

# UC Berkeley

## California Journal of Politics and Policy

### Title

Performance Measures and Its Pitfalls: An Exploratory Study

### Permalink

<https://escholarship.org/uc/item/5hs59093>

### Journal

California Journal of Politics and Policy, 6(4)

### Author

Minassians, Henrik P.

### Publication Date

2014-10-01

### DOI

10.5070/P2WK5V

Peer reviewed

Henrik P. Minassians\*

# Performance Measures and Its Pitfalls: An Exploratory Study

**Abstract:** Outcome-based management is not new in the public sector, having been developed by US states and cities over the past three decades. Publicizing the outcome of governmental programs on specific priority indicators has the proven potential to enhance external accountability and improve the overall performance of public agencies. Reporting performance measures become the presentational strategy of pundits who believe that “what gets measured is what gets valued.” Some of the questions raised in this study are: do the performance measures used for management of public organizations reflect only the external concerns of federal and state officials or do they evaluate the internal concerns of the organization as well? Are the external stakeholders dictating the performance indicators thereby creating intergovernmental ties or design of performance measures, an organic extension of organizational management efforts? This study examines the different policy types, values, models, and internal/external concerns implemented by a large municipal government agency in the US and what the indicators represent in a collaborative network of actors. The findings suggest that type of initiation method reflects the type of indicators that are being used for measuring performance of public organizations.

**Keywords:** local politics; performance management.

---

\*Corresponding author: Henrik P. Minassians, California State University, Northridge,  
Tel.: +(818) 677-4618, e-mail: Henrik.minassians@csun.edu

## 1 Introduction

Democratic governments are designed to implement the collective preferences of their citizens. In doing so, citizens expect to see that government officials utilize their taxes effectively to achieve common public goals. In order to meet the expectations of their constituents and to justify both their purpose and their services, public agencies in the US and other democratic countries are focusing on

measuring government results through both strategic means and the design of performance measurement initiatives.

Outcome-based management is not new in the public sector, having been developed by US states and cities over the past three decades; foreign countries such as Great Britain, Australia, Canada, Denmark, Sweden, Korea, and New Zealand have made considerable advances in the implementation of this strategic tool. Utilizing performance measures to evaluate the results of government action has become ubiquitous in public, private, and non-profit organizations. There is a wide range of possible reasons for the rise of performance measures in public sector such as limited fiscal resources, citizen demands and ultimately limitations that democratic fragmented systems create with oversight of public bureaucracies. Thus, performance measures have been put in place to establish a formal process to determine whether public programs are actually successful in delivering specific value that can be both measured and, subsequently, presented cogently to constituents. Clear justification of programs, enabled by their assessment through effective performance measurement, can become a public sector management tool that ensures continued funding of particular programs.

However, measuring performance of public goals can be highly complicated considering that in the achievement of those goals, governments are no longer directly involved in delivery of goods and services. Instead, public agencies rely heavily on private and non-profit actors to achieve public goals. Moreover, measuring and reporting performance becomes complicated when many of the mandates are imposed by the external stakeholders, in this case the federal and state government. Thus, performance management is phenomena of intergovernmental ties. Local public agencies continuously work in a turbulent environment where state and federal governments shift their priorities, funding, and goals. The following questions arise: Do the performance measures used for management of public organizations reflect only the external concerns of federal and state officials or do they evaluate the internal concerns of the organization as well? Are the external stakeholders dictating the performance indicators thereby creating intergovernmental ties or design of performance measures, an organic extension of organizational management efforts? Also what types of indicators are preferred in performance measuring? To what extent do indicators measure the classic policy values of efficiency, quality, equity, and choice? What do the reporting indicators imply about the models of excellence in management ideas within the public sector? This study examines these questions and how a public social service agency in Southern California has utilized their indicators.

## 2 Creation of New Accountability Measures: A Shift from Regulation to Measuring for Results

Although the mid to late 1980s witnessed increased movement towards performance measures in the public sector where citizens demanded greater accountability and better management of taxpayers' dollars, the idea of measuring performance predates that period. For much of the 19th and 20th centuries, accountability and performance in the public sector were centered on fiscal accountability by assessing how much money was spent (Julnes 2006). Performance measurement has its roots in early accounting systems of the Medicis (Johnson 1981). As industrialized organizations developed, so did their need for better measuring and accounting techniques. After World War II, the public sector adopted more complex public accounting strategies. Traditional models of public accounting have been characterized as being financially-based, internally-focused, and input-oriented rather than actually measuring outcomes. All of this changed with the oil shock of 1970 and conservative anti-government revolution in the early 1980s in the US. With increasing frequency in the late 1980s and early 1990s, local government particularly those with reliance on the state sale tax as the sole mechanism for raising public funds – developed interest in more balanced performance measurement to better manage public funds and focus more on results.

By the mid-1990s, we witnessed a shift in the accountability of public sector services away from merely accounting for expenditures – a bean-counting mentality – to a serious attempt to measure results (Radin 2002). Momentum for this shift in the US came from the reinvention movement that refocused the attention from budgetary regulations to calibrating results. The idea was that organizations could improve performance through decentralization and providing specific directions in order to achieve specific, measurable goals. “Performance measures, which encompass a variety of employee, customer, and other perspectives, are critical to management of the state’s activities” (Monahan, p. 36). Consequently, performance reporting measures were developed with the goal of utilizing publicity as its lever on performance. By the late 1990s, many local governments had already been involved in some level of measuring programmatic outcomes. Even though scholars of public management at that time (Bardach 1998) argued that finding ways to measure results and pay attention to what the measures reveal, giving more power to local agencies and street-level employees and reliance on third-party providers should improve public management and organizational performance, we still saw that politics dominated decisions related to performance measures and assessment of organizational outcomes.

