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Government Public Performance Reporting—Is It Worth the Effort?

By Jeff Tryens[1]

Introduction

Call it what you will—performance management, managing for results, data-driven decision making—it is what good government managers aspire for these days. We true believers take as an article of faith that reliable, timely data on inputs, outputs, activities, outcomes and, often, societal-level measures[2] are essential for effective and efficient governance. We also believe that public accountability demands that performance data be publicly available. But who actually uses the vast amount of information that is produced? Does it really improve the lives of citizens by enhancing government performance?

The practice of reporting how governments and individual agencies perform their duties has been popular in the United States for the past 25 years. As part of a larger government accountability initiative championed by United States' presidents, state governors, and mayors, these government performance reports generally come in two types: Type 1—reports are mandated by a specific authorizing environment, usually by law, as a tool to exercise oversight of a government agency with no underlying strategic plan requirement; and Type 2—reports are intended to quantify and track achievement of the goals identified in a government-sponsored strategic planning document or set of "strategic priorities." In practice, most public reports combine certain parts of both oversight and planning function to match their earlier order of appearance.

The Mayor's Management Report (MMR) in New York City was mandated by city statute (charter) as part of a series of steps taken to stabilize the city's finances in the 1970s. The MMR, which reports on over 1,500 indicators of all types—activities-level to societal-level per usual progression—has been published twice a year since 1977, but has no linkage to a citywide strategic plan although some reporting agencies have their own strategic plans.

The approximately 100 Oregon Benchmarks,[3] which would be considered societal-level indicators, were part of a state-sponsored strategic visioning

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[2] Societal-level measures are indicators, like poverty or atmospheric carbon dioxide, which are beyond the direct reach of any particular agency or even government, but are ultimately the conditions those agencies and governments are attempting to influence.

[3] The state of Oregon called the indicators used in its strategic visioning process "benchmarks."

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process called *Oregon Shines*. Over time, the legislature introduced an oversight function requiring agencies to produce performance measures related to the goals of the *Oregon Shines* vision.

On the other hand, South Australia's Strategic Plan was created by Premier Mike Rann without parliamentary authorization. It has approximately 100 "targets" supported by key measures, mostly societal-level or outcomes, supporting a strategic vision for the state of South Australia.

In all three instances: (i) the reporting entity was directly under the management or oversight of the chief elected official of the city or state, (ii) the measures included desired future performance "targets," and (iii) an individual agency was assigned lead responsibility for achieving the performance target.

Regardless of the report's "flavor," the key to successful government reports—those which actually contribute to improved government performance—is steady support from influential champions. While the backing of the "boss," usually the chief elected official, is essential, it is often not sufficient. During the author's first week on the job at the Oregon Progress Board,[4] the director of the Oregon legislature's powerful Ways and Means Committee welcomed him to the state asking why he had moved all the way across the country (from Maryland) for a position that would only last for 6 months. The director explained that the Republican-controlled legislature had decided to allow the Progress Board's authorizing legislation, created when the Democrats controlled both the House and the Senate, to "sunset" at the end of the year. Fortunately, two influential Republicans—a representative and a senator—almost single-handedly turned the situation around when they agreed to shepherd a bill to reauthorize the Progress Board, including staffing, through their respective chambers. (For more on this leadership challenge, see the Harvard Kennedy School case on *The Oregon Benchmark Program: The Challenge of Restoring Political Support* referenced in the bibliography).[5]

Stakeholder Groups

Based on 20 years of managing performance reporting for six United States (US)and Australian jurisdictions, and providing advice to many others, usage by six stakeholder groups is examined: (i) government managers, (ii) elected officials, (iii) the media, (iv) the general public, (v) issue advocates, and (vi) community leaders.

Undoubtedly, these observations apply more directly to developed rather than developing countries but generally such observations can be applied to any government wishing to improve its performance through greater public accountability.

Government managers run the engine rooms of government performance improvement. As such, one would expect them to be heavy users of performance reports, which, to a certain extent, they are. These managers can be divided into two relevant categories—agency heads and operations directors.

