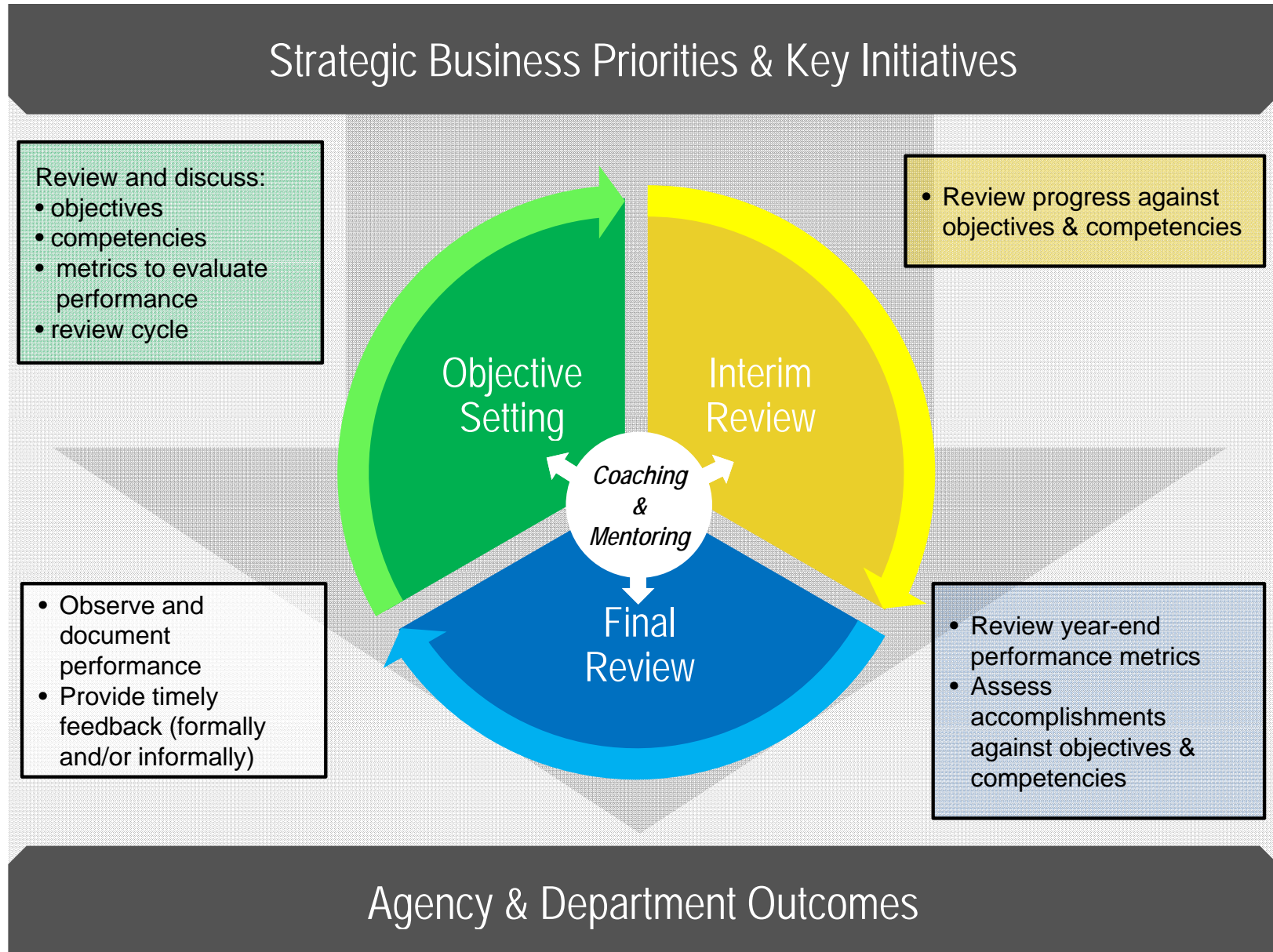
Historical Perspective

Evolution of Performance Management in the Port Authority



Both formal and informal performance systems have been in place for management employees since the late 1980s

Process Overview



Connection to Organizational Strategy

Priorities

Key Initiatives

Metrics

Vision: To enhance the region's competitiveness, prosperity, and well-being by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world.					
Mission: Meet the critical transportation infrastructure needs of the bi-state region's people, businesses, and visitors by providing the highest quality and most efficient transportation and port commerce facilities and services to move people and goods within the region, provide access to the nation and the world and promote the region's economic development.					
Enhance safety, security, and resiliency	Enhance the operation of the regional transportation network for goods & people	Ensure financial self-sustainability	Deliver and maintain modern and highly-efficient facilities	Demonstrate environmental stewardship	Attract, engage, develop, and retain a highly skilled and diverse workforce
Implementing integrated risk-based safety and security solutions	Operating an efficient, effective, and affordable transportation system	Growing non-toll non-fare revenue	Maintaining a state of good repair	Ensuring regulatory compliance	Developing leadership and planning for succession
Applying a layered strategic approach	Bolstering partnerships to improve transportation connectivity	Maximizing the utilization of property	Delivering capital projects to plan and ensuring benefits are realized	Implementing sustainability policy and guidelines	Implementing a cohesive labor relations strategy
Bolstering partnerships to produce actionable intelligence	Improving accessibility	Evaluating rate structures	Enhancing asset management	Conserving energy and advancing green energy	Fostering a high performing and engaged culture
Delivering and maintaining a dynamic cyber and information security program	Improving the transportation experience	Cultivating a culture of financial responsibility, accountability, and continuous improvement	Assessing and planning for the future	Preserving habitat to enhance public benefits	Supporting capability building, career progression and retention
Strengthening resiliency and business continuity		Exploring alternative ways to develop and finance			Efficiently attracting and hiring the best talent

Enterprise Risk Management (ERM) framework provides the foundation for establishing performance goals, objectives, and metrics

- Unified vision and mission
- Strategic priorities highlighted across six broad functional areas
- Key initiatives align under each of the strategic areas of focus
- Organizational outcomes and metrics are defined

2015 Executive Leadership Goals and Objectives

Common goals and objectives

- Common goals vs. siloed by business focus
- Increased collaboration and coordination by the executive team is critical to success

Common executive leadership competencies

- Drawn from leadership profiles built upon in-depth interviews with key Port Authority leaders
- Based on current environment and challenges

Variation in success metrics

- Common metrics for Chiefs at agency level
- **Specific metrics** for Directors based on business imperatives

Common Goals and Objectives







Broad functional areas of focus

- Safety, security, and resiliency
- Operation of a regional transportation network
- Financial self-sustainability
- Attracting and retaining talent

Key Competencies

- Champions and Drives Change
- Focuses on Enterprise Results
- Demonstrates Strategic Orientation

Proposed Timeline

	2014			2015										2016	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Objective Setting	 Chiefs and Directors meet to review 2015 goals														
Interim Review							 Chiefs and Directors meet to discuss 2015 mid-year performance against objectives and competencies								
Final Review													 Chiefs and Directors complete Final Review for 2015		
Updates to Board			 CHRO updates Board on goals and objectives for Chiefs and Directors				 ED updates Board on Interim Review Process						 ED updates Board on Final Review Process		

Ongoing Coaching & Mentoring