This practice, however, was uncommon at the municipal level until 2000–2005. By mid-2000 we see reporting performance measures become the presentational strategy of pundits who believe that “what gets measured is what gets valued.” Reporting results on performance promises that publicizing the outcome of governmental programs on specific priority indicators has the proven potential to enhance external accountability and improve the overall performance of public agencies. Proponents argue that measuring results can create public value strictly because of its informational value; in other words, informational values could result in efficiency and a greater level of services.

However, accountability through performance measures are no longer dependent on internal factors such as how finances are managed. Rather accountability depends on what external partners request from public agencies (Melkers 2005). These expectations could be in the formal form of reporting to external stakeholders, or it could be a perception of what the community of practitioners and stakeholders expect from a particular agency. Also, within the evolution of performance measurement is the role that citizens can play by viewing this information. “Citizens are viewed as important players in shaping the quality and responsiveness of government programs in their community” (Epstein et al. 2000).

Greene (1999), on the other hand, expresses concerns with the advocates of performance measures by arguing that availability and meaning of performance measures information to different audience could be misleading. Also, “a focus on outcomes provides communities (all levels) with the opportunity for collective, shared deliberation about what constitutes valued outcomes from a given endeavor” (p. 162). Perrin (1998) supports this claim and suggests that the use of performance measures within a networked environment might appear as rational decision making when, in reality, many of decisions with performance measures support political goals. Consequently, many municipal governments either refuse to report on specific indicators by arguing that measures outcomes are not possible in their particular localities due to their unique circumstances or they rely on reporting only on indicators that are measurable and less controversial.

## **2.1 Three Models of Intergovernmental Ties: Performance Reporting vs. Budgeting vs. Funding**

Use of the following measuring tools can strengthen delivery of public services to various stakeholders. However, use of reporting to intergovernmental and non-governmental entities (citizens) can enhance performance management as a phenomenon of networks. Performance reporting uses publicity as its lever

to improve outcomes; the idea is that merely by publishing the results of public program indicators, performance will be ameliorated. The difference between the assessment and evaluation of programs versus performance reporting is that, in the case of assessment, there is less direction due to its nature of decentralization. Performance reporting, on the other hand, searches for some common indicators within similar types of institutions and public organizations to examine and compare. Some suggest that performance reporting has more informational and presentational characteristics and purpose. Parmenter, in particular, suggests that organizations should rely not only on performance measures but must draw “key performance indicators” (2007). The presentational nature of the information allows legislators and citizens to more clearly understand public policy issues and the direction of government activities.

Similar to performance reporting, performance budgeting uses publicity as its lever on performance with the caveat that the information be used strictly for budgeting purposes (Burke and Serban 1998). Some have called performance budgeting “accountability with teeth” since it forces public agencies to strive to achieve desired goals and, once there, to continue to adhere to those goals (Burke and Minassians 2002).

To summarize, the demand for accountability is understood as whether constituents are satisfied with the way tasks have been performed. Managing for Results attempts in linking organizational outcomes to the needs of the intergovernmental constituents or citizens at large. Also, use of performance measures allows stakeholders to create multilevel reporting strategies by building a pyramid of indicators with some focusing mainly on organizational efficiency and others reporting results to intergovernmental and community-based stakeholders. This creates what O’Leary and Bingham (2009) call the interdependence of stakeholders.

### **3 Initiation Methods and Purpose: Formation and Use of Performance Measures at a County Level**

Although the Government Performance and Results Act was enacted in 1993, its real impact was not felt until 1997 (Radin 2006). Under GPRA, federal agencies took the responsibility of working with state agencies to establish performance goals and monitor performance results for all federal programs (Monahan 2001). There are three methods for initiating performance measures. Some represent stronger intergovernmental ties while others are self-imposed for the purposes of either measuring organizational outcome for management purposes or it is solely used for self-regulation to keep-off external controls. The mandated-prescribed

method represents mandating the program legislatively and prescribing the indicators. The mandated-not prescribed suggests legislative mandate but allowing the states or county agencies to propose indicators. Finally, the not-mandated method initiates and adopts plans without external input either from the legislative bodies or by any external governmental bodies (Burke and Minassians 2003).

In the case of delivering social services, states and counties were required to follow established core indicators of performance for all adult and youth programs established by the GPRA. This suggests that performance reporting indicators were partially mandated/prescribed for the Los Angeles County's Social Services Agency. Mandated/prescribed performance indicators are set by various federal agencies, depending upon how programs are funded and monitored; those programs that are described as being mandated/non-prescribed allow state and county agencies to coordinate activities mandated by local agencies that propose indicators. Effective use of performance measures could lead in the creation of intergovernmental ties where there is stronger collaboration in lieu of formulaic dictation of goals. External stakeholders can hold municipal agencies accountable through the use of indicator types, concerns, values, and models of excellence (Burke and Minassians 2003).

The use of performance indicators for management of public organizations and reporting purposes to external governmental entities (intergovernmental ties) can be divided into four types (Cave et al. 1991; Carter et al. 1992; Richardson 1994; Hatry 1999). Inputs involve the human, financial, and physical resources received to support programs, activities, and services. Processes include the means used to deliver programs, activities and services; outputs reflect the quantity of products actually produced; and outcomes cover the quality of programs, activities, and services or their benefits, and the ultimate impact on stakeholders and society. Outputs measure quantity where outcomes assess quality. Operationally, these indicators are related since they can serve different objectives within the Federal, State and Los Angeles County Agency's intergovernmental relations. Also, according to Burke and Minassians (2003) an important policy question is whether the selected indicators express the internal concerns of the social service agency or the external concerns of the County Board of Supervisors, State of California, and federal agencies. When performance reporting indicators are heavily dictated by the intergovernmental ties, then one can see a greater move towards representing the external concerns of stakeholders. A natural assumption is that the method of initiation would affect indicator selection.

