

The Big Question

DOES PERFORMANCE
MEASUREMENT PERFORM?

Three Smaller Questions

**DOES MEASUREMENT EFFECT ATTAINING
PUBLIC GOALS?

**WHAT EFFECTS? INTENDED,
UNINTENDED, POSITIVE, NEGATIVE

**UNDER WHAT CONDITIONS?

Three Assumptions Behind The Public Sector Performance Measurement Movement

PERFORMANCE MEASUREMENT:

1. IMPROVES PERFORMANCE
2. PROVIDES INCENTIVES

3. IMPROVES ACCOUNTABILITY

One Big Worry

THE MISUSE AND ABUSE OF PERFORMANCE
MEASURES

Incentive and Accountability Findings

1. PERFORMANCE MEASURES HAVE GREATEST IMPACT WHEN MANAGERS AND STAFF BELIEVE:

**THEY ARE THOUGHT TO BE ACCURATE

**ORGANIZATIONAL PERFORMANCE AFFECTS CAREER PROSPECTS

**ORGANIZATIONAL PERFORMANCE EFFECTS PRESTIGE OR STATUS

**IN THE PURPOSES OF THE ORGANIZATION

**THAT TOP OFFICIALS CARE ABOUT AND USE PERFORMANCE MEASURES

2. PERFORMANCE MEASURES HAVE GREATER IMPACT WHEN PRINCIPALS (ELECTED AND APPOINTED OFFICIALS):

**GIVE THEM ATTENTION

**USE RESOURCES TO SHAPE AGENCY BEHAVIOR

****APPLY RESOURCES TO PERFORMANCE GOALS**

****HAVE EXTENSIVE CONTROL MECHANISMS**

3. THE MORE AN AGENCY'S RESOURCES DEPEND ON MEASURED PERFORMANCE, THE GREATER THE IMPACT OF MEASURED PERFORMANCE ON ACTUAL PERFORMANCE
4. GREATER AGENCY COMPETITION RESULTS IN GREATER PERFORMANCE MEASUREMENT IMPACT.

The Political Context of Performance

Measurement

1. Agreement Regarding Agency Performance Indicators Will Be Especially Difficult Under Conditions of Multiple, Competing, or Ambiguous Goals.
2. The Greater the Agreement Among Principals Regarding Goals and Measures, the Greater the Effect of Measurement.
3. The Greater the Agreement Among Principals and Agents Regarding Goals and Measurements, the Greater the Impact of Performance Measurement.
4. The Greater the Goal Ambiguity, the Greater the Likelihood of the Use of Output Measures.

Under What Conditions Are Performance Measures Effective?

****The More an Agency Has Greater Control Over Outcomes**

****The Closer to the Level of Service Delivery a Performance Measure is Implemented**

****When Performance Measures are Compatible with Agency Skills, Tasks, and Resources**

****When Performance Measures Enhance Agency Mission**

****Leadership Matters**

****Mission Valence Matters**

****In Production Agencies (IRS, Postal Service, Social Security, etc.) Where Substantive Policy Impact is Clear, Performance Measures are Likely to be Used and to Have an Impact.**

****Procedural Agencies (OSHA, Military in Peace Time) Often Measure Outputs, But It Can be Difficult to Attribute Outputs to Outcomes**

****Craft Agencies' (Corps of Engineers, Antitrust Division in Justice, NIH) Outcomes are Observable and Measurable, But Outputs are Difficult to Measure and Difficult to Connect to Outcomes**

****Coping Agencies (Schools, Probation and Parole, Police) have Trouble Reliably Measuring both Outputs and Outcomes and Logically Connecting Them, Therefore Tend to Use Indirect Measures.**

Does Performance Measurement Perform?

****Mostly yes. Jurisdictions and Agencies Much More Aware of and Sensitive To Their Impact and Effectiveness.**

****Management is more focused on results**

****Accountability is Improved**

****Services are Improved**

Cautions, Concerns, Dissapointments and Dangers

****Holding Agencies Accountable for Outcomes Beyond Their Control**

****Measuring Things That Do Not Happen**

****Little Evidence of a Connection Between Performance and Funding, Beyond Lip Service**

****The Power of Ranking, Report Cards and Grading**

****Goal Displacement**

****The Misuse of Performance Measures**

****Costs of Gathering and Maintaining Timely Data**

****Continuing Problems With Indicator Design**

****Performance for Whom? When Overall Performance Masks Problems of Maldistribution**