

The Lexicon of Performance

Wherever there is government, there is government performance. On the basis of such obvious statements, modest reputations are earned! However, what constitutes performance within government is more complicated, pluralistic, value laden, and controversial than is true with the performance of private firms where the meaning and the yardsticks to measure successful performance are more limited and more universally accepted. In government, performance is usually thought of as progress toward goals and objectives, but measurement is complicated by the fact that the outcomes being sought are often multiple, vague, shifting, and even conflicting; this reflects the fact that they emerge out of the wider political process of competitive political parties and public debate. In diverse countries such as Canada or Australia, individuals, groups, and regions will often disagree strongly over what constitutes good performance. Also, government performance is more subject than corporate performance to continuous, usually critical, scrutiny by opposition parties, interest groups and the media. So, for governments, appearances matter almost as much or more than the reality of performance. For public managers who operate programs, part of the performance equation is no surprises and keeping the ministers they serve out of political trouble. Maintaining legitimacy and support for the policies and programs of government is also a legitimate performance goal. In short, performance is a many splendoured thing, and good performance is partly in the eye of the beholder.

From the vantage point of today's world, where most governments talk the language of performance and have invested heavily in the development of measurement systems, it is instructive to recognise that until quite recently the practice of measuring performance in order to strengthen it was relatively uncharted territory. Writing in the early 1970s, Alice Rivlin, a highly respected policy analyst, endorsed the value of this approach in words that today sound self-evident:

It therefore seems to me that analysts who want to help improve social service delivery should give high priority to developing and refining measures of performance. Relatively little effort has gone into devising such measures so far, despite their importance and the apparent intellectual challenge of the task. Performance measures for social services are not, of course, ends in themselves. They are prerequisites to attempts both to find more effective methods of delivering social services and to construct incentives that will encourage their use. (*Systematic Thinking for Social Action*, 1973)

Recognising the intellectual challenge of the task, Rivlin cautioned against confusing different components of performance, especially effort and achievement, with one another. This warning remains relevant because when we talk about performance, we may mean inputs, outputs (efforts), or outcomes (achievements, whether immediate or long-term) within society. These three dimensions of performance are causally linked, but not always in ways that are well understood. Moreover, performance measurement can focus on any or all of these dimensions. A common practice, particularly in the early days of performance measurement but still used now, is to equate measuring effort with measuring achievement.

A comprehensive definition of performance measurement would include the regular generation, collection, analysis and reporting of a range of data related to the operation and the impact of public organisations and public programs. Performance measurement emerged as a major activity within governments during the 1980s and 1990s in response to such familiar trends and developments as mounting deficits and debt, the impact of new public management philosophies, the use of contracting out and public/private partnerships to deliver programs and services, the growing public insistence that service quality and results must improve, and the need to respond to several decades of slow, but steady decline of public confidence in governments by strengthening accountability and improving communications about performance. The availability of refinements in analytical techniques and of new information technologies both drove and assisted the move toward performance measurement.

Measuring and reporting on performance is a necessary but not sufficient requirement for improving performance and for assuring the public that they are receiving value for money from public programs and public organisations. A related, but somewhat different activity, 'performance management', is meant to build upon measurement by using performance information in conjunction with strategic planning, budgeting, policy/program evaluations, organisational reviews, and performance appraisals for managers. In this way, performance measurement potentially becomes central to the processes of direction setting, control, quality assurance, accountability, improvement and learning within the public sector. Integrating measurement and management represents the biggest challenge for the future.