Committee for Public Management Research
Discussion Paper 3

Developing an Integrated Performance Measurement Framework for the Irish Civil Service

Richard Boyle

_____

Contents

Foreword

This discussion paper is one of a series commissioned by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the Departments of Finance, Environment and Rural Development, Health and Children, Taoiseach and Public Enterprise, and from Trinity College Dublin, University College Dublin, and Institute of Public Administration. The research is undertaken for the Committee by the research department at the Institute of Public Administration.

The discussion paper series aims to prompt discussion and debate on topical issues of particular interest or concern. Papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. The papers are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

This paper focuses on performance measurement in the civil service. Measurement systems are widely seen as crucial in underpinning effective performance management and accountability regimes. The Public Service Management Act, 1997 identifies and outlines key responsibilities and accountabilities within departments and offices. If these accountabilities are to operate properly a performance management framework is required whereby performance planning, managing, reviewing and recognition operate together to help clarify what is expected of each individual civil servant. Hence the government's commitment to introduce a comprehensive performance management system, currently the subject of a major consultancy project across the civil service. In turn, a central element of any performance management system is performance measurement. This paper suggests ways of enhancing the focus on outputs and results which is crucial to the success of performance management.

We would very much welcome comments on this paper and on public management research generally. To ensure the discussion papers and wider research programme

of the Committee for Public Management Research is relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes, and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to people working in public organisations by enhancing the knowledge base on public management issues.

Eric Embleton
Chair
Committee for Public Management Research
Department of Finance

For further information or to pass on any comments please contact:

Pat Hickson
Secretary
Committee for Public Management Research
Department of Finance
Lansdowne House, Lansdowne Road
Dublin 4
Phone: (+353) 1 676 7571, Fax: (+353) 1 668 2182,
E-Mail: hicksonp@cmod.finance.irlgov.ie

or

Richard Boyle
Institute of Public Administration
Vergemount Hall
Clonskeagh
Dublin 6

Phone: (+353) 1 269 7011, Fax: (+353) 1 269 8644, E-Mail: rboyle@ipa.ie

General information on the activities of the Committee for Public Management Research, including this paper and others in the series can be found on the world

wide web site of the Department of Finance: www.irlgov.ie/cpmr (this site is currently being developed).

1. Introduction

In *Delivering Better Government* (1996:36), the co-ordinating group of secretaries recommend that a modern performance measurement framework be developed for the Irish civil service. They indicate that the performance measures arrived at should link the day-to-day activities of individuals or teams of civil servants to the objectives of their department or office. A major consultancy assignment to assist the civil service to design and develop a system of performance management has subsequently been commissioned and is currently being undertaken. This focus on performance management and measurement is driven by the requirements of the Public Service Management Act, 1997, which specifies authority, responsibility and accountability for the carrying out of duties and allows for the delegation and assignment of responsibility for the performance of functions to specified officers. This paper, dealing with issues of performance measurement, will hopefully be a contribution to the development of an effective performance management and accountability framework, as performance measurement underpins these activities and is crucial to their success.

In *Measuring Civil Service Performance* (Boyle, 1996:71), the balanced scorecard was mentioned as a possible method for facilitating the production of performance indicators. Developed in the United States, it is a technique which has been used in the private sector to give top managers a comprehensive view of their business (Kaplan and Norton, 1992, 1993, 1996).

This paper explores the possibility of adapting some of the ideas behind the balanced scorecard for use as an integrated performance measurement framework for the Irish civil service. After the principles of the balanced scorecard are outlined, a number of key issues are discussed:

- The determination of the elements of an integrated performance measurement framework appropriate for the Irish civil service.

- The application of the integrated performance measurement framework.

- The linkage of corporate, division and section performance measures.

- The linkage of the integrated performance measurement framework with local measurement systems and outcome evaluation.