Public policies, including those of social service agencies, reflect the core public administration values of quality, efficiency, equity, and choice (Richardson 1994). Quality consists of achieving or exceeding a high standard of performance. Efficiency covers calculating the cost relative to the results achieved.

Choice constitutes the ability to select from a range of options. Equity represents the response to the disparities in needs and the diversity among different groups (Burke and Minassians 2003).

Utilizing these models of excellence, performance indicators for any public sector organization can be analyzed in order to identify best business practices. Drawing and redefining models of excellence for this study, the resource- and reputation model can be redefined as the resource-focused model where public agencies rely heavily on input and process indicators to represent the resources that they receive deliver public goods. The strategic-investment model can be redefined as the strategic management model. It reflects how the indicators are used for assess outputs and outcomes and how does the management utilize these indicators to improve the performance of public organizations. Finally, the client-centered model focuses on the quality of services that the clients receive and specifically how public funds produce results that are suitable to the needs of taxpayers. Internal managers who assess their own organization's status can utilize the models of excellence or they may be dictated by external stakeholders through intergovernmental ties, in this instance federal and state governments.

## **4 Purpose, Coverage, Content and Priorities of Performance Indicators in Social Services**

The three affirmed goals of performance reporting are to: 1) demonstrate accountability; 2) improve performance of the agency, and; 3) meet the needs of both the governmental entity and its constituents. These three goals are critical in linking intergovernmental ties since many of the performance indicators, which are used for managing public programs, are devised and at times dictated by external public organizations. These linkages are used in order to hold public agencies accountable to the needs of the citizens and interests of the taxpayers. The agency has instituted a program called "Performance Counts," that provides program summaries and performance measures for each department. The reports examine a number of CalWorks cases for which redeterminations were completed in accordance with State Performance Standards, the number of Medicaid cases and persons enrolled in Medicaid through outreach, and an annual report of CalWorks recidivism cases and consumers eligible for in-home personal care support services. The reporting of indicators by departmental operations is used to conduct longitudinal analyses as well as being a vital budgetary tool. District problems and success stories are highlighted by the accountability reports.



What is missing from the content of these reports, however, is a clear statement of goals that specifically identify how the measurement of results provides value to taxpayers. In fact, the content of these reports is submitted to the state legislature and the county legislative body as an internal report rather than publicizing results to the general public through electronic means. A primary reason for limiting distribution of the reports is that they may be misinterpreted by laypeople because of the lack of additional information with which other counties' and agencies' performance may be compared.

One of the main challenges in conducting and reporting performance measures is ever-shifting federal and state priorities. Due to internal administrative and managerial demands or the demands placed by external legislative bodies, data collection tends to be inconsistent. Typically, new priorities are added without revising the old ones; as a result, organizations end up with an inconsistent array of indicators dealing with a wide range of goals and outcomes. Any prompt changes in the priorities lead to variances of measuring outcomes.

## 5 Methodology

By acquiring the latest available documents and information from the Los Angeles Department of Social Services, this author was able to analyze the format and content to determine their readability. Of special note were all comments on the intended audiences, purposes and priorities of the reports, how the initiation method was established and the type and quantity of the performance indicators. In all, there are 67 indicators used for measuring performance outcomes for this particular agency. Each indicator was categorized by the types, values that each represented and models that signify the characteristics that public sector management teams select to determine how to link these indicators to the strategic plans of a particular organization (see Appendix A). By categorizing each indicator type, one could discern the public values that each projects, whether those values represent the internal concerns of the organization or address external concerns, and finally, what kind of models of excellence can be assigned to these indicators. Models of excellence allow the reader and departments to develop a better understanding of the type of interests that stakeholders represent. Upon completion of these steps, descriptive analysis was utilized in order to identify what percentage of indicators reflect the values, concerns, and types of performance reporting priorities. Closer assessment of performance measures indicates that they reflect multi-organizational priorities and represent intergovernmental ties. Categorizing these indicators into different values, types, models

of excellence and concerns remains a subjective call by the reader. Careful examination of each indicator and assigning specific categories are challenging tasks and could represent the weakest link in the methodology utilized for this study. Although assignment of different categories to each indicator is a subjective call, the value of assigning categories to each indicator sheds new light and understanding on how indicators are designed and more importantly, how they can be utilized to enhance internal organizational management or reporting of results to external governmental and non-governmental entities. If performance reports are carefully produced, they can be a powerful tool in informing community of stakeholders.

## 6 What Happened: The Case of Los Angeles County Department of Social Services

In 2002, the US Department of Agriculture (USDA) and the State of California officially filed a request with the Los Angeles Department of Social Services regarding the performance of the food-stamp program. The federal government was considering levying fines in excess of \$35 million against the County of Los Angeles based on external audits conducted by the federal government and backed by the state. Most of the penalties were targeted to be passed down to the county government as net county penalty costs; suggesting that much of the impetus for initiating strong performance measures came from the federal and state threat of financial sanctions against the county and the agency under scrutiny.

The largest impact of this action came as a result of the publication of performance reports of services performed by the municipal agency (see Appendix). The discovery of a high error rate in the distribution of food stamps became the catalyst for the agency's emphasis on performance measurements. From that point on, a dramatic increase in accountability evolved.

