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The trend toward accountability: What does it mean for HR managers?

Rebecca R. Harris Mulvaney *, Melissa Zwahr, Laura Baranowski [1]

Caliber, an ICF International Company, 9300 Lee Highway, Fairfax, VA 22031, United States

Abstract

The purpose of this paper is to provide an overview of the accountability trend and what this trend means for HR managers. We begin by defining performance measurement and its relationship to performance management and evaluation. We then discuss the legislative incentives behind federal performance measurement, such as the Government Performance and Results Act (GPRA), that are designed to improve the effectiveness, efficiency, and accountability of taxpayer funded programs and how these initiatives affect HR programs. Following this, we review the implications for HR professionals and the fundamental concepts of performance measurement, including common performance measurement methodologies. Finally, we conclude by highlighting the challenges of implementing a performance management system, as well as lessons learned from agencies who have implemented performance measurement or management systems in the past.

Keywords: Accountability; Performance management; Performance measurement

1. Performance measurement and the trend toward accountability

Performance measurement is currently one of the most pressing issues in government programming and administration, yet many HR managers are confounded by the term and overwhelmed by the thought of having to implement a performance measurement system. At its core, performance measurement refers to the ongoing monitoring and reporting of a program's progress towards pre-established goals (U.S. Government Accountability Office, 2005a,2005b). While the concept of performance measurement and performance management has existed for many years, there has been a recent surge of interest in this area as a result of the convergence of two forces: (1) increased demand for accountability on the part of governing bodies, the media, and the public in general, and (2) a mounting commitment of managers and government agencies to focus on results and to work more deliberately to strengthen performance (Poister, 2003).

The goal of this paper is to provide an overview of the accountability trend and what it means for HR managers. Specifically, we define performance measurement and its relationship to evaluation and performance management, especially as they relate to HR; give an overview of the government context behind the trend toward accountability;

* Corresponding author. Tel.: +1 703 934 3582.
E-mail address: rmulvaney@icfi.com (R.R. Harris Mulvaney).
[1] Current address: Wachovia Corporation, 401 S. Tryon Street, NC0958, Suite 2700, Charlotte, NC 28202, United States.

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describe the common methodologies used to measure performance; as well as several best practices in this area; and present some challenges and lessons learned in measuring and managing performance, particularly in an HR context.

2. Defining performance measurement

Performance measurement is an ongoing process of establishing strategic performance objectives; operationalizing those objectives into measurable components; and collecting, analyzing, and reporting data on those performance measures (Performance-Based Management Special Interest Group, 2001; U.S. Government Accountability Office, 2005a,2005b). Performance measurement includes regular collection of data on level and type of activity (process data), direct products and services delivered by program (output data), and the results of those activities (outcome data). The central function of the performance measurement process is to provide regular and valid data on indications of performance outcomes (Poister, 2003).

Performance management, a term often confused with performance measurement, takes this process a step further and involves using that performance data to drive decision-making and performance improvement (Performance-Based Management Special Interest Group, 2001). In fact, the full benefit of measuring performance is only realized when managers use this information to manage (U.S. Government Accountability Office, 2005a,2005b). One common way of executing performance management is setting target goals for particular dimensions, and for each target that is not met, developing a specific, realistic plan for making progress towards meeting that target goal. Performance management can be utilized for a variety of purposes, including identifying problems and taking corrective action, developing strategy and allocating resources, recognizing and rewarding performance, and identifying and sharing effective approaches (U.S. Government Accountability Office, 2005a,2005b).

On a more individual level, performance management is commonly used for performance coaching in which feedback is provided to individuals on performance, or performance appraisal where an individual's performance is documented and feedback is provided.

The term performance measurement is also often incorrectly used interchangeably with evaluation. Performance measurement differs from evaluation in that the goal of performance measurement is to provide an assessment of discrete organizational processes, whereas program evaluation attempts to determine the effectiveness of an entire system or program that is comprised of multiple processes and variables (U.S. Government Accountability Office, 2005a,2005b). Program evaluation not only looks at the outcomes of an initiative, but also *why* an initiative may or may not have been effective. The results of performance measurement can be summarized more quickly, efficiently, and succinctly than those of program evaluation. Another distinction is that individuals outside of the organization often perform program evaluations, where internal employees often collect and calculate performance measurement data.

Below we use a simple case analysis to help illustrate the distinction between measurement, evaluation, and management. Suppose an HR manager wishes to know more about the value of a new training program just developed and delivered to first line supervisors in their agency. Using performance measurement techniques to justify the training program, the manager would collect data, perhaps every six months, on factors such as how many people attended the training, the cost of the training per attendee, or the length of the training program. The manager may later also measure the number of trainees whose performance increased following the training. If the manager not only regularly gathers this type of performance data, but also uses it to adjust the training program for subsequent deliveries based on the findings, he or she would be exercising performance management. If our example manager wanted a more in-depth look at the training program, he or she might conduct an evaluation where a more critical assessment is conducted on the training program. The program would be examined such that a causal relationship could be established and more extensive conclusions could be drawn about why the program was effective or was not effective.

