

Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On why public managers have to use:

Multiple Performance Measures

If the public manager's question, "Why Measure Performance?" has multiple answers—if there are multiple reasons for measuring performance—then public managers need multiple measures. Each of the public manager's eight reasons for measuring performance (see July 2004) requires a measure with its own, unique characteristics.

(1) *To evaluate*: Is the agency doing a good job? This question has three sub-questions. The first is the *effectiveness* question: Has the agency accomplished something? Answering this question requires measures of the outcomes that the agency is charged with forging.

Of course, the agency could do this at a very large cost. Thus, the second question concerns *efficiency*. Efficiency is a ratio that requires outcome measures for the numerator and cost measures for the denominator.

Finally, the agency might not have produced the outcomes itself. This raises the *impact* question: What did the agency itself accomplish? This more complicated question requires data on outside factors (such as the economy) that may influence the outcomes.

(2) *To control*: To control the behavior of public employees, managers create requirements. Then, to be sure that these requirements have indeed limited behavior, they

measure the relevant inputs. For example, to determine if the teachers followed the curriculum requirements, managers measure whether Topic AA was, indeed, covered on Day 47.



Sometimes, of course, these requirements are called "guidelines." Do not be deceived. Curriculum "guidelines" are really "requirements"; they are designed to control.

(3) *To budget*: Once elected officials have fixed an agency's macro budget, its managers need efficiency measures to allocate these funds. If a fire department is charged with reducing lives lost due to fires, it needs to measure the efficiency of dollars spent on more firefighters, better training, new equipment, or a new fire-prevention strategy.

(4) *To motivate*: If the challenge is to motivate people to improve performance, the manager needs to create specific performance targets and then check production measures against these targets. Unfortunately, organizations don't produce outcomes; they produce outputs. Thus, to motivate people, public managers need to measure outputs.

(5) *To promote*: Public managers need to convince legislators, stakeholders, and citizens that they are doing a good job. For this purpose, managers need measures about which citizens really care. The mission of a state

division of motor vehicles is to protect drivers, passengers, and pedestrians. It does this by inspecting vehicles and drivers to ensure that they can function safely. But how do citizens measure the division's performance? By the number of lives saved? Or by the time they wait in line? To convince the public that they are doing a good job, the managers of a motor vehicle division may need to measure the reduction in the time people spend in line.

(6) *To celebrate:* All organizations need to celebrate their achievements. Yet it is only worthwhile to celebrate achievements that the organization's members think are worth celebrating. Again, performance targets can help. By creating a target and stressing its significance, an agency's managers can ensure that their employees believe that they have achieved something indeed worth celebrating.

Unfortunately, given all of the different reasons to measure performance, there is no one, best, magic measure. Consequently, for each purpose, public managers need to create different measures with their own, unique characteristics.

(7) *To learn:* Humans learn from the unexpected. From unexpected successes, public managers learn what to replicate. From unexpected failures, they learn what to avoid. From unexpected data, they learn what to investigate so that they can learn even more.

Performance measures can aid such learning—helping to identify both successes and failures and highlighting the unforeseen. Moreover, all sorts of measures—the formal data found on spreadsheets; the informal data gleaned from brief conversations—can yield something that is unexpected and thus worth further investigation.

To learn, managers need a variety of performance measures. And they need a wealth of experience to help them distinguish between a deviance that can be reasonably expected and one that is worth additional investigation. Then they need a more detailed evaluation strategy to determine what caused the unexpected success, the unexpected

failure, or simply that deviant piece of data that hints at something worth learning.

(8) *To improve:* All of the other seven purposes—and thus all of the other kinds of measures—are useful to the public manager only if they help the agency improve. Still, in developing an improvement strategy, managers need to understand how their agency works. They need data that explains what is going on inside their organizational black box. They need to understand how their organization converts its inputs—all kinds of inputs from money, to environmental factors, to leadership's values—into outputs. They need inside-the-black-box data that describes their agency's behavior and how changing different inputs will affect the outputs. They need measures that can suggest how their own actions cascade through the minds and behaviors of their employees and collaborators.

For all of the reasons that public managers have to measure performance, there is, unfortunately, no one, best, magic measure. **B**

Robert D. Behn is the author of *Rethinking Democratic Accountability* (Brookings) and a lecturer at Harvard University's John F. Kennedy School of Government.

As a member of the team of Kennedy School faculty who lead executive-education programs for the public sector, Bob chairs "Driving Government Performance: Leadership Strategies that Produce Results." He also conducts custom-designed executive programs for public agencies.

For a detailed analysis of this topic, see Bob's article: "Why Measure Performance? Different Purposes Require Different Measures," *Public Administration Review*, vol. 63, no. 5 (September/October 2003) pp. 586-606.