

Linking Performance Measurement to Planning

As mentioned above, many jurisdictions now insist that performance measurement be directly linked to strategic planning and/or 'business line' planning. Ideally, strategic planning helps organisations to clarify their mission, mandate and goals, to scan the future external and internal environments for threats and opportunities, to identify strategic issues and alternative ways to deal with them, and to develop a set of outcome indicators to track progress towards their goals. All of these elements are to be linked to annual operational planning and to forthcoming budgets. This might be called the 'textbook model' of strategic planning. It represents the aspiration to achieve predictable, comprehensive, systematic and rational control over the future direction of the organisation in all dimensions of its performance.

Perhaps the leading example of an attempt to link comprehensive planning to performance measurement is the Government Performance and Results Act (GPRA) passed by the Congress of the United States in 1993. The Office of Management and Budget within the executive branch was a key champion of this initiative. But the fact that Congress made planning and performance measurement a statutory requirement reflected the independence of the legislative branch from the executive within a political system based on the constitutional principles of the separation of powers and checks and balances. This is fundamentally different from the cabinet — parliamentary systems in Canada where authority is concentrated in the hands of the Prime Minister and the Cabinet and, in principle the permanent bureaucracy owes an undivided loyalty to the government of the day.

The adoption of the GPRA is seen as an important marker in the history of administrative reform in the United States. Not surprisingly with such a major event, there are contradictory assessments of what the Act has accomplished.¹ In terms of the basic requirements of the Act, they were as follows:

- all agencies (with a small number of exceptions) were required to submit five-year strategic plans, which include annual performance plans with measurable goals and performance targets;
- plans were to be updated very three years;
- annual performance reports were to be submitted to Congress starting in 2000; and,
- by 2002 agency performance reports were to show three-year comparative data for indicators of program performance.

The GPRA made it clear that the performance plans and performance reports were to be concise and comprehensible. They were to be the main source of internal accountability within departments and of external accountability to Congress.

How has the GPRA worked in practice over the past ten years? The record is mixed, but most informed commentators conclude that overall it has been disappointing. A recent article (2003) pointed to the following kinds of implementation problems:

- the OMB found that in 20 percent of the performance plans it reviewed, the measures were not precise enough to use in management and budgeting;
- 76 percent of program managers reported that their programs, projects or operations had measures, but these measures were not results oriented;
- reliance upon third parties (e.g. states and non-profits) to deliver programs made it difficult to obtain accurate and comparable data; and,
- agency results were affected by outside events and isolating program from non-program impacts was exceedingly difficult.

When the General Accounting Office (the audit and evaluation agency which supports Congress) reviewed performance plans and reports in 1997, no agency received better than a C grade and the majority received Fs.²

There are technical, institutional and financial causes of this disappointing record, but Professor Nancy Roberts offers a more fundamental explanation. She writes: "The synoptic model of strategic planning that the GPRA champions is a poor fit for many bureaus to the extent that they confront value and stakeholder conflicts, manage crosscutting programs and experience a high degree of change and instability in their task and general environments."³ Her comments reflect an ongoing debate in the management literature over whether comprehensive planning is even possible in government. Sceptics insist that in practice, planning in the public sector resembles strategic improvisation or what Robert Behn calls 'management by groping along' (MBGA).

MBGA combines a general sense of direction with an experimental, trial-and-error approach to discovering what works. Using the MBGA approach, reflective public managers recognise earlier rather than later that a particular initiative has gone off course. It is also argued that the 'one-size-fits-all' approach to strategic planning does not recognise the differences among public sector organisations in terms of the relative precision of their mandates, the complexity of their production processes and the stability of their external and internal environments. This means that organisations will differ in the extent to which they are able to follow formal planning models as opposed to a more informal strategic improvisation approach. The latter approach is more intuitive and therefore makes less use of formal analysis, including performance indicators,

but it may be more 'rational' because it matches the conditions of decision-making in the real world.

ENDNOTES

¹ See the article by Nancy Roberts. 'The Synoptic Model of Strategic Planning and the GPRA'. *Public Productivity and Management Review* 23, 3 (March 2000). pp. 297-311 for a list of commentaries, including reports from the General Accounting Office which serves Congress.

² Roberts, *op. cit.* p. 298.

³ Roberts, *op. cit.* p. 309.