

FINE-TUNING PERFORMANCE MEASUREMENT AS A MANAGEMENT STRATEGY: INSIGHTS FROM THE STATES

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I. INTRODUCTION

Performance measurement is not new. More than a half century ago, Clarence Ridley teamed with Herbert Simon to write a book urging local governments to measure their performance and offering guidelines (Ridley & Simon, 1943). The Hoover Commission, a few years later, recommended performance budgeting using a similar rationale. Alan Ehrenhalt recently drew attention to the resilience of performance measurement as a management strategy, noting that a common strand of management thoughts links the planning-programming-budgeting systems (PPBS) of the 1960s, zero-based budgeting (ZBB) of the 1970s, and management by objectives (MBO) of the 1980s to the current enthusiasm for measures. As noted by Ehrenhalt, “it is a good idea. It was a good idea in 1943. It is basically the same idea . . . it just keeps getting renamed” (Ehrenhalt, 1994, p. 9). More than just renaming, performance measures have undergone fine-tuning. This article examines practices in state government, and compares these to practices at the federal level and abroad, to uncover lessons for successful implementation.

There has been a great deal of recent interest in government for performance information (Bavon, 1995). In 1990, Congress passed the Chief Financial Officers Act requiring the timely reporting of performance information. Also in 1990, the National Academy of State Budget Officers created a task force to help states develop performance measures. In addition, the Government Accounting Standards Board in 1990 outlined the measures for major state and local government functions. In 1991, the National Academy of Public Administration adopted a resolution endorsing and

encouraging the development and use of performance monitoring at all levels of government. Congress passed the Governmental Performance and Results Act (GPRA) in July 1993 requiring all federal agencies to develop strategic plans, set agreed-upon goals and objectives, and measure their progress towards these goals. In September 1993, President Clinton unveiled the results of the National Performance Review, strongly encouraging the use of performance measures as one of the several recommendations to improve government.

Performance measurement may be described as the gathering of information about the work effectiveness and productivity of individuals, groups, and larger organizational units (Larsen & Callahan, 1990). These measures are commonly defined by objectives established to support organizational goals. Performance measurement systems have at least four purposes: (1) to improve or sustain organizational performance, and (2) to improve accountability; (3) to enhance motivation; and (4) to improve communication (Greiner 1996). Grizzle (1981) views the essence of performance measurement systems to be the reduction of uncertainty in programs. This includes reducing the uncertainty involved in planning future courses of action, and summarizing the consequences of past actions in ways useful to a variety of decision-makers.

Program performance indicators specify the types of evidence, qualitative and quantitative, used to assess program performance and results. These will include indicators of program productivity, effectiveness, cost-effectiveness, quality, timeliness, and responsiveness (Wholey, 1983).

Another term used in the literature is outcome monitoring. Affholter (1994, p. 97) describes outcome monitoring as “outcome-focused or results-oriented; it is built into the routines of data reporting within program operations; it provides frequent and public feedback of performance; and it is not explanatory in itself, nor does it produce corrective action plans.”

State governments use the term “benchmarks” to refer to statewide indicators. These measures are typically social indicators and not attributable to a single program. The practice of quantifying societal phenomena for public decision-making dates back to the seventeenth century. Indeed, the term “statistics” refers to “matters of the state,” and the earliest were simply outputs of governmental record-keeping systems (Innes 1990). More recently, social indicators are used by states as benchmarks providing information to the public.

II. RECOMMENDED STRATEGIES AND SUPPORT FOR MEASURING PERFORMANCE

Current strategies for results oriented, comprehensive planning, goal setting, and measurement system, mirror systems that have long been advocated by Peter Drucker (1974), and Joseph Wholey (1983). Drucker argues that government agencies should take steps to manage for performance and results. He blames the inefficiencies in government to budget allocations, as opposed to payments for results. Drucker recommends the following processes: (1) define agency and program objectives by the outcomes achieved; (2) establish priorities; (3) define qualitative and quantitative performance measures and performance targets; (4) assess performance and results; (5)

use performance information to improve performance and results; and (6) identify and abandon unproductive activities (Drucker, 1974).