- The management of the process of establishing and maintaining the integrated performance measurement framework.
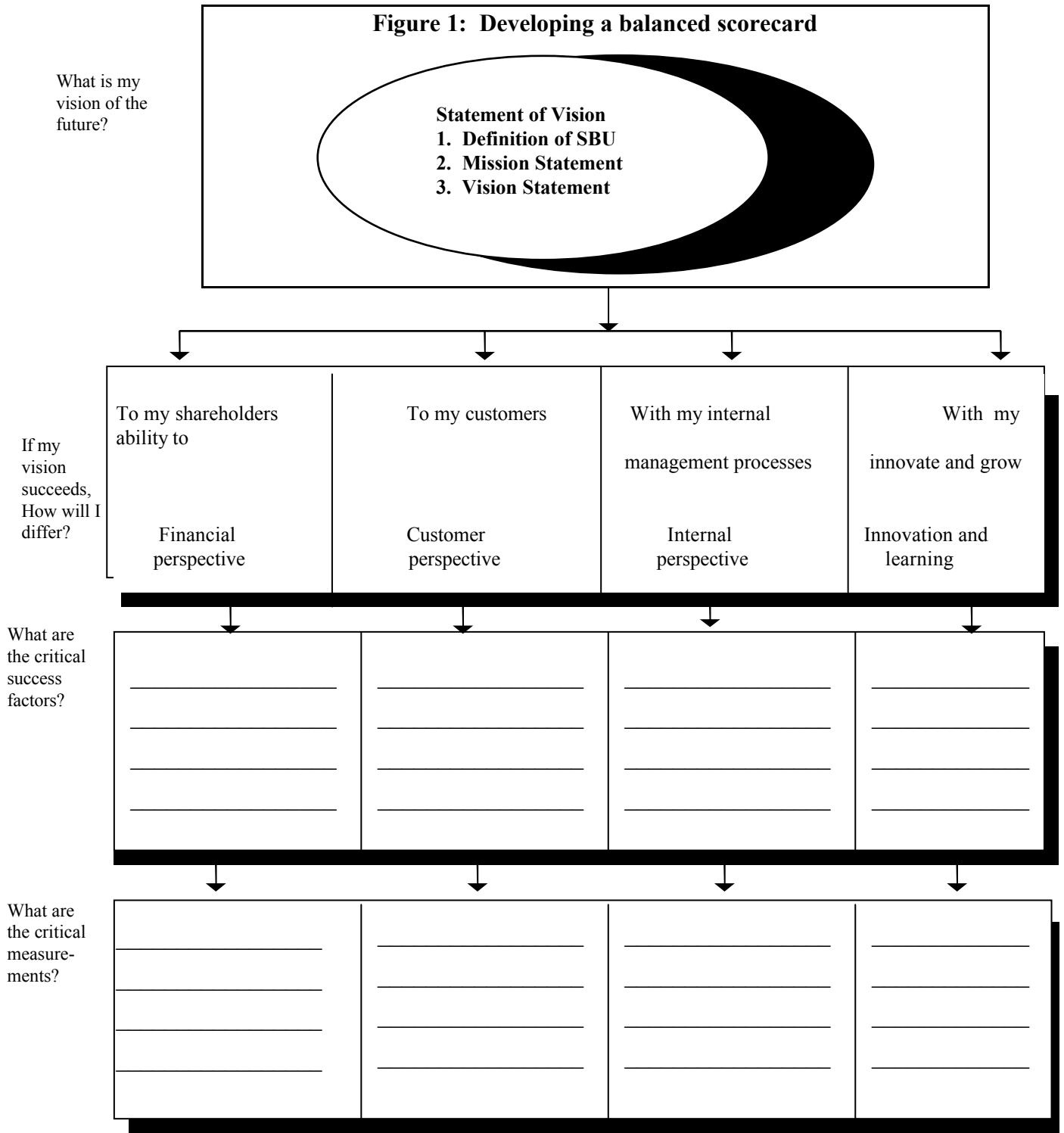
2. The balanced scorecard and its use in performance measurement

The balanced scorecard was developed because of dissatisfaction with traditional financial accounting measures such as return-on-investment which have tended to dominate performance measurement in the private sector (Kaplan and Norton, 1993). The scorecard aims to give a balanced presentation of both financial and operational measures. It aims to allow managers to look at their businesses from four key perspectives, providing answers to four basic questions (Kaplan and Norton, 1992):

- ♦ how do customers see us? (customer perspective)

- ♦ what must we excel at? (internal perspective)

- ♦ can we continue to improve and create value? (innovation and learning perspective)

- ♦ how do we look to shareholders? (financial perspective).

This approach recognises an issue which has long faced the public sector: that of multiple stakeholders who have different perspectives on organisational performance. It attempts to tackle this issue in a structured manner by developing measures or indicators for each of the four perspectives specified, and linking them to the strategy for the organisation. It also attempts to keep the number of measures or indicators used to a minimum, by focusing on those that are most critical for success, limiting them to four or five for each perspective. Figure 1 outlines the approach used in developing a balanced scorecard.

Figure 1: Developing a balanced scorecard

What is my vision of the future?

Statement of Vision
1. **Definition of SBU**
2. **Mission Statement**
3. **Vision Statement**

If my vision succeeds, How will I differ?

To my shareholders ability to	To my customers	With my internal management processes	With my innovate and grow
Financial perspective	Customer perspective	Internal perspective	Innovation and learning

What are the critical success factors?

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

What are the critical measurements?

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Taken from Kaplan and Norton, 1993, p. 139

More recently, the balanced scorecard has been used in companies as the cornerstone of their strategic management system (Kaplan and Norton, 1996). Companies are using the scorecard to:

♦ clarify and update strategy

♦ communicate strategy throughout the company

♦ align unit and individual goals with the strategy

♦ link strategic objectives to long-term targets and annual budgets

♦ identify and align strategic initiatives

♦ conduct periodic performance reviews.

It is possible to see the ideas behind the balanced scorecard being adapted for use in the Irish civil service. Its focus on different stakeholders and their needs, on strategic management, and on presenting a balanced picture of key performance measures and indicators, is attractive for those concerned with performance measurement in the civil service.

3. Developing an integrated performance measurement framework for the Irish civil service

Building on the key concept behind the balanced scorecard, that of integrating the reporting of financial and operational measures to managers, it is possible to think of developing an integrated performance measurement framework for the Irish civil service. Integration is needed within and between two aspects of performance:

- the different dimensions of performance

- the views of different stakeholders on performance.

With regard to the different dimensions of performance, *Delivering Better Government* (1996) puts particular emphasis on outputs and quality-of-service, and stresses the need for a results-driven civil service. Thus, as well as the traditional measures of input control and financial measures, an integrated performance framework must include results-based measures focused on outputs, outcomes and quality-of-service.

With regard to the views of stakeholders on performance, a number of different views are possible, but likely to be central are:

- *The views of service users*. Ultimately, most services are provided for the benefits of users, and their views on performance are important in determining how well or badly a service is provided. Defining users can be difficult at times in the civil service (Boyle, 1996:40), but a user perspective is important in judging performance.

- *The views of decision makers*. The Oireachtas, cabinet and ministers all make policy decisions, and are affected by how well their decisions are implemented by departments.

- *The views of resource controllers*. Resource controllers aim to ensure that overall levels of expenditure are contained within agreed limits, to ensure sound

macro-economic management, and that value-for-money is obtained from that expenditure.