It is important to remember that performance measurement, performance management, and evaluation are distinct activities, but also to remember that they are inevitably, inextricably linked. Neither evaluation nor performance management can occur without the existence of performance measurement. Furthermore, if performance data reveals that performance is lacking in a particular area, especially an area that is a critical for the agency or organization, but a manager cannot determine how to remedy this problem, an evaluation may be needed to help determine what the next steps should be. While each of these concepts has an important role in the current public sector context, this paper will primarily focus on performance measurement and moving the measurement trend closer to effective performance management.

Several forces within the government have conspired to encourage and, in some cases, mandate the implementation of performance measurement – and management – as required components of all publicly funded programs (Martin & Kettner, 1996). These forces include the Government Performance and Results Act of 1993 and the President’s Management Agenda.

3. Government initiatives and legislation

Since the early 1990s, several pieces of legislation and other policy statements have been enacted to reform the operation of the federal government. These initiatives have had an effect on virtually all aspects of government functioning, not the least of which has been the human resources/human capital component. In this section, we review some of the most critical initiatives and discuss their effects on the provision of human resource management.

3.1. Government performance and results act

In 1993 Congress passed the Government Performance and Results Act (GPRA), and in 1997 this Act was first implemented (U.S. Government Accountability Office, 2005a,2005b). The overarching goal of GPRA was to improve the efficiency of the federal government. GPRA is a statutory requirement with which federal agencies must comply by law. As a part of GPRA, agencies must develop a strategic plan, a performance plan, and a performance report. The strategic plan must be reviewed and revised at least every 3 years and includes a mission statement, a description of goals and objectives, how those goals and objectives will be achieved, key factors that could affect their achievement, and a description of program evaluations used. Agencies are required to consult with Congress and to solicit and consider the views of stakeholders and customers when developing their strategic plans. The performance plan is submitted annually along with the agency’s budget request and includes the goals and objectives for that fiscal year; a description of the processes, skills, and resources necessary to achieve them; and performance indicators that will be used to measure performance. These goals and objectives must be tied to the budget request. The subsequent performance reports are prepared on an annual basis, but cover the preceding 3 years. These reports evaluate the results of the agency based on the performance plan.

By linking federal funding and program performance outcomes, GPRA required federal agencies to identify, enact, and evaluate more efficient program management techniques, including HR practices. For example, an increasingly large number of federal programs are no longer performed directly by federal agencies. Rather, there is a trend toward outsourcing work to state and local governments and private organizations for the provision of some public services, with GPRA-oriented performance measurement requirements being directed at the recipients of this funding.

3.2. President's Management Agenda

More recently, President Bush introduced the President’s Management Agenda (PMA). This initiative, proposed in 2001, consists of five government-wide initiatives, including improved financial performance, strategic management of human resources, budget and performance data integration, electronic government, and increased competition for product and service provision between federal and private sources (White House, 2002). A scorecard is used to measure both an agency’s status and its progress in achieving the five goals. Green, yellow, and red lights are given as a score, with green being the highest rating, yellow the middle, and red the lowest.

The specific recommendations of the PMA reflect new challenges faced by the federal government, opportunities presented by new technology, as well as a public demand for a more efficient, effective, and ultimately, accountable, government. For example, the PMA recommends that agencies identify their core functions and then initiate flexible staffing models in which non-core functions are procured through contracts. A similar theme can be seen in the competitive sourcing initiative, which is designed to increase competition for service provision, thereby increasing efficiency and organizational performance. Also consistent with previous government reform initiatives, the PMA is intended to formally tie organizational performance outcomes to budgetary decisions in an attempt to support the most effective practices. Central to the budget and performance goal, federally funded programs are being reviewed with the Program Assessment Rating Tool (PART), and these ratings may be used in making decisions regarding funding requests.

There is one component to the PMA that, in particular, impacts HR managers in the government: the Strategic Management of Human Capital requirements of the PMA. In order for an agency to be scored “green” on this dimension, the agency must be effectively performing several activities. These activities include:

- implementing a comprehensive Human Capital Plan, analyzing the results of this plan, and integrating these results into decision making processes;
- analyzing and optimizing existing organizational structures from service and cost perspectives using redeployment and delayering as necessary, integrating competitive sourcing and E-Gov solutions, and putting processes in place to address any potential future changes in business needs;
- implementing succession strategies, especially for mission-critical positions, that include structured executive development programs;
- using performance appraisal plans and awards for all managers, and more than 60% of the workforce, that link to agency mission, goals, and outcomes, hold employees accountable for results appropriate for their level of responsibility, differentiate between various levels of performance; and provide consequences based on performance;
- reducing under representation, particularly in mission critical occupations and leadership ranks;
- establishing processes to sustain diversity;
- reducing skill gaps in mission critical occupations and competencies and in integrating competitive sourcing and E-Gov solutions into gap reduction strategy;
- moving toward meeting agreed-upon aggressive hiring goals;
- using outcome measures wherever possible to make human capital decisions, demonstrate results, make key program and budget decisions, and drive continuous improvement in the agency (White House, 2002).