Wholey agrees with Drucker and makes recommendations to deal with policy-making and management environments that may hinder progress in managing for results. The hindrances include “program goals that tend to be vague or unachievable; program performance is often hard to define and measure; political and bureaucratic constraints often make it difficult to use program performance information to improve program or agency performance” (Wholey, 1983, p. 4). He considers the foundations to results-oriented management in government as:

- (1) agreement on a set of program outcome objectives and outcome indicators in terms of which the program will be assessed and managed; (2) development of systems for assessing program performance in terms of those outcome objectives; (3) use of program outcome information to achieve improved program performance; and (4) communication of program performance and results to policy levels and to the public (Wholey, 1983, pp. 4-8).

Although Drucker and Wholey’s descriptions of managing for results closely resembles current systems, it is difficult to ignore Management by Objectives (MBO) as a foundation. MBO incorporates the features of three processes that are known to constitute good management practice and are found in the most recent models: participation in decision making, goal setting, and objective feedback (Rogers & Hunter, 1992). In 1976, Newland, was asking “why would such a theoretically sound management system that had received such high marks from surveys and longstanding

support from social science theory have been 'pronounced still born?'” (Rodgers & Hunter, 1992, p. 36). The answer may be that MBO has undergone a rebirth. MBO is a necessary component for today’s performance management systems.

In 1983, Wholey’s question is whether, and to what extent, results-oriented management exists or should exist, in government agencies and programs. As is discussed here, result oriented data is collected in states and other levels of government, these data are used for internal management and other uses are starting to surface.

Major institutions have participated in work on results-oriented management. The United States General Accounting Office (GAO) took an active role in making recommendations to Congress for what would later be the Government Performance and Results Act (GPRA). The National Academy of Public Administration (NAPA) and the Governmental Accounting Standards Board (GASB) publicly supported performance monitoring and reporting by public organizations. GAO also examined state experiences and experiences abroad with “managing for results,” to assist national agencies with the implementation of GPRA.

In 1992, Charles Bowsher, Comptroller General of the United States, provided information to Congress on the steps that could be taken to improve accountability for program results (GAO/TGGD 92-35). Bowsher had three major recommendations: (1) agencies should clearly articulate their mission in the context of statutory objectives and with regard to services and citizen expectations; (2) agencies should develop implementation plans for the goals and objectives and specific measures for progress towards achieving them; and (3) agencies should report annually on their progress. He

finally recommended that the national government starts with pilot projects, build on successes, and learn from mistakes.

Additional support for performance measurement was provided by Wholey and Hatry (1992, p. 604) as they referred to regular monitoring of service quality and program results as a “key component of informed public management and the identification of opportunities for improved public-sector performance” and additionally, advocated multiple indicators. Their article also contained the resolution adopted by NAPA in 1991 for the encouragement of performance monitoring and reporting by units of government at all levels.

On August 3, 1993, the Government Performance and Results Act was passed by Congress. This Act addressed the implementation of strategic planning and performance measures in the federal government and included a plan to initiate program performance reforms with a series of pilot projects in fiscal years 1994, 1995, and 1996. The GAO studied the pilot projects and identified a series of practices that yield successful implementation (GAO/GGD-96-118): (1) in defining mission and desired outcomes (a) involve stakeholders, (b) assess the environment, and (c) align activities, core processes, and resources; (2) in measuring performance (a) produce a set of performance measures at each organizational level that demonstrate results, respond to multiple priorities, and link to responsible programs; in addition (b) collect sufficiently complete, accurate, and consistent data; (3) in use of performance information, (a) identify performance gaps, (b) report performance information, and (c) use performance information to support mission.

GAO concludes that leadership practices reinforce the implementation of GPRA and that the effective leader: (a) develops decision making with accountability, (b) creates incentives, (c) builds expertise, and (d) integrates management reforms. Figure 1 displays GAO's recommendations. The practices listed in Figure 1 are used to gauge accomplishments in states identified by GAO as front-runners in these efforts and studied in detail by Aristigueta (1999): Florida, Minnesota, North Carolina, Oregon, Texas, and Virginia.