• *The views of staff and management.* In order to achieve the results desired, *Delivering Better Government* (1996: 32) recognises the need for a more strategic approach to the management of human resources in the civil service. Improved performance will require that staff and management views on performance are obtained, and that the skills and competencies necessary for good performance are developed and used effectively.
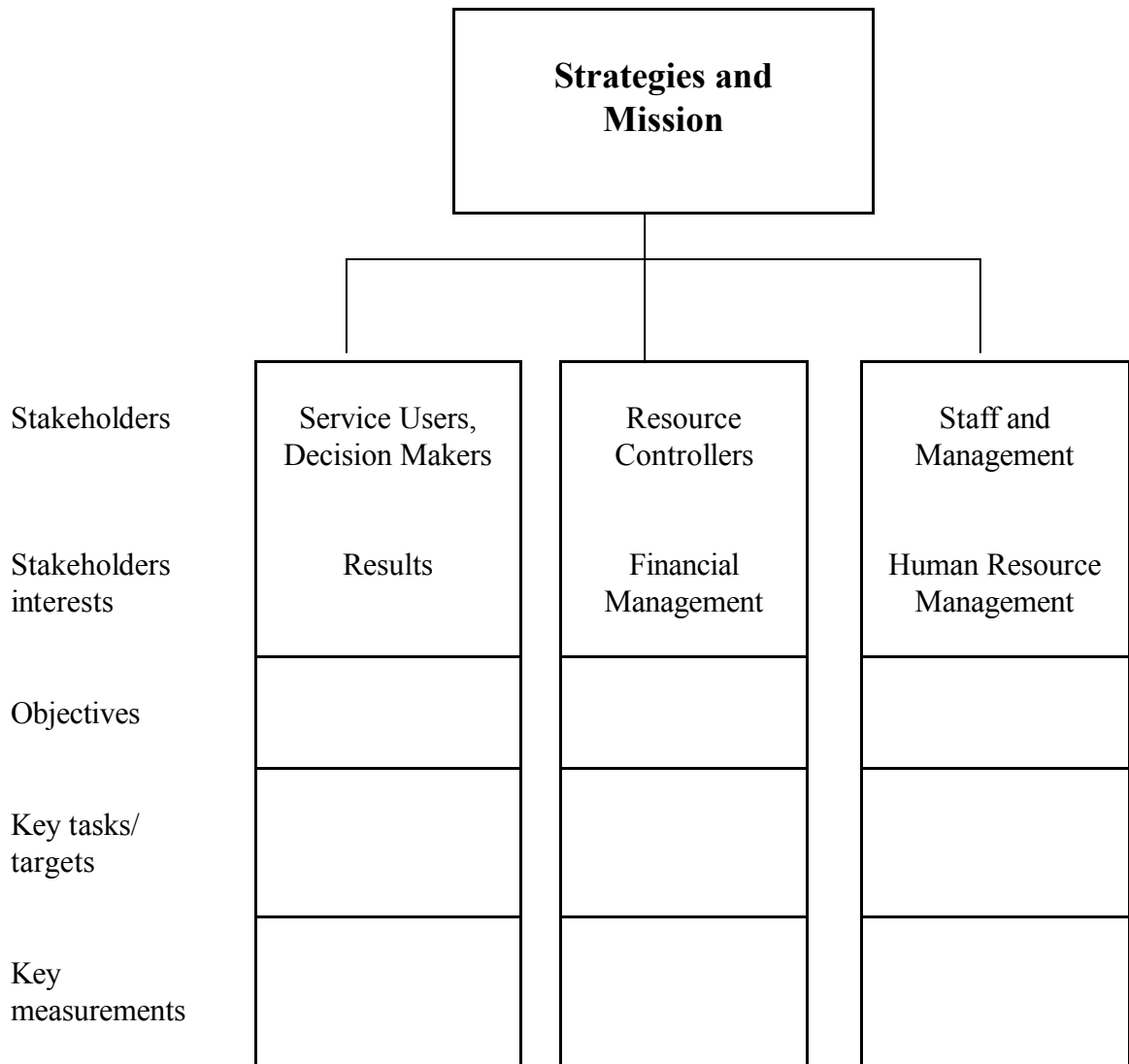
Given these different aspects and views of performance that need to be incorporated in any system, what then would an integrated performance measurement framework look like? Figure 2 illustrates the proposed framework, drawing from some of the ideas outlined in the balanced scorecard.

A statement of strategy and mission provides the basis for the framework. If the performance measurement system is to be useful and influential, measurements must be linked to strategy.

There are then three elements to the columns in the framework: results; financial management; and human resource management.

• The *results* column reflects the need to highlight results achieved in service provision. It helps enable managers identify what results are being achieved for users of the service, promotes a user-centred view of performance, and helps managers make judgements about the quality and effectiveness of the services they provide. Meeting the needs of the service user and decision maker stakeholder groups is the main concern here.

• The *financial management* column reflects the continuing need to maintain control of financial resources and also to ensure that those resources are used

Figure 2: An Integrated Performance Measurement

Framework for the Civil Service

	Strategies and Mission		
Stakeholders	Service Users, Decision Makers	Resource Controllers	Staff and Management
Stakeholders interests	Results	Financial Management	Human Resource Management
Objectives			
Key tasks/ targets			
Key measurements			

wisely. With the administrative budget system and the new approach to financial management (*Delivering Better Government,* 1996: 53-56) focused on greater devolution of financial responsibility and accountability, the management and monitoring of financial resources will have an increasingly significant impact on performance. Resource controllers, both within departments and in the Department of Finance, are the main stakeholder group here.