3.3. The trickle down effect: Performance measurement at the state and local level

Performance measurement and management initiatives may have had an initial presence at the federal level; however, it is important to recognize that for many years state and local governments have been active in the development and deployment of these kinds of systems as well (Melkers & Willoughby, 1998). In fact, under the commonwealth of Virginia’s Performance Management system, each agency is responsible for four linked processes: strategic planning, performance measurement, program evaluation, and performance budgeting. Under Florida’s performance-based program budgeting system, agencies include outcome and output measures in their legislative budget requests. They also are required to report data for these performance measures in their long-range program plans. In another example, the state of Oregon uses benchmarks to measure progress towards publicly defined goals and objectives. The Oregon Progress Board monitors progress in achieving the goals and modifies the benchmarks as needed (Welfare Information Network, 2003).

At the local level, the Service Efforts and Accomplishment initiative in Prince William County (Virginia) created cost, workload, and performance measures for 16 major county service areas. Progress on each measure is compared, biennially, with prior year performance and similar measures in other jurisdictions (Welfare Information Network, 2003). In the City of Charlotte (North Carolina) the performance measurement/management strategy involves translating mission and vision into tangible and measurable objectives that are results-focused. Specifically, the Balanced Scorecard, a methodology discussed later in this paper, has helped the City of Charlotte translate strategy into actions (Performance Measurement Links, n.d.). Many additional state and local jurisdictions around the country are developing and implementing performance measurement initiatives like those mentioned above.

4. Implications for HR professionals

There are several effects of these initiatives and increased emphasis on performance measurement and management on the operation of the federal government and on the day-to-day agency management. First, there are decreased staffing levels in many agencies. This is, in part, due to the push for competitive sourcing. This pressure to increase outsourcing in functions that are not mission-critical will likely result in more organizational functions, including traditionally HR-related functions, being outsourced to the private sector. In addition, there is increased emphasis on performance accountability and aligning performance with agency goals (White House, 2002). With these combined forces in play, government agencies must work more efficiently and deliberately than in previous years.

In addition to the need to comply with the PMA tenets that are specifically geared to human capital, government HR professionals must also consider the places where program performance intersects with human capital management. Agencies are being required to report performance data for each of their programs. This performance data must be clearly related to agency mission and goals (White House, 2002). Traditionally this area has been thought of as distinct from human capital management, but in order for agencies to succeed, they must begin to synchronize goals for individuals or work groups and goals of programs.

The Children's Bureau, an agency housed within the Department of Health and Human Services, is a prime example of the integration of human capital into programmatic goals. The Children's Bureau has recently implemented a performance measurement system for several of their discretionary grant programs. For each of the programs, the major activities of the program are defined. These might include things like "Recruit, train, and provide services to children and families" or "Train health and social services personnel to better serve abandoned infants and young children and their families." The Bureau then defines and collects performance data on the outputs and outcomes associated with these activities to monitor the progress that grantees are making towards their goals and the goals of the Children's Bureau discretionary grant programs. One set of outcome indicators that runs through several of the programs' performance measurement systems relates to the recruitment and retention of social workers, particular those with Masters of Social Work. While the goal of the Children's Bureau Discretionary grant program is to develop, disseminate, and integrate knowledge in support of the Children's Bureau Mission, the Children's Bureau is beginning to account for the fact that this will not be possible without increased focus on recruiting talented individuals to carry out this work and on retaining a greater percentage of the individuals who house the collective experience and knowledge of the child welfare field.

The Patent and Trade Office (PTO) is another example of the integration of human capital performance with that of the organizational goals. The agency has a three-tiered approach to identifying strategic themes and aligning their initiatives to those themes. In this agency, HR is involved at every level of this approach to inform managers as to the resources available to them, determine resource requirements, and to discuss the impact that program initiatives will have on the agency (Business Intelligence, 2001).

The push for performance management both by mission area and by function area poses unique challenges for HR managers. Human capital is crucial to the success of any particular organizational program or initiative, so the task at hand for HR managers is to begin to bridge human capital measurement with programmatic performance measurement and to align both with organizational goals and strategy.

The challenge for HR managers across agencies will be to (1) develop meaningful and practical performance measurement processes, at both individual and group levels, (2) align human capital goals with organizational goals, and (3) use results-oriented information to inform day-to-day management and decision-making. Clearly this is a tall order for HR managers. That said, there are a wide range of performance management tools and methodologies that have been developed over the years to assist agencies in meeting these demands.