The Government Accounting Standards Board (GASB), in an exposure draft (GASB 1993), recommended service efforts and accomplishment reporting (SEA) for state and local governments. The SEA is again a form of performance measurement with its focus on results, accountability, and dissemination of information. The SEA was adopted by GASB in 1994.

III. STATE'S USE OF RESULTS ORIENTED MANAGEMENT

Limited information is available on states' initiatives. Some of the national associations, such as the Council of State Governments, the National Governors' Association, and the National State Budget Officers' Association have conducted surveys. The fourth National Public Sector Productivity Conference published its proceedings on new approaches to productivity in the Winter 1991 issue of *the Public Productivity and Management Review*. This provided a few case studies of selected states. The GASB reported the results of their survey in the Public Administration Times (Fountain, 1997). The preliminary analysis of 800 responses to 5,000 surveys (a 17% response rate) indicates that the "use of performance measures is fairly widespread, with

states more likely to be involved in their use than local governments” (Fountain, 1997, p. 8). A comprehensive study of state government reforms was published by the United States General Accounting Office (GAO) in 1995. This report responded to a congressional request to study success stories in implementing management reforms at the state level (GAO/GGD-95-22).

The states studied by GAO were Florida, Minnesota, North Carolina, Oregon, Texas, and Virginia. These states were found to have utilized requirements similar to those outlined in the Government Performance and Results Act (GPRA). Results-oriented management in these states included strategic planning, performance measurement, and the linking of management systems (such as information and human resource systems) with mission related goals. The states’ experiences suggest that implementing reforms is a long-term effort requiring that the executive and legislative branches work together for implementation (GAO/GGD-95-22).

Aristigueta (1999) found the following components in these states:

- Florida engages in citizen-based goal setting for agency strategic planning, performance measurement, performance-based budgets, performance evaluations, and previous benchmarks (see section on Recent Resistance to Measures).
- Minnesota uses citizen-based goal setting for milestones, agency performance measurement, performance-based budgets and performance evaluations.
- North Carolina uses citizen-based goal setting for benchmarks (indicators are not yet available) and agency performance measurement. Performance-based program budget is under-going revisions.

- Oregon uses citizen-based goal setting for benchmarks, but it has no requirement for strategic planning or performance budgeting for state agencies. Pilot studies link agency programs to benchmarks.
- Texas uses goal setting for benchmarks without assigned indicators. Agency strategic planning, performance measurement and budgeting are fully integrated. Performance evaluations, including validation of measures, are part of the system in Texas.
- Virginia does not use benchmarks. Agency citizen-based strategic planning, performance measurement, performance-based budgets, and performance evaluations are used.

IV. GOAL OF THE PROGRAM AND MEASUREMENT MODEL

Measurement models in the states studied included agency performance measures, generally comprised of input, output, and outcome measures; and statewide benchmarks or milestones (as referred to in Minnesota). The benchmarks found in Florida, Oregon, and Minnesota included input, output, and outcome indicators. Hatry (1994, p. 5) found that, outside of Oregon, “the term benchmark is usually applied to the targets and not the indicators” such as those for the year 2000 and 2010. In Oregon, the term benchmark applies simultaneously to both indicators and targets.

The goal of performance measurement models found in the states included two primary, yet distinct, purposes: accountability to stakeholders in order to improve perceptions of government; and management, which through the collection of performance information, aims to improve government. Internal to state governments,

this distinction is not apparent. State officials discussed the dual purposes of all performance measurement systems as accountability and management improvements. Indeed, in Virginia, where benchmarks are not utilized, state officials discussed the problematic situation that benchmarks would present: not being able to hold any one program accountable for the specific measure. In Virginia, the Legislative Auditor's Office recommended benchmarking based on individual agency measures, as opposed to statewide benchmarks.

“Holding an agency accountable for performance” continues to be the primary function of the agency performance measurement in state government. This is a separate goal from the two previously stated, but it is the basis most often found for utilization of performance measures. The unintended consequences resulting from this type of use includes goal displacement, “whereby organizational behavior reacts over time to maximize performance on those dimensions emphasized by the system at the expense of other equally more important objectives” (Poister, 1992, p. 201).