- The *human resource management* (HRM) column reflects the highlighting of this issue in *Delivering Better Government* (1996). It will be important to measure and monitor how effectively and efficiently human resources are used in the achievement of the main strategies and objectives of the organisation. Measurement here will track some of the needs of the management and staff stakeholder groups in particular.

There are also three elements to the rows in the framework, adapting the categories applied in the balanced scorecard: objectives, key tasks/targets; and key measures/indicators.

- The *objectives* row is where the means to achieve the broad strategies and mission are set out in the form of objectives, which specify the purposes to be achieved by the section/division/organisation.
- The *key tasks/targets* row reflects the need to specify strategies and objectives in more concrete terms, in order to make them operational. This usually involves identifying the main tasks that need to be undertaken to ensure that the strategies and objectives are achieved, and setting these out in the form of targets, to be achieved by a certain date or to a set standard.

- The *key measurements* row is the crucial element as far as performance measurement is concerned. It is here that the measures and indicators used to monitor performance are established. For the results column, these measures/indicators should cover three main aspects of performance: output, quality and outcomes. When related back to the inputs, these aspects enable

judgements to be made about the efficiency, quality and effectiveness perspectives of programme accountability (Martin and Kettner, 1996: 4-8).

The main elements of the integrated performance measurement framework have been outlined. But what might it look like in practice? The following sections contain some hypothetical examples that illustrate how the framework might be applied in government departments.

4. Applying the integrated performance measurement framework

In practice, it is envisaged that the objectives and key tasks/targets rows of the framework would contain information arising from the strategic management process in the department. The additional output from the integrated performance measurement framework would be measurements for each of the three columns: results; financial management; and human resource management. A hypothetical example showing how the framework might be applied is given in Table 1.

4.1 The results sheet

Taking the results sheet first, in this example the focus is on a particular programme, the Farm Improvement Programme, run by the Department of Agriculture and Food (see Boyle, 1990 for further details). The objective of the programme is set out in relatively general terms, but at the same time, the emphasis in the objective is on the outcomes to be achieved as a result of the programme, thus encouraging a results-oriented focus.

The key tasks/targets row sets out specific key tasks which need to be undertaken within a specified period (perhaps a quarter or a year) to facilitate achievement of the objective. The emphasis is on tackling particularly important issues that need to be addressed, rather than listing everything that is to be done. Hence, in this illustrative example, take-up of the scheme may be particularly low in one region, and steps need to be taken to increase take-up to bring it into line with other regions. Similarly, complaints may have been received on the time that is being taken to process applications, and this has been given a priority in the work programme.

The key measurements row sets out the main output, quality and outcome measures and indicators to be used in judging the impact of the section in terms of delivering the programme. Hence, for example, the number of approvals issued is a key output measure, as is the number of audits undertaken, to ensure that controls are in place to contain possible misuses of the funds.

Table 1:

RESULTS
Farm Improvement Programme

Objectives

- To improve farm income, living, working and production conditions by encouraging farmers to invest in schemes to produce high quality farm infrastructure and improved management practices, and to ensure conservation of the environment and natural resources.

Key tasks/targets

- Increase take -up of scheme in region X.
- Reduce application processing time from X days to Y days.
- Increase 'greatly improved' rating by farmers for changes in working conditions from X per cent to Y per cent.

Key measurements

Outputs

- Number of approvals by region.
- Number of audits undertaken.

Quality

- % of applications processed within X days.
- % of farmers giving satisfied or very satisfied rating (based on annual farmers survey).

Outcomes

- Change in farm income (from periodic evaluation study)
- Number of hectares of land improved.
- % of farmers and field staff giving 'greatly improved' rating regarding improvements in working conditions (based on annual farmers survey and staff survey).

Table 1 Continued

FINANCIAL MANAGEMENT

Objectives

- To contain expenditure within agreed limits.
- To ensure efficient programme and administrative expenditure.
- To maximise delegation of administrative budgets within agreed parameters.

Key tasks/targets

- Reduce the cost per output figure from £X to £Y.
- Reduce November/December percentage of total annual expenditure of administrative expenses from X per cent to Y per cent.
- Further delegation of administrative expenditure to line managers.

Key measurements

Inputs

- Financial resources (£000s) vs. target.
- Human resources (in Full Time Equivalents (FTE)) vs. target.

Efficiency

- Cost per output.
- Outputs per FTE.

Administrative budget management

- Actual expenditure v. budget by subhead.
- End of year spending patterns.
- Proportion of administrative expenditure in line managers' budgets.

Table 1 Continued

HUMAN RESOURCE MANAGEMENT

Objectives

- To enhance skills and competencies in line with needs determined by the human resource strategy.
- To operate a fair and effective performance appraisal scheme.
- To achieve better gender balance in staffing, particularly at senior management levels.

Key tasks/targets

- Preparation of staff development plan, consistent with departmental HRM strategy, by end of X.
- Provide five days training per employee.
- Introduce positive action programme.

Key measurements

Outputs

- Staff development plan produced.
- Number of days training per staff member.

Quality

- % staff satisfied/dissatisfied with appraisal system (based on annual staff survey).

Outcomes

- Gender breakdown by grade level.
- Impact on job of training (from post-course survey of trainees and their managers).

Quality measurements are intended to facilitate assessment of the quality of outputs delivered. Two basic approaches exist to developing quality measurements: determining the quality dimension of outputs and assessing client satisfaction (Martin and Kettner, 1996: 44-49). In determining the quality dimension organisational records are used e.g. the percentage of applications processed in a given time or, in the example given in Table 1, the number of schemes cancelled because of abuse. Client satisfaction is used to bring a specific users' perspective to the judgement of quality, as in the case

here where, based on a survey of farmers, it is suggested that a measure of quality could be the percentage who are satisfied or very satisfied with the service they receive.