5. Methodologies for performance management

While it has become an increasingly important concept since the early 1990s, performance measurement has been influencing government reformers since the early twentieth century (Poister, 2003). The Federal government began to implement performance measures during the Kennedy administration when the Department of Defense started using performance measures in their systems analysis processes. During the Johnson Administration, measurement became more widely practiced among Federal agencies via the concept of planning–programming–budgeting (PPB) (De Woolfson, 1975; Lyden & Miller, 1978). During the 1970s, program evaluation grew in popularity, particularly in social programming, and many public agencies, including state and local governments, began experimenting with various types of performance measurement for different purposes. During the 1980s, however, the interest in performance measurement began to wane when systems fell short of helping users understand what to do with the information they were collecting. Agencies felt that the information they were gathering was not meaningfully contributing to agency decision-making. With the introduction of GPRA in 1993 and then the Bush administration's PMA, performance measurement, this time with more of an emphasis on interpretation and management, has once again become a major emphasis in U.S. government agencies.

Numerous methodologies and systems were developed and tested during the years when agencies were implementing and experimenting with performance measurement techniques. Many of the approaches are utilized in one form or another today in federal, state, and local governments. We will discuss two of these approaches in more detail below, the Balanced Scorecard and the Logic Model approaches. Also worthy of mention are several additional popular approaches, namely Results Based Accountability (RBA), Total Quality Management (TQM), and Strategy Mapping. Results Based Accountability (RBA) calls for organizations to take responsibility for initiating action and the results of that action. RBA requires that organizations articulate how public monies will be spent on services and products that have an impact on people's lives, monitor how effectively and efficiently these programs work, and take action to improve program results (Horsch, 1996). Another approach with a familiar name is Total Quality Management (TQM). TQM originated by Deming in the 1950s and is a methodology allowing for continuous monitoring and incremental improvement of products and services by identifying causes of discrepancies with a goal of reducing them. Finally, in an approach called strategy mapping an organization creates value by connecting strategic objectives in cause and effect relationships with each other.

5.1. Balanced scorecard

The Balanced Scorecard methodology is a commonly used performance measurement approach in a wide variety of agencies (Kaplan & Norton, 1992). Balanced scorecard is an analysis technique designed to translate an organization's mission statement and overall business strategy into specific, quantifiable goals and to monitor the organization's performance in terms of achieving these goals.

The balanced scorecard suggests that we view the organization from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives: financial analysis, the most traditionally used performance indicator, includes assessments of measures such as operating costs and return-on-investment; customer analysis examines customer satisfaction and retention; internal analysis looks at production and innovation, measuring performance in terms of maximizing profit from current products and following indicators for future productivity; and finally, learning and growth analysis explores the effectiveness of management in terms of measures of employee satisfaction and retention and information system performance (Fig. 1).

As a structure, balanced scorecard methodology breaks broad goals down successively into vision, strategies, tactical activities, and metrics. As an example of how the methodology works, an organization might include in its mission statement a goal of maintaining employee satisfaction. This would be the organization's vision. Strategies for achieving that vision might include approaches such as increasing employee-management communication. Tactical

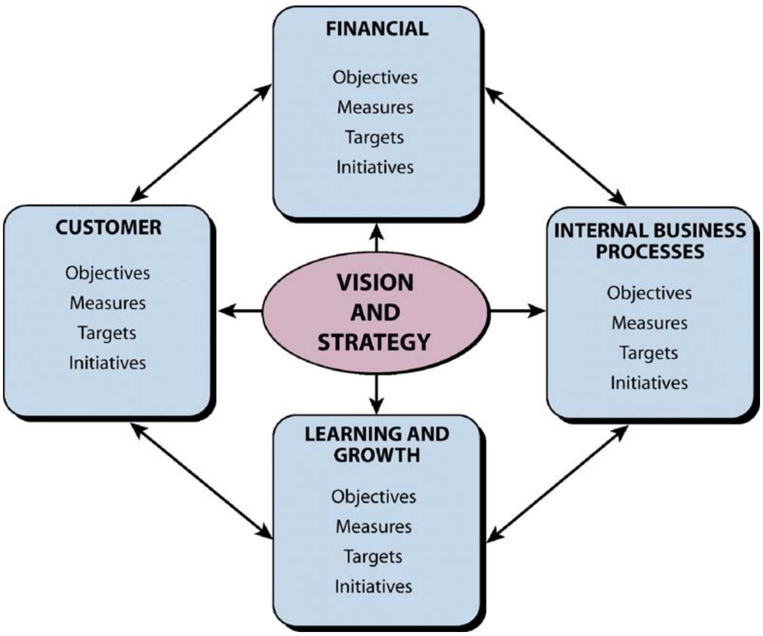

Fig. 1. The Balanced Scorecard Methodology (adapted from Kaplan & Norton, 1992 and The Balanced Scorecard Institute, n.d.).

activities undertaken to implement the strategy could include, for example, regularly scheduled meetings with employees. Finally, metrics could include quantifications of employee suggestions or employee surveys.