V. USES AND IMPACT OF PERFORMANCE INFORMATION IN STATES

The managing for results systems in states include strategic planning, performance-based budgeting, and performance evaluations. Uses of these systems most often reflect internal controls and accountability to the public. Note, for a detail description of these findings, refer to a forthcoming book by Aristigueta (1999), containing individual case studies of the six states.

Performance information is used for purposes of internal management at the agency level. Performance information infrequently affected the budget allocations (as in

Texas and Minnesota). The performance information has also had limited use in program evaluations (as in Florida), policy decision-making and community projects (as in Florida and Texas), and improved effectiveness, most clearly demonstrated by the pilot studies in Oregon.

Expanding on Kirlin's (Hatry and Kirlin 1994) observations of the Oregon benchmarks, benchmarks and agency performance information provide opportunities through the use of strategic planning for social learning and integration of what is currently a fragmented system. "Benchmarks offer the possibility of achieving two difficult objectives: social learning and integrated action in fragmented systems" (Hatry and Kirlin, 1994, p. 1). Social learning includes at a minimum, educating the public on the capacity and limitations of government. The argument is presented that when the public is involved in the process of agency performance measures, as in the state of Virginia, agency performance information may also be utilized for social learning.

Social learning is related to the public's perceptions of government and to the desirable outcome for these initiatives. In a public perception of local government survey, Glaser and Denhardt (1997) found that the public's perceptions of government improved with information available. Most clearly, benchmarks, and in some cases agency performance measures, used in state government provided the opportunity to communicate with the public on issues that in most cases have been identified by the community to be of importance. This is accomplished through community-based strategic planning efforts or community-based goal setting. For example, Virginia and Oregon engaged in community-based strategic planning through focus groups all over the state to identify issues of importance. Florida and Minnesota used a similar format for

goal setting. Following the logic demonstrated by Glaser and Denhardt, it would follow that if benchmarks and/or agency performance measures engage the public in the process, and the information is readily available then the public's perception of government will improve. However, agency performance measures do not alleviate fragmentation of the system.

VI. BEST PRACTICES

GAO bases its formula for best practices in findings in a number of leading public organizations including the states studied (GAO/GGD-96-118). GAO warns that each organization has its own agenda for management reform according to its own environment, needs, and capabilities. Regardless of the approach, GAO found three key steps in managing for results: (1) define clear missions and desired outcomes; (2) measure performance to gauge progress; and (3) use performance information as a basis for decision-making. Figure 2 summarizes how states are meeting these requirements.

In defining clear missions and desired outcomes, GAO found three critical practices; these are followed by findings in the states:

1. **Involve stakeholders**—stakeholders are defined as the public for the purpose of this chapter. Florida, Minnesota, North Carolina, and Oregon included the public in their statewide benchmarks efforts to define goals and desired outcomes. Texas and Virginia involved the public in the desired outcomes for agency performance measures.
2. **Assess the internal and external environments**—North Carolina assessed the internal and external environments for the statewide benchmarks. Florida, Virginia, and Texas assessed the environment (usually referred to as trends and conditions) for agency performance measures.
3. **Align activities, core processes, and resources to support mission-related outcomes**—In Florida the benchmarks are aligned with the state comprehensive plan. Florida, Minnesota, Virginia, and Texas link budgeting and performance

measurement in agencies. Florida, Virginia, and Texas also include strategic planning in the agency level linkages.

In measuring performance, GAO found a need for performance measures at each organizational level:

- a. **Demonstrating results**—Requires that “performance measures tell each organizational level how well it is achieving its goal” (p. 24). Florida, Minnesota, and Oregon are demonstrating results through benchmark indicators. Virginia, on a limited basis, and Florida, Minnesota, and Texas are demonstrating results through agency performance measures.
 - b. **Limit to the vital few per goal**—Virginia has limited to two measures per goal and two to five goals per program. None of the other states have specific limits and indeed, one of the Minnesota Legislative Auditor’s criticisms of the agency performance measures is the number of measures.
 - c. **Respond to multiple priorities**—Florida, Minnesota, Oregon, Texas, and Virginia respond to priorities established by the citizens, and the executive and legislative branches of government. Florida has identified “critical benchmarks” for prioritizing.
 - d. **Link to responsible programs**—Agency performance measures are linked to programs in all states utilizing them. However, this is not the case with the benchmarks. This remains a criticism of those studying the system. The Minnesota Legislative Auditors comments of their state efforts, and Hatry and Kirlin (1994) in studying the Oregon Benchmarks. Linking has been most comprehensive in Texas with the ABEST management information system.
4. **Collect Data**—Florida, Minnesota, and Oregon are collecting data for benchmark indicators. Florida, Minnesota, Texas, and Virginia are collecting data for agency performance measures.

GAO further recommends use of performance information to:

5. **Identify performance gaps**—Florida, Minnesota, and Oregon identify performance gaps through benchmarks. Florida, Minnesota, Texas, and Virginia identify performance gaps by the agency performance measures.
6. **Report information**—Florida, Minnesota, and Oregon report benchmark information. Florida, Minnesota, Texas, and Virginia report agency performance measures.

7. **Use information**—Uses include:

- a. **Policy decision-making**—This is difficult to document. Florida and Texas claim that the agency performance measures are utilized for funding decisions. Although it is intended in the other states, there is no evidence.
- b. **Management**—The strength of these programs appear to be in their use for internal management. Florida, Minnesota, Texas, and Virginia all stated that the measures were being used internally. Oregon has documented impressive accomplishments through their pilot studies. A Texas official emphasized the importance of the use of measures for internal management, as opposed to focusing on their use for policy decision-making.
- c. **Accountability to the public**—Florida, Minnesota, and Oregon through public involvement in the goal setting process and published reports are providing information to the public. Virginia follows a similar process of citizen involvement for the agency strategic planning process. Florida, Minnesota, Texas, and Virginia publish agency performance measures. In Minnesota, the entire performance report may be accessed via the Internet.
- d. **Community projects**—These were not recommended by GAO but have been added by the author after studying the states. Community projects provide opportunities through other governments or non-profit organizations for partnerships, greater accomplishments, and understanding of the workings of government. Community projects are encouraged in the Florida, Minnesota, and Oregon benchmarks.
- e. **Improve effectiveness**—This area was also added by the author. Improved effectiveness is a desired outcome of the measurement systems and was notably demonstrated by the pilot programs in Oregon.

To reinforce implementation, GAO recommends the following:

- 8. **Devolve decision-making**—This requires allowing managers to bring their judgment to bear in meeting their responsibilities, rather than mere compliance. Texas and Florida were the only two states with limited use of this practice. In Texas, allowances are made for budget flexibility to accomplish targets. Florida is conducting pilot studies allowing for flexibility in spending and hiring in agencies.
- 9. **Create incentives**—Virginia is the only state with pilot studies of bonus programs for accomplishments in agencies.

10. **Build expertise**—This requires the staff at all levels to be skilled in strategic planning, performance measurement, and the use of performance information in decision making. Florida, Minnesota, North Carolina, Texas, and Virginia all emphasized the need for training. North Carolina has discontinued its performance measurement systems, and Virginia has limited the number of measures in part due to the need for training.

11. **Integrate management reform**—Integration of management reform is occurring on a limited basis. Agency performance measures are integrated with budget processes and the management information system in Florida, Minnesota, Texas, and Virginia. Florida, Texas, and Virginia integrate agency strategic plans. Florida, Minnesota, Texas, and Virginia integrate performance evaluations. Oregon, Florida, Minnesota, and to a limited extent Texas, also integrate the use of statewide goal setting and benchmarks.

In summary, all of the practices identified by GAO and others identified by Aristigueta, were found in some states, particularly at the agency level. These practices are best geared to the agency as the recommendations are tailored to the implementation of the Government Performance and Results Act, more closely resembling the agency performance measurement efforts than the statewide benchmarks.

VII. LESSONS LEARNED FROM ABROAD

Bovaird and Gregory (1996) summarize the results of twenty years with performance measures in Great Britain. During this period, performance measurement requirements for government organizations moved from cost-benefit and planning-program analysis to process quality and customer satisfaction, most recently to strategic planning.

