

# Complications

Many of the complications associated with the use of performance information have been referred to earlier in this paper. Therefore, a brief analysis will be presented of four types of complications: technical, institutional, financial and political.

The conceptual and technical problems involved with valid and reliable performance measurement are numerous. Grenier sums up the problems as follows:

Public sector performance measurement is, in effect, like putting a meter on a black box: we have little knowledge of the mechanism inside and no theory linking inputs, processes, outputs and outcomes to explain why a particular result occurred or to prescribe what management or organisational adjustments are needed to improve performance.<sup>1</sup>

Given the critical role played by external forces, it is often difficult to separate program impacts from surrounding events. Different aims and different audiences look to performance measurement to provide answers to different questions. There are problems of consistency and comparability of performance measures, both over time and across organisations. Lack of agreement on what constitutes success, leads to a lack of clear standards against which performance might be judged. Making relevant information available to the right people, in the most appropriate format, on a timely basis, represents an analytical and practical challenge. Performance measures are usually backward looking; they deal with the past and do not provide a clear indication of what the future holds. Finally, most performance indicators represent 'dumb data' in the sense that they do not speak for themselves, or more precisely they say different things to different people. Performance measures will always be contestable, which is appropriate because there are no simple answer to the questions that arise in the public sector.

The financial obstacles to performance measurement are probably the most obvious and therefore require less elaboration. Information is not a free resource. To produce comprehensive, valid, reliable, comparable and continuous performance data is simply too expensive for most governments and would invite criticism that they are diverting scarce funds from actual program operations. The pragmatic response of most governments has been to focus on a select number of indicators and to draw on administrative data collected on a routine basis. While this approach is understandable it entails some risks. The practice of reporting on only a few indicators exposes governments to the disease *aggregationitis*, a condition in which a great deal of relevant information goes missing through the process of aggregation. Another consequence of cost

constraints may be the measurement of the measurable only, rather than of what is truly important.

For example, quantity is usually easier to measure than quality, but without quality considerations outcomes measures will be distorted. Cost considerations may also lead to a short-run concentration in measurement, since time-series data is expensive to maintain. Ideally, there should be a comparative component to any performance measurement, and this may involve additional expenses. Reductions in performance measurement efforts have involved a weighting of the costs against the benefits and the conclusion that such systems were 'not paying their own way', either in the form of programs terminated, efficiencies gained or improvements in performance.

The main institutional barriers to utilisation of performance measurement have been described or hinted at throughout this paper:

- mandates, missions and goals of public organisations tend to be vague and controversial making it difficult to agree on operational measures;
- organisations often do not collect the most appropriate data and do not have the administrative and technological capability to gather new types of information;
- existing staff may not have the appropriate knowledge and skill to gather and to analyse the relevant performance data;
- the incentive systems within public organisations may lead to resistance or lack of commitment to performance measurement;
- leadership support may be lacking because performance measurement is seen as a tedious, expensive task; and,
- the culture of the organisation does not promote and support the constructive use of performance measures.

Achieving a supportive culture of performance management is probably the most important and most difficult goal to accomplish. At present, performance measurement has negative overtones for the people who manage public programs and those who supposedly benefit from them. It is often seen primarily as a budgetary tool to eliminate or to reduce programs seen as ineffective or inefficient. Performance reporting can amount to 'steering by remote control' by central agencies and headquarters within departments. Having talked about the empowerment of employees and the relaxation of procedural controls, 'the system' has substituted boundaries for decision-making in the form of statements of performance expectations and 'policing mechanisms' to enforce them. Managers who could not be trusted to exercise their professional judgement during earlier decades when money was more plentiful, are now being granted 'freedom' (they are not completely out of 'bureaucratic prison', only moved to a 'halfway house') when the money is gone and they must also find the resources within their operating budgets to pay for a new control mechanism.

For many managers, control is currently seen in the negative terms of identifying deviations from planned performance and assigning blame for shortcomings. The public sector needs to move its practices and culture towards a more positive conception of control that emphasises organisational learning and the design of appropriate responses on the basis of informed diagnoses of how programs are progressing. This point brings us to the political 'constraints' on performance measurement.

Public programs are born and shaped through the political process. This is appropriate and desirable within a democracy. Therefore, to talk about the constraints of politics interfering with the 'rational' processes of performance measurement and performance management within the public service is to ignore or to discount the requirements for democracy, legitimacy and political support for the actions of government. Performance measurement should be seen as a means to improve the quality of the political process, not to substitute for it.

The role of political considerations in the creation and use of performance measurement systems has been noted throughout this paper. It remains here only to reinforce some of the key points. Reflecting their origins in the political process, public programs have broad and general goals intended to attract the maximum political support. Speaking in terms of precise goals and measurable targets may be risky in terms of re-election prospects. Because performance measurement serves many audiences, there can be serious disagreement over what information is important and what constitutes successful performance. In fact, performance measures seldom explain unequivocally why particular results occur. The interpretation of a particular finding and a decision on whether follow-up action is required will depend on the dynamics of a given situation. Under access-to-information laws and with a more adversarial media, the use of performance reports cannot be easily restricted to internal use. When performance reports flow into the wider political area, the focus is most likely to be on the deficiencies of performance rather than providing a balanced picture. Moreover, because members of the public derive their impressions of government performance from 'the horror stories' which are featured so prominently in the mass media, the public concludes that 'nothing works'. These are not 'problems' for which there is a 'managerial solution', rather they are 'conditions' of political life that would have to change for performance measurement to work in the idealistic way that is intended.

## ENDNOTES

<sup>1</sup> John M. Grenier, 'Positioning Performance Measurement for the Twenty-First Century' in Arie Halachmi and Geert Bouckaert (eds). *Organisational Performance and Measurement in Public Sector*. Westport, Conn: Quorum Books, 1996, pp. 11-50.