5.2. The logic model

Logic models are a basic element of performance measurement that communicate the rationale behind a program. A logic model's purpose is to communicate the underlying "theory" or set of assumptions or hypotheses that program proponents have about why a program or initiative will work, or about why it is a good solution to an identified problem.

Logic models are typically diagrams, flow sheets, or some other type of visual schematic that conveys relationships between contextual factors and programmatic inputs, processes, and outcomes. Logic models can come in all shapes and sizes. They are most commonly depicted as boxes with connecting lines that are read from left to right (or top to bottom), but can also take the form of circular loops with arrows going in or out; or other visual metaphors and devices. The common element among these various schemata is that they attempt to show the links in a chain of reasoning about "what causes what," in relationship to the desired outcome or goal. Logic models (Fig. 2):

- convey the fundamental purpose of an initiative,
- show why the initiative is important,
- show what will result from an initiative,
- depict the actions/causes expected to lead to the desired results,
- become a common language and reference point for everyone involved in the initiative,
- serve as the basis to determine whether planned actions are likely to lead to the desired results.

Logic models have been used for years among program evaluators, but, in fact, can be useful tools for a broad array of performance measurement initiatives. (http://www.insites.org/documents/logmod.htm).

The specific methodology utilized for performance measurement within a particular HR organization (i.e., Balanced Scorecard, Logic Model, or other) is frequently a function of a number of contextual factors, some of which are under the control of HR managers, and some of which are not. Examples of factors that may dictate the use of a particular measurement methodology include the framework and/or infrastructure used by super-ordinate offices or departments; in-house expertise or familiarity with a specific approach; or availability of resources. Consideration of the limitations

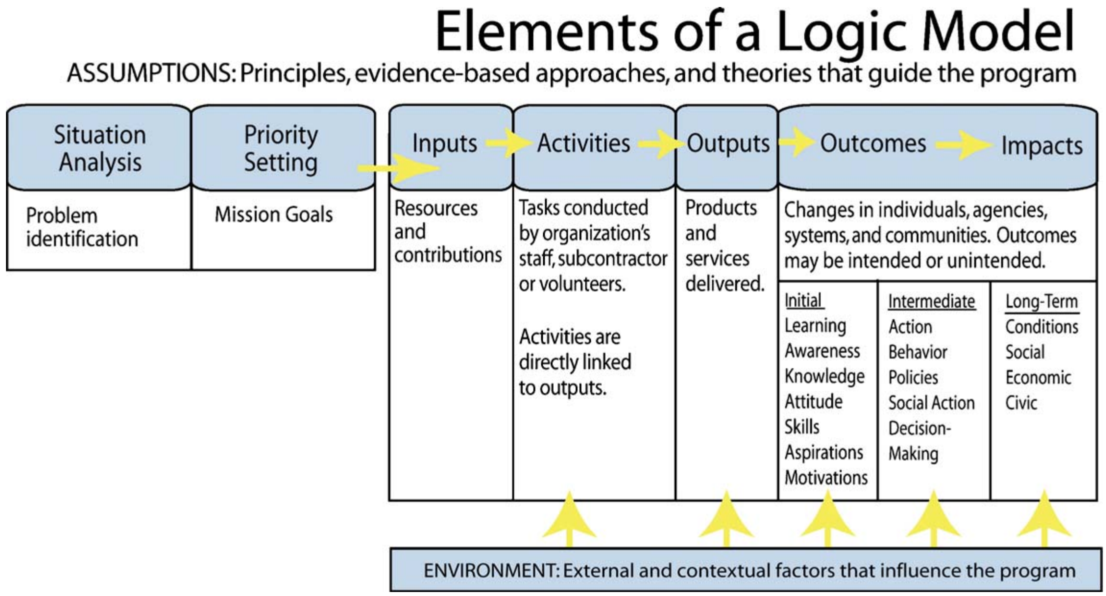

Fig. 2. Elements of a logic model. Sources: GAO-02-923 Strategies for Assessing How information Dissemination Contributes to Agency goals. GAO/GGD-00-10 Managing for Results: Strengthening Regulatory Agencies' Performance Management.

or constraints imposed by these and other factors is essential in developing and implementing a successful performance measurement strategy.

5.3. Successful implementation of a performance measurement/management model

Regardless of the methodology used, success in performance measurement and management depends on careful implementation of the performance measurement system (Melkers & Willoughby, 2005). While performance measurement continues to become more widespread (Poister, 2003), this trend does not suggest that it is uniformly effective for the agencies who have adopted it. In fact, the effectiveness of performance measurement initiatives has been mixed (Berman & Wang, 2000).

One of the most important of factors to successful implementation is the presence of a culture of accountability within the organization—that is, a transformation of the organizational culture to promote understanding and support for the organizational mission, as well for increased accountability and enhanced decision making (e.g., Berman & Wang, 2000; Franklin, 2002). In a culture of accountability, leadership demonstrates commitment to managing for results; staff, in turn, feel engaged and invested in the process and have feelings of empowerment and continuity.