USDA and the State of California directly defined the programmatic problems and placed the issue on the agenda of the county's legislative body, requesting resolution by the agency. Although the agency had previously been involved in the design and implementation of performance measures, actions taken by federal and state investigators now placed it under microscopic oversight. As agency leaders began to inspect other programs in their purview, they discovered that, as bad as the department had been performing in food stamps, the performance of the department associated with providing Medicaid benefits was even worse. Each Medicaid case, in accordance with agency policy, was required to have a timely assessment completed each year. After careful investigation, it was

found that assessments were being done on a timely basis in less than 30% of the cases. Upon instituting performance measures, the completion rate was increased to exceed 99%. Today, performance measures have been expanded to include all public assistance operations, internal program policies, administrative support functions, and customer service. Ultimately, within the context of performance measures, intergovernmental ties were the main catalyst for initiating better accountability and reporting of services. In this instance, both the federal and state government imposed indicators for performance measures. Close examination of performance reporting indicators reveal that the Los Angeles County Social Services Agency had divided reportable measures into various bureaus in order to provide performance results for the specific purposes of each program.

In the case of the Los Angeles County Department of Social Services, funding for many programs such as Medicaid, food stamps, and welfare services are part of the categorical grants received by the Federal and State governments. In almost all cases, it is in the mutual best interest of both the local and state/federal agency to see organizational performance improvement.

## **7 Performance Indicators: What Do They Denote and How Are They Used?**

As discussed earlier, performance-reporting indicators may be categorized into four types: inputs, processes, outputs, and outcomes. Inputs involve the human, financial and physical resources employed by public agencies to support programs, activities, and services. Processes are the means used to deliver services, in this case, completion of client eligibility in a timely manner. Outputs reflect the quantity of products or services actually provided or the number of services completed, such as the percent of welfare recipients placed in a job. Outcomes cover the quality of the benefits, activities, and overall impact of the services to recipients or the community at large, for example, customer service satisfaction levels.

As Figure 1 indicates, out of 67 indicators designated by the county agency, nearly 50% reflect inputs, 8% reflect processes, and 16.4% reflect outputs. Surprisingly, only 1.5% of the indicators deal with outcomes, suggesting a need for the agency to emphasize more prominently. Indicators used to examine a combination of inputs, processes, and outputs account for 26.7%, so more than a quarter of the indicators are less easily defined categorically. In order to have more effective means of measuring organizational outcomes, it is essential that each indicator be defined carefully and closely tied to the organizations strategic plans.

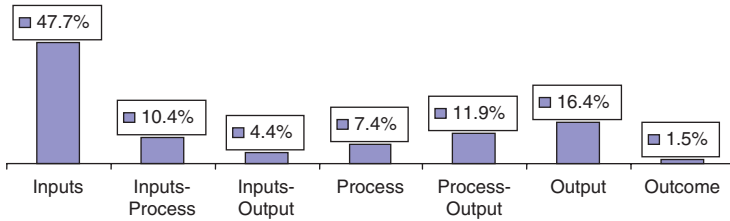


Figure 1: Indicators by Type.

With respect to ensuring that the external and internal concerns of public policy makers and citizens are addressed, an analysis of reports shows that 75% of the indicators are aimed at both internal and external audiences. This represents a solid basis for keeping the external audience aware of the activities and services that the agency is delivering; and could be partly attributed to the fact that many of the agency programs and services have strong state and federal oversight, requiring reporting to other agencies as part of the accountability process. Considering that performance measures for the Los Angeles Department of Social Services was partially mandated-prescribed by the federal and state governments, it is not surprising that 75% of the indicators are aimed at external stakeholders. Also, 25.3% of the indicators are relevant primarily to internal entities, suggesting that the agency has adopted a set of standards for the purpose of tracking their own programs.

The trend in performance data collection and reporting is to examine and evaluate a diverse array of policy values (see Figure 2) such as choice, equity, efficiency, and quality (Richardson 1994). Choice, as a policy value, allows policymakers to choose from a range of options. An example of this is the percent of clients referred for clinical assessment. This indicator reflects the options available to the recipients of agency service as well as suggesting that taxpayers'

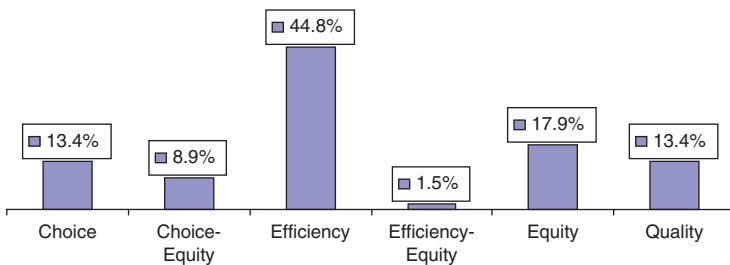


Figure 2: Indicators by Policy Value.

money is being spent efficiently, improving the lives of clients and reducing their dependency on other public programs. Choice as a policy value provides to the external clientele and stakeholders access to a variety of services. It is reflective of the concerns of stakeholders and simultaneously provides feedback to agency management internally where resources should be invested.

Efficiency is measured by calculating the resources received in relation to the results achieved, indicative of a cost/benefit analysis. These sets of indicators explain how public resources are being spent and the ratio of efficiency. An example of this indicator is the percentage of “in-home services reassessment.” Efficiency has an important value since many external stakeholders focus on efficient service delivery and how taxpayers’ dollars are spent. Creating public value through indicators of efficiency is critical to create stronger ties in intergovernmental relations. Equity represents how the agency responds to disparities in needs and the response towards diversity among participants. Quality consists of achieving an intangible set of values that goes beyond efficiency.