Outcome measurements focus on the impact of the activities of the organisation. In the example in Table 1, as with the quality measurements, outcome measurements come from organisational records and from surveys. The number of hectares of land improved is a basic and clear-cut indicator that can be obtained readily from data held in the department. Rating of improvements in working conditions is more subjective, and in this case assessed through surveys of farmers and of field staff. Thus, different perspectives on outcomes can be captured, and the views of front-line staff, who often are in the best position to judge the effectiveness of interventions, built into the picture. The farm income 'outcome' is judged by an evaluation study, and is referred to more specifically in section 7 below.

4.2 The financial management sheet

With the financial management sheet, the focus is on measuring the financial performance. In the example given in Table 1, the objectives concentrate on containing expenditure, ensuring efficient expenditure, and maximising the use of administrative budgets.

As with the results sheet, the key tasks emphasise those tasks which need to be concentrated on in a given period to help achieve the objectives. In this hypothetical example, cost per output is seen as being in need of reduction, and end-of-year spending surge as something to be tackled.

The key measurements provide information on the inputs used by the area under scrutiny, both in terms of financial resources and human resources. These can be linked to the outputs in the results sheet to give efficiency measures, in terms of cost per output (number of applications processed) and outputs per full-time staff equivalents. In an example such as this, of the Farm Improvement Programme, where the service is provided by a number of units around the country on a regional basis, comparisons of relative efficiency, could be drawn with examples of good practice highlighted and lessons learnt from these.

Measurements are also given for the use of the administrative budget, allowing judgements to be made on the impact of administrative budgets on financial performance. For example, delegation of administrative budgets to line managers is a key task, which can be tracked by the indicator showing the proportion of administrative expenditure held in line managers' budgets.

4.3 The human resource management sheet

The human resource management sheet provides an opportunity for judging the contribution of staff to the performance goals of the area under scrutiny, and what needs to be done to enhance the performance of the human resource, often cited as the most important resource in the civil service.

The objectives can be drawn up to tie in with the HRM strategy of the department as in the case in Table 1, where enchancing competency development, improving performance appraisal and achieving better gender balance are key objectives. The key tasks, as with the other two sheets, identify areas to be addressed in a given period to help secure the objectives and broad HRM strategy. In this example, the introduction of staff development plans and a positive action programme are two examples of tasks to receive priority in the coming period.

The key measurements ensure that progress towards the HRM objectives and tasks is tracked. Surveys can again play a useful role, particularly in ensuring that staff views on performance-related issues are built into the picture. In larger sections or divisions, surveys may be formal, paper-based surveys, perhaps on an annual basis, which track certain issues. In smaller units, or to complement annual surveys, focused and structured discussions may be used to provide staff-based indicators on HRM issues.

The aim of the HRM sheet is to provide data on the state of the organisation and how it is functioning. Such data can be important in reaffirming the 'human' side of management. If the only data collected have to do with what the organisation is achieving, staff may feel like cogs in a wheel, unaware of or disinterested in how they fit into the wider picture. Data is also important for tracking progress on key HRM issues

which the organisation deems important from a strategic perspective. Progress on issues such as gender balance and other equality of opportunity concerns, for example, can be tracked on the HRM sheet.

4.4. Conclusions

The results, financial management and HRM aspects of performance covered as part of the integrated performance measurement framework have been outlined. These link in with the strategy and mission for the area under scrutiny as outlined at the top of Figure 2. Between them, these elements set the basis for a sound performance measurement system.

In practice, more information may be needed for certain aspects, particularly the results section. If a section/division has several outcome objectives, as is usually the case, it may be that each individual objective needs its own results sheet. Such a judgement would need to be made by management in the department.

Also, it should be stressed that this framework is intended to set out what managers deem to be the key measurements capable of being captured in the performance measurement process, with measures under each heading being limited to a small number. It is not a comprehensive measurement system, and needs to be linked to other performance measures, as section 7 of this paper illustrates.

5. Applying the integrated performance measurement framework in policy areas

Performance measurement of policy-related activities can be a difficult task. The nature of the work is often of a 'once-off' nature. The time scales involved in achieving outcomes can often be long. There may be difficulty describing and ascribing cause and effect processes. All of these factors combine to make measurement, particularly of results, a complex process. But, there are things that can be done to enable a reasonable picture of performance with regard to policy work to be drawn up (Boyle, 1996: 53-64).

In terms of the integrated performance measurement framework, Tables 2 and 3 give examples of results sheets that could be developed for sections dealing with policy-related work. Table 2, outlines an example of a section that has responsibility for facilitating policy development for a particular sector of the economy. In line with this task, and with the strategy set out by the government and the department's own thinking, certain objectives and key tasks are set. The key measurements enable the tracking of these objectives and tasks. The output measurements are relatively straightforward. The quality measurements too are mainly concerned with timeliness and correctness, and are relatively straightforward to develop. With regard to outcomes, an international benchmarking study is seen as the best way of providing data. Thus, instead of continuous monitoring of selected measures, a specific study is envisaged that will give cost and quality-of-service indicators to enable national performance in the sector under scrutiny to be put in perspective.

Table 2

RESULTS

Objectives	• To prepare the X sector for market liberalisation and competition. • To issue licenses for companies operating in the X sector. • To achieve overall sector costs and quality of service comparable to the top quartile OECD countries.
Key tasks/targets	• Conduct a review of state company A's medium-term requirements to meet competition and offer cost-effective service by B. • Initiate and complete a public tender award for the C service by D. • Restructure regulatory functions carried out by department by E.
Key measurements	
Outputs	• Have a report produced on state company A's medium term requirements. • Number of licenses issues • Completed public tender for C service.
Quality	• Report and tender processed on time. • % of licenses issued within F working days of completed application. • % of appeals lodged against license decisions sustained.
Outcomes	• Cost and quality of service indicators obtained from international benchmarking study of OECD countries.