The experience suggests that results vary among organizations and the role played by the measures reflect the styles of management in each organization. For example, organizations emphasizing strategic planning accentuated resource allocation, control, and learning as the purpose of the measurement. Organizations emphasizing financial

control used measures for resource allocation and managerial control. Organizations with both top-down and bottom-up strategic controls used measures to give direction and to encourage learning, with control becoming more important as the functions were decentralized and lower tiers were delegated significant authority. The complex concept of accountability was never explicitly defined but was used in public documents that essentially covered some or all of the above roles of performance indicators.

Reports of success stories rather than opportunities for learning, dominated the British experience. Lessons learned from past experience with cost benefit analysis and program analysis and review (the British version of PPBS) were ignored. These lessons indicated the need to allow long time horizons, avoid overlooking qualitative indicators, avoid massive documentation requirements, demonstrate the relevance of performance information through interpretation of its meaning, and the need to institute systematic, rigorous information audits.

Recently, the use of performance indicators for budget decisions is limited and there is no evidence that performance indicators have increased parliamentary controls. Bovaird and Gregory (1996) did find that the degree of use for learning is related to the degree of stability and predictability in the organizations. Practices that appeared to encourage learning included use of demonstration projects, inclusion of stateholders in process, linking greater autonomy with justifications based on measurements, and requirements for self-evaluation by managers as the path to advancement.

VII. RECENT RESISTANCE TO MEASURES

Sound management which allows for accountability and communication to policy makers and to the public is of critical importance at a time of tight fiscal constraints for governments. Implementation of managing for results is meeting resistance though work in states demonstrates the utility of rational models for sound management practices. More specifically, the Florida Benchmarks have been eliminated for the 1998 fiscal year through the legislative budget process. The Florida Benchmarks were a series of quantitative indicators describing the well-being of the public in Florida across seven areas of concern: families and communities, safety, learning, health, economy, environment, and government. In a companion publication, Critical Benchmark Goals, sixty of the most important indicators are used to set goals for Florida to reach in the years 2000 and 2010. The Florida program was modeled after the Oregon Benchmarks and the Minnesota Milestones and has been hailed as the best of its kind in its organization, reading ease, and comprehensiveness.

According to the Executive Director of the Government Accountability to the People Commission, the Benchmarks were well received by government in the state of Florida. The opposition came when an attempt was made to tie outcomes to the performance measures at the program level. Opposition was found also among those who control the budget process (Stanford, 1998). This points to the difficulties involved in the near simultaneous use of performance indicators for the purposes of accountability and budgeting in state government.

Problems are also surfacing in Minnesota where the legislative auditor's office is recommending the repeal of Minnesota's 1993 Performance Reporting Law. Though the

law requires agencies to develop performance measures, the measures are scarcely "looked at by the legislature." According to Michael Q. Patton (1997), Jim Nobles the Minnesota Legislative Auditor, attributes the failures to four primary problems:

- (1) lack of honesty about the challenges at the outset;
- (2) overreaching in promises and overburdening agencies with paperwork;
- (3) failure to build capacity prior to implementation; and
- (4) failure to understand that performance data has limited use in public decision-making.

Nobles makes the following recommendations with regard to the effectiveness of performance measures (Patton, 1997):

- 1) be more honest about the challenges;
- 2) stop mandating uniform, across the board, reporting systems and allow agencies to design meaningful systems;
- 3) rely on capacity-building and good management;
- 4) rely more on periodic in-depth evaluations to informal priority policy discussions.

SUMMARY AND CONCLUSION

Obstacles to performance measurement systems are coupled with high hopes for the use of performance information. In expanding Greiner's (1996) earlier list, these hopes include and are not limited to: 1) improved perception of government by the public, 2) improved program efficiency and effectiveness, 3) improved decision-making, 4) service delivery, 5) internal management, 6) enhanced motivation, and (7) to reduce program uncertainty.