Measuring quality is, of course, the most elusive value because it is difficult to measure and even more difficult to agree upon consistent definitions of this factor. For example, the percent of accurate food stamp payments clearly represents a quality value; however, reporting the number of people enrolled in employment services could be misleading. Although it could be interpreted as a quality indicator, it could also be perceived as an efficiency indicator. The percentage of quality and choice indicators used by the agency are identical, while efficiency, with 45% of the indicators, leads performance measurement values. Even though performance reporting indicators are designed to represent societal values of choice, quality, and equity, the measures in efficiency apparently trumps other indicators. Efficiency indicators may explain how taxpayers’ money is being spent, but it does not reflect other important values.

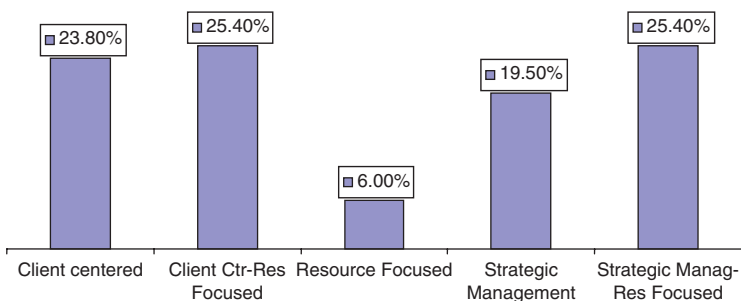
The focus on efficiency is aligned with what Cole and Parston (2006) call public service organizational values that aim at “delivering a set of outcomes that are aligned to citizen priorities in a cost-effective manner” (Cole and Parston 2006, p. 6). However, indicators utilized by the agency have fewer outcome indicators designed to furnish information of value specifically to clients and citizens. One explanation for the paucity of quality and choice indicators may be the requirement of external accountability to state and federal agencies. Many local programs have a matching federal funds component that dictates specific requirements and expectations concentrate primarily on efficiency. Programs funded by the federal and state government tend to focus on efficiency of various programs due to their accountability to taxpayers. Use of indicators by external stakeholders is a mechanism to assess the effectiveness of programs. The most powerful tool in the arsenal within intergovernmental ties or management of

public organizations in a network environment is the use of reporting to ensure external accountability in a networked environment.

Indicators adopted for performance reporting signify characteristics that public sector management teams and various stakeholders within a networked environment use to determine how many and which kind of resources will be utilized to deliver services – in this case, the number of welfare-to-workforce recipients' applications processed. Further, these indicators constitute strategic management indicators for internal use or client-centered for external use, such as the percent of Welfare-to-Work participants employed, which provides a numerical value to achievement of strategic management goals (Astin 1991). In this case, although external agencies did not dictate the strategic goals or missions of local agencies, the use of performance indicators indirectly forces local agencies to align their goals and activities to the external actors within the network – inter-governmental ties. Client-centered performance measurements focus mainly on average indicators such as the hourly wage at job placement. These models of excellence reflect the interests and concerns of stakeholders, whether internal or external. Resource-focused indicators are provider driven while the strategic management model focuses on the state as an external stakeholder. The client-centered model, on the other hand, looks solely at customer issues. The latter can be categorized as a public value model of indicators since it focuses on the value that citizens and clients receive from particular services.

Figure 3 shows that the majority of indicators utilized by the agency are either client-centered or strategic-management focused. This fairly even spread of indicators is more indicative of the importance of reporting to the external audience, that is, the state and federal governments.

Close examination of the reports issued by the agency also reveals the importance of strategic management and resource-focused indicators. Fifty percent of the indicators focus on the concerns of management and the use of resources



**Figure 3:** Reporting Indicators by Models of Excellence.

while the remaining 50% examine a combination of resources and client-centered issues.

## 8 Service Type and Performance Measures

Social service organizations in the US provide a wide range of services to a diverse set of clients. Many of the services provided are aimed at building individual capacity for each recipient, so they become better integrated into the community. Capacity building is defined as providing a set of support services and training in order to strengthen the skills of the individuals to adapt to their environment and community. This particular department has seven categories of services aimed at capacity building. They are: In-home support services (IHSS), Cal-Works, Food Stamps, General Relief (GR), Medicaid (Medi-Cal), Community Service Block Grant programs (CSBG) and Community-Based Organizations Safety First Project (CBO).

The surprising observation is that In-Home Support is the only measured department with an outcome indicator of 20%. No other category of services provided by the agency evaluates outcome. Interestingly, IHSS has no input indicators at all but focuses equally on processes, outputs, and outcomes at 20% each.

## 9 Performance Reporting Indicators: Tool in Evaluation of Networked Governance

Fundamentally, the use of performance measures is to assess outcomes of public programs within a integrated network of players. In the case of the Los Angeles County Department of Social Services, performance reports played a pivotal role in the accountability chain that links the activities of local social services agencies and the resultant outputs to the state and federal entities. Using performance measures through intergovernmental ties could lead to creating better public values. Public value is defined as the outcomes of the program and cost effectiveness or financial value of the program. Measuring the social outcome value of effectiveness for social programs tends to be complex and burdensome; nevertheless, the idea of measuring outcomes is a valuable strategy for the public official in order to assess the output and outcome of programs. In the case of the Los Angeles Department of Social Services, reporting on the indicators of performance established a more collaborative environment between various bureaus

within the department. In lieu of reporting weaker outcomes of different units through the upstream, the agency adopted a team approach and relied more on collaborative mechanisms to solve internal organizational problems. In many cases, various units did not initially collaborate but with the implementation of performance measures, more units found the value of collaboration to improve the overall outcomes of social services. This has enabled the organization to develop public value.