The outcome measurements section also indicates an issue common to much policy work, in that whilst the output and quality measurements are clearly under the direct control and influence of the section under scrutiny, the outcome measurements are not. They depend on the performance of other bodies operating in the sector, which are influenced by the department, but also by many other forces. What these outcome indicators mean about the performance of the section needs careful judgement. The process used for such measurements, as discussed in section 8, determines how useful these measurements are in practice.

Table 3 illustrates a policy section whose primary focus is on negotiating Irish interests at an EU level. Again, the output measurements are relatively straightforward, but on their own are not particularly useful. The quality measurements present more of a challenge. The idea of introducing a quality checklist, to help assess the quality of policy projects (position papers, reports etc.) is introduced (see Boyle, 1996: 60, for further details). There is a significant emphasis on qualitative judgements of performance, but these judgements are made in a systematic manner as a result of the formal quality review process and checklist approach, rather than simply being impressionistic.

Similarly for outcomes, judgement is needed, but the measurements proposed attempt to put some structure on those judgements. So, for example, it is possible to envisage the section undertaking a study aimed at promoting the interest in Brussels of a certain grouping of organisations. Members of these organisations could be surveyed to determine their views on how successful the study was at promoting their interest at the EU level. As with the previous example in Table 2, linking the outcomes of policies with policy work presents challenges, and performance monitoring is only likely to give part of the picture. In particular, there will be a need in policy areas to link the findings from performance monitoring with periodic, outcome-based evaluation studies, as discussed in more detail in section 7 below.

Table 3

RESULTS

Objectives	• Respond promptly and efficiently to all ministerial correspondence and questions. • Complete agreed policy projects on time and to specified quality standards. • Effectively advocate Irish interests in EU negotiations.
Key tasks/targets	• Introduction of IT package to facilitate tracking of ministerial correspondence. • Prepare study report on implications of EU enlargement for structural funding by X. • Gain agreement from majority of member states for Irish position on EU enlargement process by Y meeting of Council of Ministers.
Key measurements	
Outputs	• Number of ministerial replies and PQs. • Policy projects completed. • Number of negotiation meetings attended.
Quality	• % of ministerial replies and PQs completed within X days. • % policy projects rated unsatisfactory against quality check-list. • % rating progress at negotiating meetings 'satisfactory' or 'highly satisfactory' (from internal peer review survey).
Outcomes	• Satisfaction rating for correspondence and PQs (from sample survey. • % of key users rating study 'influential' or 'highly influential' (from users survey). • Achievement of key negotiating targets, within agreed negotiating limits.

The financial management and human resource management measurements are less likely to pose particular challenges for policy-related sections, and the issues to be tackled here are more likely to be similar to executive-oriented sections such as those outlined in Table 1. However, there may be some differences. For example, it may not be possible to produce meaningful efficiency measurements, particularly if the outputs are mixed and difficult to define with precision.

In all, though, it would seem that the integrated performance measurement framework would be capable of application in policy-related areas.
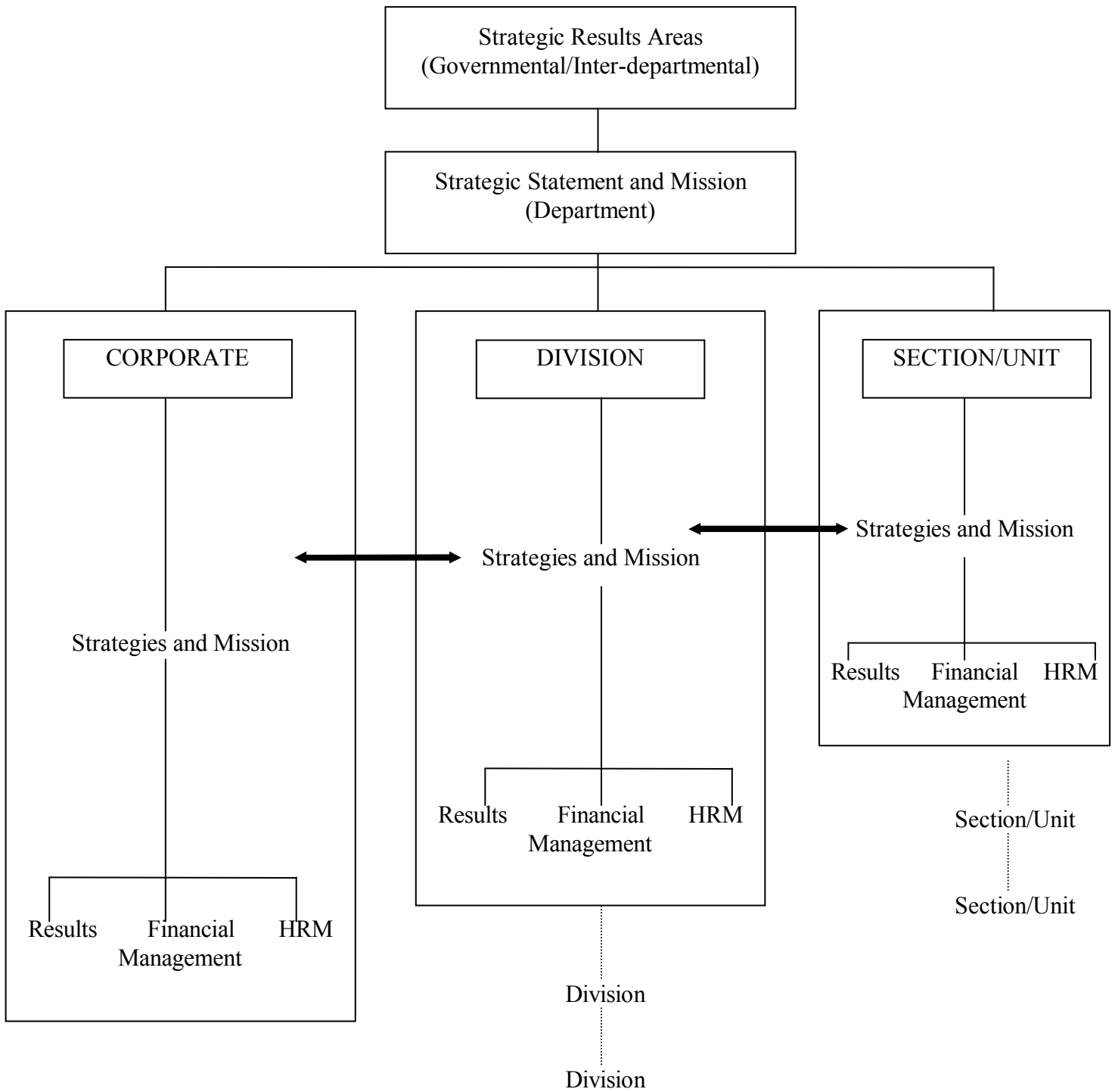
6. Linking corporate, division and section performance measures