Important lessons may be learned and should be closely examined to improve the odds for success of the current efforts:

- Consistent with Glaser's (1991) earlier findings, greater benefit is to be gained from germane, as opposed to, generic measures. The British experience demonstrates the role played by the measures reflect the styles of management

in each organization (Bovaird and Gregory 1996). In Minnesota the recommendation is being made to stop mandating uniform, across the board, reporting systems and allow agencies to design meaningful systems (Patton 1997).

- GAO (1996) and Wholey (1997) specifies two prerequisites for useful performance measures: 1) consensus on goals and strategies for achievement. This condition may be met through planning processes that include both internal and external stakeholders. 2) The measurement system must report reliable and useful information at each organizational level.
- The greatest use for measures in state government may be for internal management and accountability as opposed to policy decision-making (Aristigueta 1999). A finding echoed in the British experience finding no evidence that the use of performance indicators had increased parliamentary financial control, and Patton finding in Minnesota that measures are scarcely “looked at by the legislature.”
- Holding an agency accountable for performance remains an important priority for use of these systems in state government, yet this practice may have the unintended consequence of goal displacement (see Poister, 1992).
- Benchmarks may provide opportunities for societal learning as discussed by Hatry and Kirlin (1994). One of the benefits includes the formation of community partnerships in order to address issues as found in Oregon (Aristigueta, 1999).

- Performance information in states provides opportunities through the use of strategic planning for integration of what is currently a fragmented system (Hatry and Kirlin 1994, and Aristigueta 1999).
- Newcomer (1997) five factors as potential obstacles to useful performance measurement systems, are echoed by others: 1) The time and resources required to develop an effective system. Light (1997) criticizes the Government Performance and Results Act efforts for not taking the time required to learn from pilot studies before expanding the system. 2) The inherently political nature of the measurement process. This phenomenon was described earlier in the Florida experience with benchmarks. 3) The organizational location of the system is important in assuring adequate resources over time. 4) The need for communication with relevant political organizations. And, 5) inadequate involvement of evaluators in the design and use of the system.

What the future holds for the use of performance measurement is uncertain at this point and important lessons are yet to be learned. For example:

- will including the public in the process and sharing performance information serve the purpose of improving the public's perception of government?;
- will legislating measures lead to their stability?;
- what methods are available to facilitate the integration of fragmented systems?; and
- what opportunities and examples are available to encourage community partnerships as a result of performance information?

Future studies will lead to answers in these areas and other practices for lasting impact.

Figure 1: GAO's Model for Effective Implementation of the Government Performance and Results Act