Today's effective agency head is an avid user of performance information. However, most agency heads find the type of public performance reporting described in this paper an obligation that is of little use to them as managers. One New York City agency head went so far as to tell the author, "No one gives a damn about the MMR." He and his peers wanted actionable, current data, not a compilation of what happened last year. As a result, earnestly crafted performance reports designed for public consumption are often ignored, or at best, given lip service at many executive review sessions. At a minimum, one positive effect public performance reporting has for all agency heads is that its mere existence forces them to carefully look at the data within the reporting time frame before publication or risk public embarrassment. Along the way, useful learning and priority setting may occur.

Agency heads, more than any other stakeholder, will attempt to shape the way data is publicly reported to cast a positive light on their agency. In New York City, a last minute call from certain agency heads to the head of the Mayor's Office of

4 The Oregon Progress Board was created by the Oregon Legislature to oversee the roll-out of the state's strategic vision, Oregon Shines. Chaired by the governor, the board was made up of statewide leaders from business, education and community as well as state and local elected officials.

5 Oregon, like many other states, has a provision that, when invoked, causes new laws to "sunset" or expire after five years if the law is not reauthorized by the legislature.

Operations, or in some cases, directly to the deputy mayor for operations demanding changes in the placement of a chart or the "tone" of a paragraph in a draft MMR was almost a given. While nothing was ever deleted, paragraphs were reshaped or charts moved to satisfy an agency director. Again, however, the mere existence of the report raised issues that had to be addressed by reluctant agency heads.

Operations managers are inherently data people with performance measures often reflecting directly on their own personal performance. The street cleaning manager of the New York City Sanitation Department would call the Mayor's Office wanting to know where the data was, if the monthly published street cleanliness rating was even a day late, because, in this instance, the data was useful to him. He regularly deployed cleaning crews to areas with low ratings that month. However, neither he nor his superiors were interested in altering the way resources were deployed when an analysis of the data revealed that a significant percentage of cleaning districts' ratings would not suffer should the frequency of cleaning be cut in half.

Elected officials should, in an ideal world, be using performance data to guide the state toward better results. Like managers, this group can be divided into two branches—executive and legislative.

The leading maxim of performance reporting is: "if the chief elected official is interested, everyone is interested." The widely known fact that the governor of Oregon regularly chaired Progress Board meetings dramatically increased the influence of the Oregon Benchmarks. When Premier Mike Rann regularly referenced South Australia's Strategic Plan targets in his speeches, agency heads took note. When New York City Mayor Michael Bloomberg had a giant TV screen installed in his "bullpen" featuring data and agency ownership of MMR indicators, agency heads could only hope that, while meeting with the mayor, one of their agency's indicators did not appear on the screen surrounded by a red border indicating poor performance.

The opposite also holds true. Elected chief executives, such as mayors and governors, tend to lose interest, over the long term, in performance reporting, especially if the data is not favorable. In 2003, the newly elected governor of Oregon chose food insecurity (a more inclusive surrogate for hunger) from among the Oregon Benchmarks as his top human services priority. Having experienced hunger as an orphan, he was determined to improve Oregon's poor ranking as one of the most food insecure states in the nation. Four years later, after concerted efforts by the governor and his allies, Oregon remained near the bottom of the heap. While losing none of his fervor for hunger reduction, the governor dropped his rhetorical references to Oregon's hunger ranking after a few years of no improvement. Data fatigue, generally, can similarly affect chief elected executives. In New York City, the yearly relentless performance reporting of over 1,500 indicators required by law appeared to have lessened the mayor's legendary passion for data to the point that a new issue of his own MMR in his final years in office merited little more than a perfunctory press release.

Occasionally, a legislator, city councilor, or member of parliament was genuinely interested in performance reporting. In Oregon, the same legislative champions genuinely wanted to use Oregon Benchmark data to hold state agencies accountable for achieving results. A law was passed requiring agencies to develop performance measures showing how they contributed to the high-level outcomes represented by the Oregon Benchmarks. Agencies had to report their performance as part of the budget review process, and they had to issue detailed performance reports analyzing their results. Unfortunately, after a decade the legislature had eliminated all funding for benchmark reporting and the entire process has been allowed to atrophy because the legislative champions moved on, and no one stepped in to fill the void.