So far, the discussion of the framework has concentrated on examples and illustrations from individual sections or divisions. In practice, the framework must be capable of linking performance measurement at the various levels in a department: corporate, divisional and section. This is important in ensuring a key aim of *Delivering Better Government* (1996: 9-10): that the work at various levels is focused in a coherent, consistent and co-ordinated way on achieving the objectives of government and contributing to the implementation of policy. These linkages are also important in supporting the Public Service Management Act 1997, which requires a clear system of accountability and responsibility to operate in government departments. The linkages are illustrated in Figure 3.

Using the integrated performance measurement framework, the Strategic Results Areas (SRA) to be identified as part of the Strategic Management Initiative (SMI) process can be linked to individual departments. For example, if an SRA was identified in the area of competitiveness, this might translate into departmental strategy to prepare a particular sector for market liberalisation and competition, and as in the results sheet example in Table 2, with consequent specification of section objectives, tasks and measurements with this result in view. Similarly, an SRA aimed at changing the gender balance in senior management positions could be tracked through individual department HRM sheets.

Thus it is envisaged that under the overarching guide of SRAs, set at governmental level across departments, there would be performance measures (for results, financial management and human resource management) produced for each main level in departments: corporate (the responsibility of the management team); divisional (usually under an assistant secretary); and section/unit (usually under a principal officer or assistant principal officer). In this way, the broad goals outlined in SRAs could be stepped down to the different levels, progress measured, and the results fed back to influence strategic thinking.

Figure 3: Linking Corporate, Division and Section Performance Measures

```
              ┌─────────────────────────────────┐
              │    Strategic Results Areas      │
              │ (Governmental/Inter-departmental)│
              └─────────────────────────────────┘
                            │
              ┌─────────────────────────────────┐
              │  Strategic Statement and Mission │
              │           (Department)           │
              └─────────────────────────────────┘
```

CORPORATE   DIVISION   SECTION/UNIT

Strategies and Mission ◄──► Strategies and Mission ◄──► Strategies and Mission

Results   Financial   HRM   Results   Financial   HRM   Results   Financial   HRM
        Management   Management   Management

                                                                   Section/Unit

                                         Division   Section/Unit

                                         Division

It should, therefore, be possible to identify those activities being undertaken within and between departments aimed at the same SRA, and assess whether there is overlap, sufficient co-ordination and so on. The performance measurements identified by the process would facilitate judgements as to the effectiveness of the actions being undertaken in achieving the SRAs, and facilitate co-ordination within and between departments.

7. Linking the framework with local measurement systems and outcome evaluation

As stated previously, the framework outlined here is not a comprehensive performance measurement system. It is intended to capture the key measurements at different levels in the organisation which are capable of being tracked on an ongoing basis. These key measurements will need to be complemented by local measurement systems and evaluation studies to get a comprehensive overview of performance.

7.1 Local measurement systems

For the day-to-day management of units, the key measurements obtained for the integrated performance measurement framework will only give part of the picture. There is likely to be a need for additional operational measures to provide routine information for management and staff.

To take the example of the Farm Improvement Programme illustrated in Table 1, indicators such as grant claims on hand and weekly trends in travel expenses may be needed to keep track of performance. Such indicators may not be deemed key measurements for reporting on progress in meeting strategy and objectives, but are nonetheless important for management of the scheme. The key measurements used in the integrated performance measurement framework would normally be drawn from local measurement systems.

7.2 Evaluation studies

Some measures proposed in the integrated performance measurement framework, particularly regarding outcomes, may need to be derived from evaluation studies. So, for instance, in the case of the Farm Improvement Programme example, the measure of change in farm income proposed in the outcome section of the results sheet of the framework is derived from an evaluation study. Farmers income is

notoriously difficult to assess, and the impact of the programme on income even more so. It is likely that to get a picture of income changes, an evaluation study would need to be carried out to try to tackle this issue.

Similarly, for many areas of policy work, the ultimate outcomes of policies are not discernible until several years after the policy was first developed, and there are problems disentangling the various factors that may have influenced what has happened. Outcome focused evaluations are needed in such circumstances to explore the more fundamental issues of policy performance to which performance measures and indicators cannot provide answers. Evaluations themselves may not provide definitive answers, but they facilitate a deeper level of understanding than is possible simply by monitoring performance measures and indicators.