Moore (1997) focuses on the importance of public service organizations and the type of value they produce; while Cole and Parston (2006) look at the alignment of citizen priorities in a cost-efficient and effective way. Measuring the social outcome value of effectiveness for social programs tends to be complex and burdensome; nevertheless, the idea of measuring outcomes is a valuable strategy for taxpayers to assess. Meanwhile, a well-developed plan of action is critical to the success of any program and performance measures can bring some form of alignment and focus to the actual activities (Monahan 2001). Within the context of intergovernmental ties, performance measures and use of indicators remain critical in assessing and evaluating the outcome of public programs. This strategy has allowed the federal government to assert an influential role in measuring the outcomes of programs. The use of performance measures allows various external actors and stakeholders to link the policy continuum, from upstream policy development at the federal and/or state level to the midstream of policy implementation and, specifically, the downstream flow of enforcing policy decisions.

However, the central premise of this study is that performance measures have certain normative assumptions integrated in them. Thus, if outcome measures are valued for the purpose of better organizational management or integration of outcomes used by various external partners, then performance indicators can and should represent these embedded values. If public value or performance management of various actors are desired outcomes, then performance indicators can be used to determine what issues we think about by focusing our attention on specific aspects of institutional performance (Anglin 2004). So, if indicators used for performance measures aim to assess collaborative characteristics of different organizations, one could argue that the public value generated by these organizations are collaborative. One of the main challenges of using performance measures to assess collaborative practices among different public-public and public-private partnerships is the elusiveness of mandates in a public setting (Gazley and Brundy 2007). This is a result of the political environment of decision making relative to selecting indicators and the purposes for which they were selected. When the collaborative practices of different organizations are being managed, therefore, it is common that performance measures are mandated by external legislative bodies.



Also, close examination of performance measures for the agency suggests that measuring outcomes is more challenging when compared to public services with more quantifiable traits, e.g., the time it takes a fire department to respond to a hazardous situation. One of the challenges that social service providing agencies encounter when reporting performance information in order to broadly improve programmatic aspects is their seeming inability to connect the findings with broader strategic planning changes. More specifically, the use of performance measures to assess the outcome of organizational policies, procedures and practices is difficult to evaluate. The use of performance measures might assess organizational practices, but whether these practices can shape the behavior of the target populations behavior remains unclear.

## 10 Findings and Recommendations

This study of reporting indicators suggests the following findings:

- Even though there has been a greater emphasis on reporting outputs and outcomes for program and organizational performance, the numbers of inputs are far greater than any measures of outputs and outcomes.
- Methods of initiating performance measures and indicators could be a powerful tool in linking intra-organizational performance thus strengthening intergovernmental ties. Also, external initiation of performance measures could lead to successful, collaborative public management.
- Based on the study findings, this elevated importance on efficiency rather than other program and organizational values is expected since public organizations are under a greater mandate to deliver efficient programs.
- Performance reporting by models of excellence focuses on organizational strategic management; however, it is unclear whether this type of data is used effectively for organizational planning purposes or if there is a direct link to the overall organizational change. Categorizing performance indicators into models of excellence provides stronger analytical approach to the design and selection of performance indicators.
- Only seven performance reporting output indicators can be linked to strategic management indicators. Deeper consideration and analysis of output indicators can improve the viability of organizational strategic performance and goals.

These findings suggest that federal, state and Los Angeles County policymakers should create better linkages between performance indicators and organizational

strategic goals and outcomes. Strategic use of indicators may result in improved outcomes. This requires directly linking the strategic indicators with specific goals. Measuring only for the sake of measuring provides a long list of indicators but fails to help public service organizations solve community and clientele needs, which should be the primary purpose.

Out of this study, one can draw a set of recommendations to improve delivery of social services in an urban setting and more accurately measure those services to translate the data in a meaningful way. Also, it helps to link intergovernmental ties. The first recommendation is for federal, state, and county planners to have coordinated common reporting indicators with an emphasis on selected critical areas. Each agency then should be encouraged to develop specific indicators representing the unique needs of its own community. The ideal model to design performance indicators for strengthening collaborative and intergovernmental ties is through the creation of indicator pyramids where some indicators report outcomes to the federal government, some to the state, and some to the local Board of Supervisors and the community. Meanwhile the majority of the performance reporting is addressed to the internal management. This type of design strengthens the links and accountability in a multi-actor environment. Secondly, output indicators must be more closely integrated for strategic planning purposes. The outputs and outcomes should be appraised and judged as to their capacity to implement organizational transformation. Finally, measurement indicators must focus more on the value of services as they are perceived by both clientele and taxpayers.

## 11 Conclusion

Focusing accountability on improvement begins at the institutional level by establishing clear goals, realistic objectives, and relevant indicators that reflect the county mission and state needs. Data generated by public agencies does not identify meanings and significance, but data translated into relevant information and, more specifically, utilized to generate additional knowledge can assist organizations to move from their current status quo into learning organizations. Decision makers may receive information, but organizational change through generations of knowledge gathering requires profound understanding and reflection. The overall process is moving away from simple data collection to gathering information and building knowledge for organizational improvement. This trend requires more intense involvement of local departments and districts in the design, implementation and interpretation of the process of performance meas-

urement. One strategy for organizations to utilize to accomplish their desire goals is through close identification of the social benefits that each activity generates. Moreover, local districts and offices can become more accountable and eager to adapt as required to become a more goals-oriented organization. This strategy can reconcile external accountability with improvement of internal activities. Activities undertaken by local organizational units, therefore, can become more direct and focused on achieving desired community goals.

