

In developing Strategic Performance Measures, CalPERS must carefully weigh the following tradeoffs:

### Organizational and Individual Performance

- Performance measures are often used to rate individuals and create accountability. This has the potential to create reactive or punitive cultures.
- Alternatively, an organization can use performance measures to explore the causes of performance, test hypotheses, and identify potential improvements. This can reduce individual accountability, but lead to more collaborative efforts to address performance gaps.

### Levels of Control and Influence

- Some measures that may be useful for making decisions are highly dependent on factors outside management span of control or influence.
- An organization could include uncontrollable measures to understand the organization, or could focus exclusively on controllable measures to evaluate effectiveness.
- When management has little to no control or influence, measures should be used only to understand the organization's position, not to evaluate individual performance.

### Qualitative and Quantitative Data

- Some types of performance are more easily quantifiable.
- Quantitative measures can provide clarity at times, but can also present an incomplete picture. In these cases, they must be supplemented with qualitative information.
- In developing measures, the benefits of qualitative and quantitative measures must be weighed against the differing costs of data collection.

### Degree of Focus

- Measures can be labor intensive to define and track. Therefore, it is necessary to prioritize performance reporting activities on the most critical areas.
- A focused set of measures can provide in-depth understanding of certain topics, but critical information in other areas may not be reported.
- A comprehensive set of measures can be cost prohibitive, inflexible, and overwhelming. Therefore, an appropriate degree of focus must be found.