In New York City, two city council committee chairs expressed interest in better using the performance measures found in the MMR to improve agency performance. Unfortunately, the hardball politics of New York City government dictated that mayor's office employees could not actively support these discussions—so little happened. Like the mayor, the council leadership appeared to have lost interest in performance reporting, not bothering to hold the yearly hearings on the MMR mandated by the city charter.

The challenge for successfully engaging **the media** is how to nurture a reputation as a trusted provider of unbiased information on government performance—the good, the bad, and the ugly—while often serving a political master. During the glory years of the Oregon Benchmarks, the statewide daily newspaper, *The Oregonian*, splashed the newly released benchmark data across the paper, sometimes featuring key trends on the front

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page. In 2000, Progress Board polling showed that 25% of Oregonians had heard of the Oregon Benchmarks, thanks to extensive media coverage. The board members themselves, were the key to this acceptance—all were highly regarded "stewards" of Oregon led by the governor who chaired the board. In South Australia, a community advisory board and an audit committee provided the firewall between the Premier's office and the performance information provided to the public. In New York City, no such insulation occurred. So the dynamic was, as noted earlier, department heads attempting to avoid finding themselves in the crosshairs of one of New York's three daily newspapers for some negative trend gleaned from the MMR.

In an ideal world, the interested general public should have at least passing knowledge of a jurisdiction's performance reporting. They are, after all, the avowed audience for developing a public performance reporting approach, and engaging them lends legitimacy to the entire exercise. Practically speaking, the interested public is happy to know that a trustworthy set of measures is generated for their use, but few will actually take the time to study the information unless engaged in a formal review process.

While public awareness of government performance reports is almost an oxymoron, in two instances, both Oregon and South Australia public awareness of the indicators or the strategic plan underlying them was relatively high. In Oregon, a population survey conducted in 2000 showed that one out of five Oregon adults has heard of the Oregon Benchmarks, undoubtedly aided by the fact that the measures themselves were part of the state's educational attainment standards. In South Australia, the government spent over A$1 million on an advertising campaign introducing South Australia's Strategic Plan, including purchasing the rights to use what became a number one song in the country—"We're All in This Together" by Ben Lee—as part of the campaign. In New York City, on the other hand, the web-based performance reports issued by the Mayor's office receive about 20,000 visits per year which is not bad until you consider that New York City has over eight million residents (in comparison, the city's 311 system which allows citizens to request city government to address a problem, ranging from noisy neighbors to broken signs to leaking fire hydrants, generated over 400,000 requests for service in 2013).

Issue advocates, like operations managers, are heavily focused on data—they want data on their particular issue, which they care about deeply, and they want lots of it. In the early days of the current wave of performance reporting, say 20 years ago, they were enthusiastic users of information generated by government performance reports. Back then, the first, and often the only, place to go to for data was a government performance report. As noted earlier, Oregon's largest newspaper would devote substantial column inches to a new benchmark report because we were providing new information on the state's well-being. Today, New York City is required to post all of its machine readable data, including everything that goes into the MMR, on an open data website—meaning advocates can do their own analysis of measures of their own choosing. (In 2013, New York City's open data website received over one million hits.)

While public performance reports are still important for issue advocates—first to validate the importance of their particular issue, and second to put an official imprimatur on a set of noteworthy data—such data are often of secondary importance compared to unformatted, often more up-to-date, data that is theirs for the taking, either from individual agencies or from jurisdiction-wide open data sites.

Community leaders are a highly attractive audience for government performance information. Self-declared civic improvers, like Rotary Clubs, neighborhood associations, or the League of Women Voters, usually care deeply about societal-level indicators without feeling the need to "spin" the information for some particular purpose, unlike many other stakeholder groups. More often, they also have the clout needed to make things happen when needed.