## Appendix A

Performance Measures	Type	Policy Value	Concerns	Models
<i>Indicators – Social Services IHSS</i>				
Customer service and satisfaction rating	OUT	QUL	EXT	CCT
% determining eligibility in timely manner	P	EFF	INT	CCT
IHSS reassessment, % completed	P/OP	EFF	INT	STMG
IHSS consumers qualify and receive care, % completed	P/OP	EFF	INT/EXT	CCT
No. of IHSS consumers served	OP	EFF	INT/EXT	CCT
<i>Indicators – California Work Opportunities and Responsibility to Kids CalWORKS</i>				
% of households in LAC living below federal poverty level	I	EFF	INT	CCT
% of aided Welfare-to-Work participants employed	OP	EFF/EQ	INT/EXT	STMG
% of Welfare-to-Work participants placed in jobs	OP	EFF	EXT	STMG
Average hourly wage at job placement	I	EQ	INT/EXT	CCT
% of aided Welfare-to-Work participants engaged in education and training	I/P	CHO	INT/EXT	CCT/R
% of persons referred to clinical assessment*	I	CHO	INT/EXT	CCT
No. of children receiving childcare	I	EQ	INT/EXT	CCT/R
% of former CalWORKs households back on aid after 12 months	I	EFF	INT	STMG
% of Cal-Learn participants who received a bonus for participating satisfactorily in school	I/OP	CHO	INT	CCT/R
% of Cal-Learn participants who received bonuses for earning a high school diploma	I/OP	CHO	INT	CCT
Cal-Learn Graduation Rate	OP	EFF	EXT	CCT/R
No. of CalWORKs cases	I	EFF	INT	R
No. of CalWORKs applications taken	I	EFF	INT	R
% of CalWORKs applicants for which eligibility is determined in 45 days	P	EQ	INT/EXT	CCT/R
% completed, Of the CalWORKs redeterminations due	I/P	EFF	INT/EXT	R
% of registered participants actively engaged in Welfare-to-Work activities	I/OP	CHO	INT/EXT	CCT/R

(Appendix A Continued)

Performance Measures	Type	Policy Value	Concerns	Models
% of mandatory participants registered in Welfare-to-Work	I	EFF	INT/EXT	CCT/R
No. of Cal-Learn participants	I	EFF	INT	R
<i>Indicators – Other Public Welfare Food Stamps</i>				
No. of households receiving Food Stamp benefits	I	CHO	INT/EXT	STMG/R
No. of households receiving Food Stamp Only benefits	I	CHO	INT/EXT	STMG/R
% of households receiving Food Stamps 12 months after CalWORKs is terminated	I	EFF	INT/EXT	STMG/R
% of Food Stamp applications for which eligibility is determined within 30 days	I/P	EFF	INT/EXT	STMG
% of accurate Food Stamp payments	I/P	QUL	INT/EXT	STMG/R
No. of persons informed and educated on the availability of the Food Stamps program beyond DPSS locations**	I	EQ	INT/EXT	CCT/R
No. of community and faith-based organizations that received Food Stamp program training	I	EQ	INT/EXT	STMG/R
<i>Indicators – Other Public Welfare General Relief (GR)</i>				
No. of GROW participants placed in jobs	OP	EFF	INT/EXT	CCT/R
Average wage at job placement	I	EQ	INT	CCT
No. of GROW participants engaged in education and training	I	CHO	INT	STMG/R
No. of GROW participants receiving specialized supportive services	I	EQ	INT/EXT	STMG/R
No. of disabled participants who were approved for SSI	I	EQ	INT/EXT	CCT/R
No. of GR applications received	I	EQ	INT	STMG/R
No. of GR cases	I	EFF	INT/EXT	STMG
No. of GROW participants	I	EFF	INT	STMG/R
% of GR applications for which eligibility is determined within 30 days	P/OP	EFF	INT/EXT	CCT/R
No. of individuals evaluated for mental health issues	I/P	EQ	INT/EXT	STMG/R
No. of participants evaluated for eligibility to SSI by DPSS	I/P	EFF	INT	STMG/R
No. of homeless applicants who were issued a voucher for emergency shelter	I/P	EFF	INT/EXT	CCT/R
<i>Indicators – Other Public Welfare Medi-Cal</i>				
No. of children enrolled in Medi-Cal	I	EQ	INT/EXT	CCT
Average time on Medi-Cal of currently eligible children	P	EFF	INT/EXT	CCT/R
No. of adults enrolled in Medi-Cal	I	EQ	INT/EXT	CCT
Average time on Medi-Cal of currently eligible adults	P	EFF	INT/EXT	CCT/R
No. of persons enrolled in Medi-Cal through outreach	I	CHO/EQ	INT	STMG
% of non-disability linked applicants for which eligibility is determined within 45 days	P	EFF	INT/EXT	CCT/R
% of redeterminations completed	P/OP	EFF	INT	STMG
% of redeterminations resulting in ongoing eligibility	P/OP	EFF	INT	STMG

