

**Performance Management System: Strategic Planning**

**Standards and Inspections Division,  
North Carolina Department of Labor**



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Deputy Commissioner for Standards and Inspections

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Date

Strategic Planning  
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## 1.0 Purpose and Scope

This procedure establishes a strategic planning process. A strategic plan is a proactive tool to better position an organization to respond to its strategic opportunities and challenges. It is a comprehensive document that should encompass all bureau activities. It lays out specific goals and measurable objectives and describes the action steps and resources needed to accomplish them. Although input is sought from all bureau staff and from other internal stakeholders in the Department of Labor and from external stakeholders outside the Department, it is foremost a document developed and finalized by the bureau's management.

The strategic plan is a 3-year plan running concurrent with the state's fiscal year and commences in the first year of the Commissioner of Labor's new term of office. The strategic planning process is repeatedly annually for modifications and adjustments.

## 2.0 Personnel Responsibilities

- 2.1 The Deputy Commissioner for Standards and Inspections, on behalf of the Commissioner and the Chief of Staff, has responsibility for approving the final strategic plan for each bureau.
- 2.2 The Bureau Chief has overall responsibility for developing, finalizing and executing the bureau's strategic plan.
- 2.3 If applicable, the bureau's management team has responsibility for assisting the bureau chief in developing, finalizing and executing the bureau's strategic plan.
- 2.4 Every measurable objective has at least one owner and every employee has at least one measurable objective.

## 3.0 Health and Safety Issues

Refer to the *Employee Safety and Health Program Policies*, as well as the *Additional Resources* information section, on the DOL Intranet for all information related to safety matters affecting DOL personnel, including workplace violence, tornadoes, fires, slip and fall hazards, etc. To access this information, visit the DOL Intranet and click on the *Safety and Health Program* link on the homepage.

## 4.0 Procedure

- 4.1 Develop a mission statement consistent with the bureau's legislative mandate. The bureau's mission statement indicates what the bureau does, why it does it and for whom.
- 4.2 Review the SWOT analysis for guidance in developing a vision statement, broad goals and measurable objectives.

- 4.3 Develop a vision statement which concisely states what it is the bureau wants to achieve in the next three years.
- 4.4 Develop broad goals based on a three-year vision. Each broad goal is a general statement of what the bureau wants to accomplish and provides a general outcome using terms such as increase, enhance, improve, reduce, and decrease (for example: *Improve* services to our customers; *Maintain* a safe and healthy work environment for our employees; and, *Enhance* miner education and training efforts.)
- 4.5 For each broad goal, develop measurable objectives to achieve the goal.
  - 4.5.1 Each objective must include a numerical target and a date to be achieved.
  - 4.5.2 Objectives must be realistic but also stretch the bureau to reach for improved performance.
  - 4.5.3 Each objective must have a methodology for collecting and tracking data for measuring results.
  - 4.5.4 Objectives (and measures) must be both valid and reliable. A reliable measure means that the method for collecting the data is consistent. In other words, two or more people using the same method of collection get the same results. A valid measure is one that measures exactly what it claims to measure.
  - 4.5.5 Objectives should be balanced to avoid goal displacement. Goal displacement is where employees pursue a goal at the expense of another goal. For example, an objective to close 60 percent of investigative cases in 90 days may cause the employee to ignore cases older than 90 days allowing them to remain open far longer than justified. Balance is also achieved by having both leading indicators (internal process or output measures) and lagging indicators (customer measures and outcome measures).
- 4.6 Every objective is based on a measure. (An objective adds a target and date to a measure.) A measure is a quantifiable expression of the amount, cost, or result of activities that indicate how much, how well, and at what level, products or services are provided to customers during a given time period. There are three major types of measures.
  - 4.6.1 *Output measures* are the direct output of bureau activities and usually reported as the number of units, number of people served, and number of products or services provided. Examples of output measures include number of investigative cases closed, number of inspections completed and number of miners and contractors trained.
  - 4.6.2 *Efficiency measures* are the cost per unit of output or outputs per unit of input or outputs per unit of time and used to assess the cost-efficiency, productivity and timeliness of bureau operations. Examples of efficiency measures are percent of backlog of boiler inspections over 30 days past due, percentage of

calls answered on the first attempt, percent of routine elevator inspections completed within 30 days of inspection due.