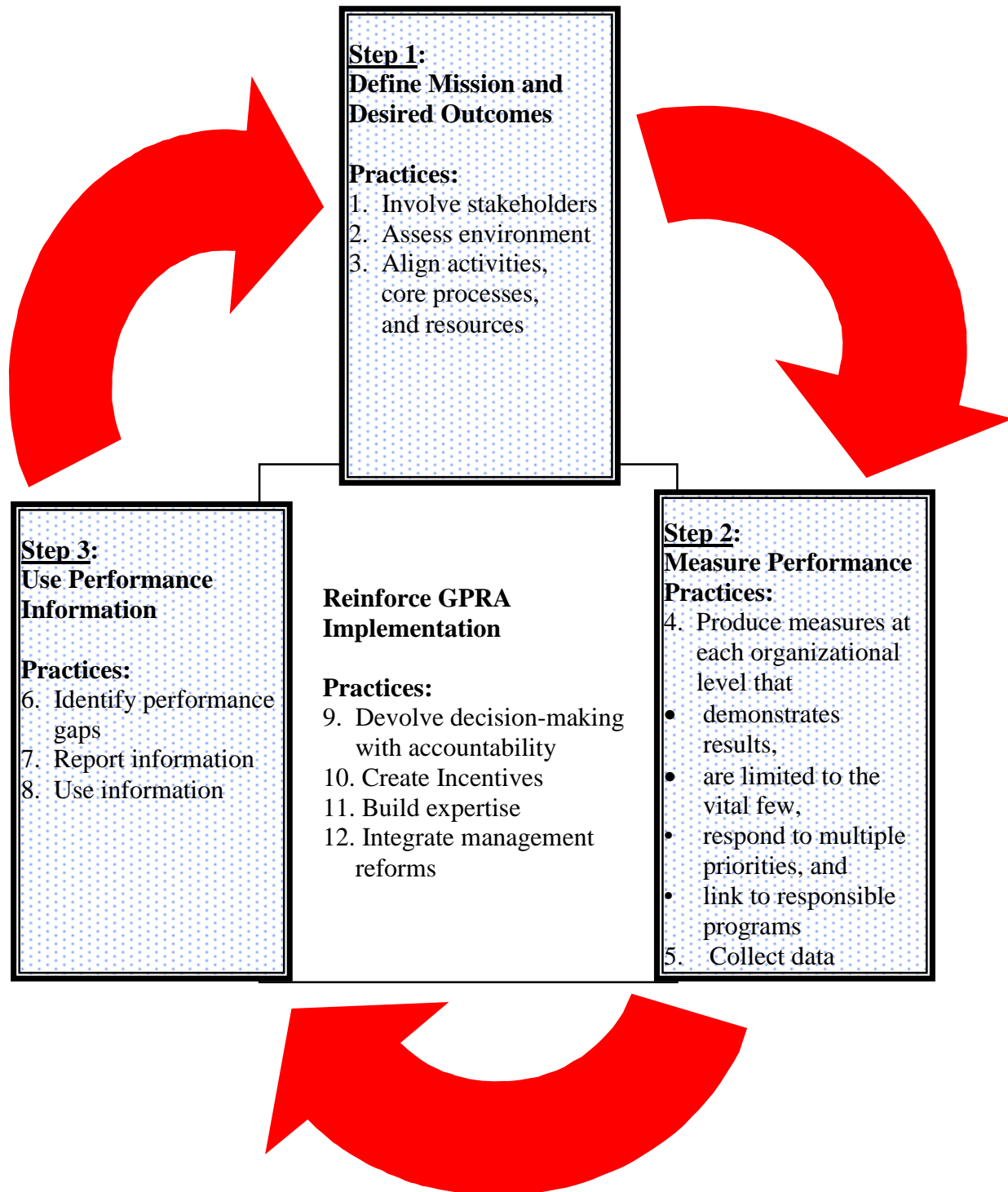


Figure 2: Key Steps and Critical Practices for Successful Implementation in Agency Performance Measures

			FL	MN	NC	OR	TX	VA
Define Mission Outcomes	1.	Involve Stakeholders	Some	No	*ne	No	Some	Yes
	2.	Assess Environment	Yes	No	*ne	No	Some	Yes
	3.	Align Activities	Yes	Yes	*ne	No	Some	Yes
Measure Performance	4.	Measure at Each Organizational Level	A. Demonstrate Results	Yes	Yes	*ne	Yes	Yes
			B. Limited to Vital Few per Goal	Yes	No	*ne	Yes	Yes
			C. Respond to Multiple Priorities	Yes	Yes	*ne	Yes	Yes
			D. Link Responsible to Programs	Yes	Yes	*ne	Yes	Yes
	5.	Collect Data	Yes	Yes	*ne	Yes	Yes	Yes
Use Performance Information	6.	Identify Performance Gaps	Yes	Yes	*ne	Yes	Yes	Yes
	7.	Report Information	Yes	Yes	*ne	Yes	Yes	Yes
	8.	Use Information	A. Policy Decision Making	Yes	No	*ne	No	Yes
			B. Management	Yes	Yes	*ne	Some	Yes
			C. Accountability to Public	Yes	Yes	*ne	Some	Yes
			D. Community Projects	No	No	*ne	No	Some
			E. Improved Effectiveness	Some	No	*ne	Some	Some
Reinforce Implementation	9.	Devolve Decision Making	Some	No	*ne	No	Some	No
	10.	Create Incentives	No	No	*ne	No	No	Some
	11.	Build Expertise	Yes	Yes	*ne	No	Yes	Yes
	12.	Integrate Management Reforms	Some	Some	*ne	No	Some	Some

Source: Key steps and critical practices adapted from the United States General Accounting Office, GAO/GGD-96-118. Ratings are the author's based on information in case studies in Aristigueta 1999.

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