Strictly speaking, an organization's performance goals can only be achieved through its employees. An effective performance measurement and management system links individual and team work behaviors to the organization's business strategies, goals and values. For an organization to achieve its goals, it is essential for all employees to understand their individual roles and responsibilities for goal achievement, and there must be a continuous dialog between leaders and employees to set performance expectations, monitor progress and evaluate results. Together, leadership and staff work to plan performance, measure and analyze performance and, finally, to manage performance-three essential action steps that are interlinked and ongoing in an organizational culture that successfully measures and accounts for performance (Fig. 3).

The first phase of performance measurement, the performance planning phase, consists of defining the organizational business strategy, including its mission, vision and objectives, as well as specific outcomes required to achieve the overall strategy. Then, measurable goals must be identified, along with plans for how to measure goal achievement. In this step, outputs and measures are defined, and requisite data collection and analysis processes and procedures are developed and implemented. Additionally – and perhaps most importantly – employees come to understand their individual roles and responsibilities with respect to performance measurement, and are given the fundamental information, resources, competencies and motivation to ensure its successful execution.

In the second phase of the performance measurement process – the measurement and analysis phase – data that inform areas of success and challenge for the organization are collected and analyzed. Specific elements and factors that contribute to successes or challenges are also identified, along with new and/or modified information needs and lessons learned.

Once performance data have been collected and analyzed, it must be effectively managed. The third phase of the process – performance management – is the phase in which solutions to address identified challenges are developed and implemented, along with mechanisms to ensure the continuation of program or organizational successes. Additionally, performance measurement systems and processes may be modified as needed to ensure that information collected via the performance measurement process is timely, relevant and sufficient; steps that lead, in turn, back to performance planning.

Unfortunately, while performance measurement is beginning to become more commonplace, very few agencies are actively involved in using that data to proactively manage. According to U.S. Government Accountability Office (GAO), federal managers reported having more performance measures in 2003 than in 1997, but they also reported that use of performance data for program management activities has essentially remained unchanged (U.S. Government Accountability Office, 2005a,2005b). There has been little empirical research conducted on why this is the case, but more anecdotal evidence has allowed us to identify a number of challenges to successfully implementing a performance management system.

6. Challenges to performance management

Implementing a successful performance management system is not an easy task. There is a reason that performance management initiatives over the last several decades have not always been successful: there are many challenges to