4.6.3 *Outcome measures* are the ultimate benefits/results or impact of a bureau's actions and used to assess the bureau's effectiveness in achieving its mission. Examples of outcome measures are amusement ride accidents related to mechanical errors, wage recovery of wages due and miners' injury and illness rate.

4.7 All outcome measures (and some key measures) must be operationally defined by answering the following questions:

4.7.1 What is the precise definition of the key terms?

4.7.2 What are the applicable statutes and code?

4.7.3 What is the source of the data?

4.7.4 What is the process for collecting it?

4.7.5 What are the data requirements (e.g., what is the measure's population and how frequently it is collected?)

4.7.6 How is the measure calculated?

4.7.7 How is the data reported?

4.8 Every measure in the strategic plan must be explained in the Notes (see Exhibit), it must state the process for collecting the data, how the data is recorded and who has responsibility for maintaining and reporting the data.

4.9 A draft of the strategic plan must be sent to each bureau employee for their comment and input before finalizing.

4.10 An action plan is *recommended* for each strategic objective, especially if there is difficulty or uncertainty in how the objective will be accomplished. An action plan is a process for planning what needs to be done and when, by whom, and what resources or inputs are required (e.g., people, time, space, equipment). The action plan outlines the step-by-step activities in a logical sequence required to achieve the objective. (See Exhibit.)

4.11 The strategic plan is finalized no later than February 15 if a bureau has an employee performance appraisal year running from April 1 to March 31. It is finalized no later than March 15 if a bureau has an employee performance appraisal year running from May 1 to April 30.

4.12 The final strategic plan includes the following:

4.12.1 Cover page (NCDOL Logo, Title, Bureau Chief, Date Finalized);

4.12.2 Table of Contents;

- 4.12.3 Letter from the Bureau Chief (Outlining the strategic planning process and describing stakeholder involvement. Can also discuss recent bureau history and/or progress in achieving prior objectives);
  - 4.12.4 Organizational Overview (What does the bureau do, how many employees, funding source, budget, etc.);
  - 4.12.5 Opportunities and Challenges (Major themes from the SWOT analysis);
  - 4.12.6 Mission, Vision and Goals;
  - 4.12.7 Measures and Objectives (including *Notes*); and
  - 4.12.8 Operational Definitions of Key Measures.
- 4.13 The final draft of the strategic plan is signed and dated by the Bureau Chief and the Deputy Commissioner for Standard and Inspections.
- 4.14 The finalized strategic plan is posted on the bureau's web-page.
- 4.15 The data collection process for each measure should be reviewed annually to make sure it is accurate, complete, timely and valid.
- 4.16 The strategic planning process is repeated annually beginning with a re-evaluation of the original SWOT analysis and a review of the current plan for modifications.

## **5.0 Customer Service Requirements**

- 5.1 Develop a mission statement consistent with the bureau's legislative mandate. The bureau's mission statement indicates what the bureau does, why it does it and for whom.
- 5.2 The strategic plan must be clear, concise and easily understood by anyone including average citizens.
- 5.3 The strategic planning process solicits the views of major stakeholders including stakeholders internal and external to the bureau and the Department.
- 5.4 The strategic plan has the active buy-in of the bureau's management staff.
- 5.5 The strategic plan is a usable document and monitored at least quarterly to determine success and to inform management decision making.
- 5.6 The strategic plan is responsive to the needs of the bureau's customers (e.g., legislators, complainants, amusement companies, boiler and pressure vessel owners, miners and mining companies) by placing greater emphasis on the real benefits/results of the bureau's service and not just indicators of simple inputs and outputs.

## **6.0 Data and Record Management**

- 6.1 The final strategic plan is posted on the bureau's web-page.
- 6.2 See Quarterly Performance and Strategic Plan Review Procedure.