The measurements proposed in the framework and collected on a regular basis would, therefore, need to be complemented by a system of periodic evaluation studies where this was deemed warranted. This would tie in with the proposal in *Delivering Better Government* (1996: 60) for reviews of programme expenditure at least once every three years.

8. Managing the process of establishing and maintaining the integrated performance measurement framework

The introduction and use of performance measurement in the civil service is a sensitive task. There may be resistance, due in part to concern as to how measures will be applied and used, in a context where objectives and measures are often difficult to specify and where multiple or conflicting objectives are not uncommon. In *Measuring Civil Service Performance* (Boyle, 1996: 11-20), a number of issues were identified which, if tackled positively, can create a supportive climate for performance measurement: the purposes for which measurements are to be used; the stakeholders to be involved; top-down versus bottom-up approaches; whether to focus on good practice or poor practice; the use of incentives and sanctions; the distribution of results; and training and development in performance measurement.

For such issues to be tackled, participation and consultation structures need to be put in place to enable difficulties to be resolved and procedures established. This is the case both for introducing the framework and then for using it in practice.

8.1 Establishing the integrated performance measurement framework

A facilitator (either internal alone, or with some external input under internal control) or small team is needed: (a) to drive the process establishing the approach to be followed, and (b) provide the analytical capabilities needed to pull together information obtained during the process of establishing the framework.

Drawing from the experience of the process used to establish the balanced scorecard in organisations (Kaplan and Norton, 1993), the facilitator or team is likely to need to embark on a series of interviews and workshops, with the following as one example of how the process might operate:

1. *Preparation.* The organisation defines the unit(s) for which the integrated performance measurement framework is appropriate. Senior management team

involvement and commitment is crucial here. They may choose to introduce the framework across the board, or to pilot it in one division or section deemed particularly appropriate, from which lessons can be learnt for future developments.

2. *Interviews: first round*. Each senior manager in the unit receives background material on the integrated performance measurement framework and the department's strategic statement. The facilitator conducts interviews with the senior managers to get their input on the department's strategic objectives and tentative proposals for performance measurements. The facilitator may also interview other key stakeholders such as clients, to learn about their performance expectations.

3. *First workshop*. The management team is brought together with the facilitator to develop the measurements (results, financial management and human resource management) illustrated in Table 1. The group determine objectives, key tasks and key measurements.

4. *Interviews: second round*. The facilitator reviews, consolidates and documents the output from the workshop and interviews each senior manager about the framework. The facilitator also seeks opinions about issues involved in implementing the framework.

5. *Second workshop*. This workshop, which should include more junior managers, is divided into working groups who comment on the proposed measures, and start to develop an implementation plan, including targeted rates of improvement against each of the proposed measures.

6. *Third workshop*. The senior management team meet to come to a final consensus on the framework and measurements, and on an implementation programme, including communicating the framework to employees, integrating the framework into management philosophy, and developing an information system to support the framework.

The process described assumes a division or section with a large number of staff and different levels of management. For smaller divisions or sections, workshops

may include all staff if deemed appropriate. The process outlined above is a guide rather than a strict procedure to be followed.

8.2 *Using and maintaining the integrated performance measurement framework*

To ensure that the performance measurements outlined in the framework are relevant, they will need to be used in the management of the department, and the framework built into the departmental management and review process. It is possible, for example, to think of quarterly or half-yearly reviews of divisions being conducted by a department's management advisory committee, with the integrated performance measurement framework at the heart of this review. Top management would have an opportunity to assess progress, and in dialogue with divisional management, determine the continuing relevance of the objectives, key tasks and key measurements as they relate to new strategies and issues which may be emerging out of the departmental strategic management process.

Similarly, it is possible to envisage quarterly or monthly review meetings of section/unit performance measurements being carried out at divisional level. Such meetings would help ensure that line managers and staff are aware that senior management take performance measurement seriously. The process ensures that the framework is not regarded as simply a paper exercise.

The framework will need to be adaptable enough to cope with changing priorities and new work demands. Particularly in policy areas, new priorities can emerge quickly from government, or new issues arise in the national and international arena. In these circumstances, there is no point being locked into tasks and measurements that are no longer relevant or appropriate. The process of how the measurements are used is crucial here: managers must be willing and able to drop redundant measures and develop new measures that reflect the changing circumstances.

In all, *how* the framework is introduced and used as a performance measurement tool is likely to be as influential in its impact as what is contained in the measurement sheets. It is particularly important (a) that the measurements produced are limited in number, to avoid the framework being over-elaborate and hence ignored because of other work pressures and (b) that the measurements are actively used in the management process.

References

Boyle, R. (1990), *Making the most of management information*, Dublin: Institute of Public Administration.

Boyle, R. (1996), *Measuring civil service performance*, Dublin: Institute of Public Administration.

Delivering Better Government – a programme of change for the Irish civil service (1996), Second Report to the Government of the Co-ordinating Group of Secretaries, Dublin: Stationery Office.

Kaplan, R.S. and D.P. Norton (1992), 'The balanced scorecard – measures that drive performance', *Harvard Business Review*, January-February, pp. 71-79.

Kaplan, R.S. and D.P. Norton (1993), 'Putting the balanced scorecard to work', *Harvard Business Review*, September-October, pp. 134-47.

Kaplan, R.S. and D.P. Norton (1996), 'Using the balanced scorecard as a strategic management system', *Harvard Business Review*, January-February, pp. 75-85.

Martin L.L. and P.M. Kettner (1996), *Measuring the performance of human service programs*, London: Sage Publications.