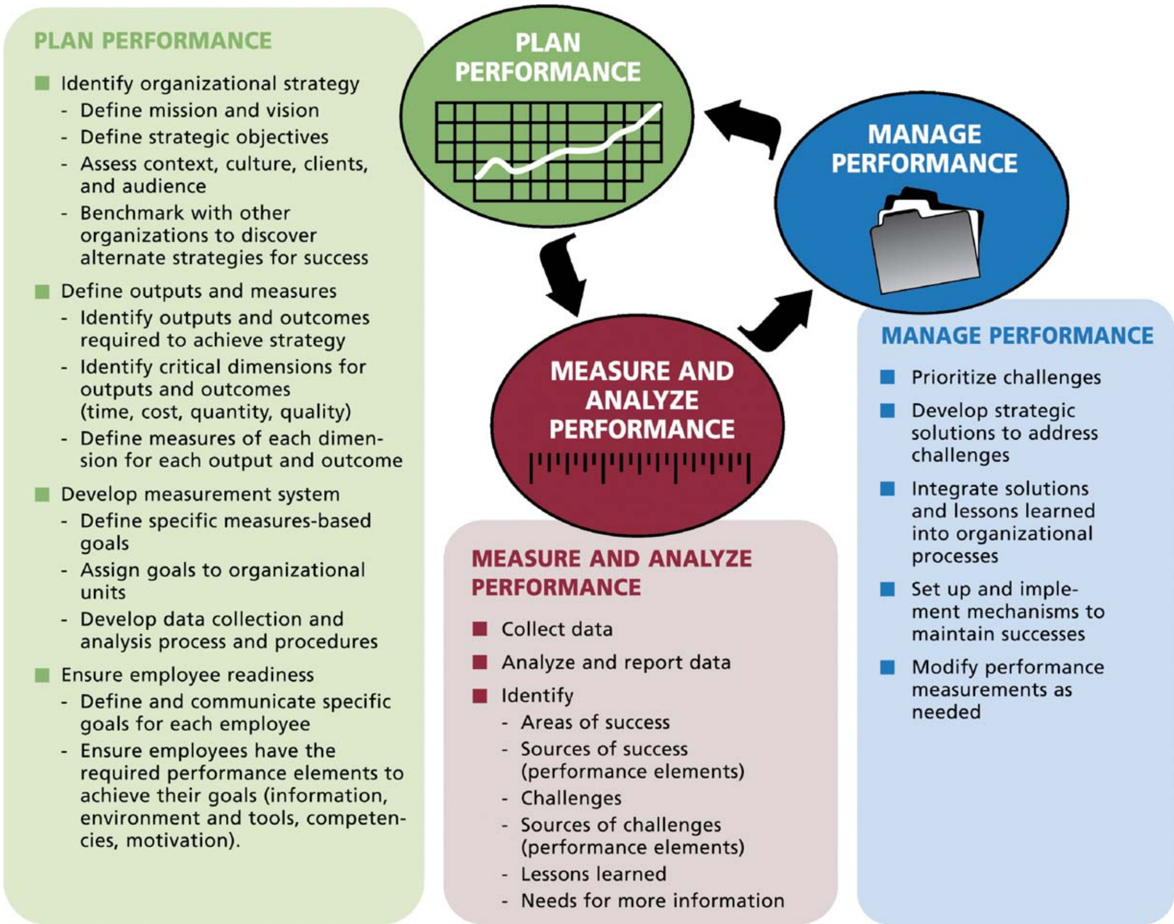

Fig. 3. A model of performance management.

both development and implementation. Because so many agencies are implementing or already using performance measurement and management systems currently, we are now better able to assess what the realistic challenges are to executing performance accountability, as well as discuss how to best overcome these challenges.

The first is that managers want to be held accountable for day-to-day activities, not long-term goals. Traditionally, long-term goals are often more related to organizational-level outcomes, and these are usually impacted by a variety of factors, many of which are completely unrelated to the program or agency being measured. For example, a social service agency may want to make reduction in child abuse a long-term goal of a particular initiative. However, many dissertations could be written on the plethora of factors, most of which are not under the control of a single social services agency, that impact child abuse nationwide. It is important in these cases to set some realistic parameters around the long-term outcomes to make them as controllable as possible. For example, a long-term goal of a single local organization might be to decrease the repeat perpetration of child abuse among those served by the organization. Decrease in perpetration of child abuse more generally might be more appropriate at state or national (e.g., Department of Heath and Human Services) levels. Note that in this example, the goal of the local agency is *aligned* with that of the state or national organization, but the outcome is more controllable at a local level. It is pointless to set long-term goals for outcomes that you do not have a realistic chance of impacting.

Agencies may not always focus on actual performance improvement, but instead on complying with rules and regulations (Business Intelligence, 2001). Performance management requires commitment to performance improvement, but agencies may feel like they are too busy “putting out fires” to proactively use performance data. To make performance management work, managers must make it a regular part of the management and planning process.

Obtaining agreement among competing stakeholders can be difficult. Performance management systems should be a direct reflection of an organization's mission and values. That said, there can be, and probably are, considerable differences in opinion about what those values are and what agency or departmental goals should be. In these cases it is important to stay focused on the mission of the agency and the activities in which the agency engages. It is also important to focus on measures for which there is agreement across stakeholders. Performance measurement and management systems do not need to measure everything that can be measured-only factors that are important to the mission of the agency and preferably that cut across divisions or sub-units as much as possible.

Various federal agencies and divisions have implemented a diverse array of performance measurement systems that have not necessarily been coordinated. Before implementing a performance measurement or management system, do some background work to see if other pieces of your agency have implemented their own. You may be able to begin working with them to align goals, and they may have some lessons learned about performance management in your agency.

Finally, very little empirical research has been done on performance measurement and management. The few studies that have been conducted have had mixed results in terms of the effectiveness of performance measurement (e.g., Bovaird & Gregory, 1996; Poister & Streib, 1999; Pollanen, 2005), and the evidence regarding the factors that contribute to the success of a performance measurement system has largely been anecdotal.

In order to advance the field of performance measurement, more research is needed to validate performance measurement initiatives. This could take the form of comparing changes in key outcomes with changes in other related factors. This could also be accomplished by surveying those affected by a performance measurement system and gauging their perceptions of the extent to which the system has enhanced performance or effectiveness of the organization as a whole. This research should be supplemented with more qualitative analyses of the differences between organizations that report success with performance measurement and those that do not.

While there is a dearth of rigorous research on performance measurement, there have been a number of lessons learned gleaned from case studies of organizations that have reported successfully implementing a performance measurement or management system, and we describe these lessons below.

7. Lessons learned in performance measurement

Implementing performance measurement and performance management systems can be a daunting task for managers. Thankfully, managing for accountability is becoming more and more common in various agencies, and we are beginning to glean some best practices from those that have accomplished this successfully.

First, leadership commitment is critical in developing and implementing effective performance measurement and management systems (Performance-Based Management Special Interest Group, 2001; Pollanen, 2005; U.S. Government Accountability Office, 2005a,2005b). Demonstrating the willingness and ability to make decisions and manage personnel, programs, or organizations on the basis of results, and inspiring others to do the same, are important indicators of managers' commitment to performance management and crucial to building a culture of accountability (U.S. Government Accountability Office, 2005a,2005b).