## (Appendix A Continued)

Performance Measures	Type	Policy Value	Concerns	Models
<i>Indicators – Other Public Welfare – Community Service Block Grant Program (CSBG)</i>				
% of participants who were unemployed and obtained a job	OP	CHO	INT/EXT	CCT
% of participating children previously involved with the criminal justice system who have not re-entered the system within 1 year	OP	QUL	INT/EXT	STMG
No. of senior citizens who are able to maintain an independent living situation as a result of having received services from community programs	OP	QUL	INT/EXT	STMG
No. of persons enrolled in employment/supportive services	I	CHO/EQ	INT/EXT	CCT
No. of persons enrolled in services that promote independent living	I	QUL	INT/EXT	CCT
No. persons receiving emergency services	I	CHO/EQ	INT/EXT	CCT
No. of participating children enrolled in “before” or “after” school programs	I	QUL	INT/EXT	STMG
No. of participating children who participate in pre-school activities	I	CHO/EQ	INT/EXT	STMG
% of participating households receiving temporary shelter	I	CHO/EQ	INT/EXT	CCT/R
% of participating households receiving domestic violence services	I	CHO/EQ	INT/EXT	CCT/R
<i>Indicators – Other Public Welfare – Los Angeles County Community-Based Organization (CBO) Safety First Project (CBO)</i>				
Average % improvement in participant’s pre-/post test score for teenage drinking and driving class	OP	QUL	INT/EXT	STMG/R
Average % improvement in participant’s pre-/post test score for pedestrian traffic safety education class	OP	QUL	INT/EXT	STMG/R
Average % improvement in participant’s pre-/post test score for safety belt and child passenger safety class	OP	QUL	INT/EXT	STMG/R
No. of car seats distributed to low-income communities	I	EFF	INT/EXT	CCT
% of teenage participants who successfully completed the teenage drinking and driving class	P/OP	EFF	INT/EXT	STMG/R
% of participants who successfully completed pedestrian traffic safety education class based on pre-/post tests	P/OP	EFF	INT/EXT	STMG/R
% of participants who successfully completed safety belt and child passenger safety class	P/OP	EFF	INT/EXT	STMG/R

\*Domestic violence, mental health, &/or substance abuse services who commence participation.

\*\*Through community engagements -schools, food pantries, health fairs.

## References

- Anglin, R. V. (2004) *Building the Organizations That Build Communities*. Washington, DC: US Department of Housing and Urban Development.
- Astin, A. (1991) *Assessment for Excellence: The Philosophy and Practice of Assessment and Evaluation in Higher Education*. New York: Macmillan.
- Bardach, E. (1998) *Getting Agencies to Work Together*. Washington, DC: Brookings Institution Press.
- Burke, J. C. and A. Serban (1998) *Performance Funding for Public Higher Education: Fad of Trend?* New Directions For Institutional Research, no. 97. San Francisco: Jossey-Bass.
- Burke, J. C. and H. P. Minassians (2002) *Reporting High Education Results: Missing Links in the Performance Chain*. San Francisco: Jossey-Bass.
- Carter, N., R. Klein and P. Day (1992) *How Organizations Measure Success: The Use of Performance Indicators in Government*. London: Routledge.
- Cave, M., S. Hanney and M. Kogan (1991) *The Use of Performance Indicators in Higher Education: A Critique and Analysis of Developing Practice*, 2nd ed. London: Kingsley.
- Cole, M. and G. Parston (2006) *Unlocking Public Value*. New Jersey: John Wiley & Sons, Inc.
- Epstein, P., L. Wray, M. Marshall and S. Grifel (2000) "Engaging Citizens in Achieving Results That Matter: A Model for Effective 21st Century Governance", Paper presented at the Center for Accountability and Performance's Symposium on Leadership of Results-Oriented Management in Government, Washington, DC, 11 February.
- Gazley, Beth and Jeffrey Brudney (2007) "The Purpose (and Perils) of Government-Nonprofit Partnership," *Nonprofit and Voluntary Sector Quarterly*, 36(3):389–415.
- Greene, J. (1999) "The Inequality of Performance Measurements," *Evaluation*, 5(2):160–172.
- Hatry, H. (1999) *Performance Measurement: Getting Results*. Washington, DC: Urban Institute.
- Johnson, H. T. (1981) "Towards An Understanding of Nineteenth Century Cost Accounting," *The Accounting Review*, LVI(3):510–518.
- Julnes, Patria De Lancer (2006) "Performance Measurement: An Effective Tool for Government Accountability," *Evaluation*, 12(2):219–235.
- Melkers, J. and K. Willoughby (2005) "Models of Performance-Measurement Use in Local Government: Understanding Budgeting, Communication, and Lasting Effects," *Public Administration Review*, 65(2):180–190.
- Monahan, K. E. (2001) *Balanced Measures: For Strategic Planning*. VA: Management Concepts.
- Moore, M. H. (1997) *Creating Public Value*. MA: Harvard University Press.
- O'Leary, R. and L. B. Bingham (2009) *The Collaborative Public Manager: Bew Ideas for the Twenty-first Century*. Washington, DC: Georgetown University Press.
- Parmenter, D. (2007) *Key Performance Indicators*. NJ: John Wiley and Sons.
- Performance Budgeting in OECD Countries. MA: OECD Publishing, 2007.
- Perrin, B. (1998) "Effective Use and Misuse of Performance Measurement," *American Journal of Evaluation*, 19(3):367–380.
- Radin, B. A. (2002) *The Accountable Juggler*. Washington, DC: CQ Press.
- Radin, B. A. (2006) *Challenging the Performance Movement*. Washington, DC: Georgetown University Press.
- Richardson, R. C. (1994) "Effectiveness in Undergraduate Education: An Analysis of State Quality Indicators," In: (S. S. Ruppert, ed.) *Charting Higher Education Accountability: A Sourcebook on State-Level Performance Indicators*. Denver: Education Commission of the States.

**Henrik P. Minassians** is director of Public Sector Programs at California State University, Northridge. He teaches courses in Urban Studies and Planning at CSUN. His applied research has focused on accountability programs in public sector and the effectiveness of indicators used for performance measurement and programmatic assessment. His current research focuses on programmatic design through community service research and the learning process. His recent publications include *Reporting Higher Education Results: Missing Links in the Performance Chain* (published by Jossey-Bass, 2002).