Next, alignment of agency-wide goals, objectives, and measures is crucial to effective performance management (e.g., U.S. Government Accountability Office, 2005a,2005b; U.S. Office of Personnel Management, 2001; Poister, 2003). In order to meet GPRA requirements, an agency's goals and objectives should be reflected throughout the organization and should align performance measures to the objectives from the executive level through to the operational levels (U.S. Government Accountability Office, 1996). For an HR manager, this means considering the agency mission when developing goals for the HR department and performance criteria for staff members. It also means working with other departments to integrate their goals and objectives with those of the HR department. For example, if a department is significantly looking at expanding one function and minimizing another, they should be working in partnership with HR to coordinate the resources to accomplish this task.

One common way of accomplishing this task is implementing a conceptual framework for the performance measurement and management system, such as a logic model (U.S. Government Accountability Office, 2002a,2002b). A conceptual model depicts each component of the performance measurement or management system, as well as the relationships between each. This type of illustration can be a very effective way to communicate how each department's performance impacts the performance of the organization, and can provide rationale for the measures chosen.

Improving the usefulness of performance information is another key factor in moving from performance measurement to performance management. Pollanen (2005) found that ambiguity in performance objectives and difficulty in meaningful use of performance measures were two of the biggest impediments to successful performance management reported by over 300 senior public administrators. GAO (2005a,2005b) notes that in order to ensure that performance information will be useful, agencies need to consider users' differing policy and management information needs.

Once individuals decide to incorporate performance measurement into their agency, they have a tendency to want to measure anything that can be measured or will gravitate to measures that are easy to measure (U.S. Office of Personnel Management, 2001). To actually be useful, performance measures should be selected on the basis of their ability to inform the decisions made at various organizational levels and should be appropriate to the responsibilities and control at the level being measured. For example, there is no reason to measure a workforce attribute that cannot be changed. While it is important to increase the usability of the data, it is also worth noting that agencies must also ensure that their staffs are trained to develop measures, collect data, and use the data effectively.

Furthermore, organizations must anticipate and consider the unintended consequences of measuring performance (U.S. Office of Personnel Management, 2001). Reinforced behavior will be repeated, so carefully consider what behaviors should be emphasized. For example, a pay-for-performance system that emphasizes individual-level accomplishment may result in a more competitive workforce. Conversely, a pay-for-performance system that overemphasizes group or organizational level accomplishment could result in diffusion of responsibility.

Effective communication of performance information among internal and external stakeholders is crucial to the success of any performance measurement or management system. Regular communication is key for managers to inform staff and other stakeholders of their commitment to keep agency goals in mind as they go about fulfilling their day-to-day responsibilities. GAO (2005a,2005b) reported that agencies have found several ways of doing this, such as using poster displays, performance scorecards, and intranet sites. This also means clearly assigning responsibility for meeting performance targets. For HR managers, regular communication can mean helping supervisors better communicate individual performance goals, or it may mean making an effort to talk with other department managers about how to best align HR goals with their department goals.

External communication can be an important piece of an effective management program as well. Benchmark what other agencies are doing. There are a number of different performance management methodologies out there, and agencies are developing innovative practices all the time. Learning what has worked for other HR departments can save a tremendous amount of time and resources. Finally, results and progress toward program commitments should be openly shared with employees, customers, and stakeholders (National Performance Review, 1993; Performance-Based Management Special Interest Group, 2001).

Perfect measures, good communication, and well-aligned goals will only go so far if those responsible for performance do not experience benefits or consequences of their performance. Linking compensation, rewards, and recognition to performance measurements can be an effective way of driving home the importance of both individual and agency-level performance. In fact, the Federal Aviation Administration (FAA) links employee annual pay increases to the achievement of agency-wide goals through the performance-based pay system (U.S. Government Accountability Office, 2005a,2005b). GAO reports that at the end of fiscal year 2004, 78% of FAA employees were included in the pay system, which allocates increases on the basis of both individual and organizational performance. Setting up a pay-for-performance system in this manner allows for differences in individual performance and accounts for the fact that many factors, most of which are out of the control of the individual, contribute to agency performance. However, it also encourages staff to consider the bigger picture as they go about conducting their daily activities.

Performance measurement systems should be positive, not punitive (Performance-Based Management Special Interest Group, 2001; U.S. Office of Personnel Management, 2001). Staffs are often quite intimidated by the implementation of a performance measurement or management system, a reaction that is a double-edge sword given that the success of a performance management system is dependent upon buy-in from stakeholders. Implementing a system that "threatens" them in some way will only exacerbate this. Performance measurement or management systems should focus on rewarding the positive, not punishing performance that a staff member, team, or department may or may not have had complete control over.

Finally, don't create a system you can't change. Performance measurement and management systems must be adaptable (e.g., U.S. Office of Personnel Management, 2001). While agency missions typically remain intact, the context surrounding them and the demands put on them can be extremely dynamic. This means that often the functions used to achieve the mission must change, and if a performance management system cannot adapt, it will quickly become obsolete.

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