For a reporting process to be effective, engaging community opinion leaders should be high priority. In Oregon, presentations were regularly made in different parts of the state to organized groups of opinion leaders. At the first-ever South Australian statewide strategic planning "congress," state government officials, with great apprehension, received their marching orders regarding strategic priorities from community opinion leaders after receiving briefings on performance trends. In New York City, the MMR team attempted, with limited success, to engage the city's 59 community boards to act on local-area data generated by the mayor's office. (Unlike its relationship with the city council, the general view in the mayor's office was that community boards were obstacles, not partners.)

Comparing and contrasting data from different jurisdictions is a helpful way to animate what is basically historical data. In Oregon, wherever possible, Oregon's performance on a particular indicator was contrasted to that of Washington State's. Despite Washington having twice the population and significantly higher per capita income, Oregonians felt comfortable with the comparison. Similarly, Oregon's performance was contrasted with the national average, and occasionally, other countries. A good example of comparing and contrasting performance measures is the North Carolina Benchmarking Project. Managed by the University of North Carolina School of Government, the multiyear analysis uses performance data from 13 municipalities to compare and contrast performance across numerous service areas.

Regarding the effect of performance reporting on public well-being, the Milbank Memorial Fund, a US foundation focused on public health, funded a study in 2001 to determine if the existence of the Oregon Benchmarks actually improved the health outcomes of Oregonians. The author and researchers found no quantitative evidence that Oregon's health outcomes were any more improved over the life of the benchmarks than comparable states. However, the study was able to determine that state and local health leaders, across the board, believed that the existence of the benchmarks positively contributed to attempts to achieve better health outcomes.

Lessons Learned

What then has been learned after more than 20 years of public reporting of government performance information? For a reporting framework to be effective and sustained over time, nine lessons are proposed to be incorporated in the public reporting approach.

Lesson No. 1—Measures should be grounded in a strategic vision or plan including desired future performance levels.

The most successful performance reports were grounded in some sort of strategic overview. Agencies should always be able to link their publicly reported indicators to either a government-wide or internal set of desired long-term results accompanied by a statement of how they intend to achieve those results. Without such statements, indicators can come across as little more than a "feel good operation" as one state senator derisively described the Oregon Benchmarks. Well-thought-out strategies for achieving the better worlds described in performance reports are often the weakness of public performance reporting. Strategies are often either nonexistent or incapable of achieving the desired result.

Lesson No. 2—A few good measures can go a long way toward understanding performance.

Governments are constantly pressed by stakeholders for more and "better" performance information. Usually, governments cannot afford or justify generating the panoply of measures utilized by cities like New York. A handful of well-crafted measures can go a long way toward understanding how well a government performs in a specific area. For instance, in the area of child protection, the rate of repeated abuse of children in state care is the key measure of how well the system works. One might also want to know (i) the cost of services related to abuse, (ii) how difficult the problem is, (iii) what segment of the population appears to be most responsible for abuse, and (iv) the reporting frequency of professionals possibly in contact with victims. All good, but the simple, and easily collectible, "repeated abuse" rate is the most revealing measure of government performance, in this instance. Naturally, an agency or government should be prepared to probe further into a performance trend if it proves problematic, although not all data for all issues are needed to make any performance report useful.

Lesson No. 3—Performance reports must be trustworthy.

To be taken seriously by stakeholders, a purely government report requires some form of validation. The Oregon Progress Board, a state government entity, was made up of widely recognized civic leaders who served this function. In South Australia, an independent expert advisory group called the "audit committee," reviewed all performance reports prior to publication. The Columbia River Gorge Commission, an agency set up by the US Congress to look after the gorge, used an empowered community leaders' group to oversee the reporting process. New York City, in the author's opinion, is hindered by the fact that the report is issued by the mayor with no direct oversight or input from any independent body.

Another important aspect of trustworthiness is consistency. Nothing can be more frustrating to dedicated users of performance information than measures changing in some unpredictable manner.

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Over time, measures certainly need to be improved and revised; ideally occurring when an underlying strategic plan is updated or through a legislative mandate.

Lesson No. 4—The information provided must matter to the boss.

Many jurisdictions go out of their way to create performance measures and reports that "transcend" political administrations, as noted in Lesson No. 3. However, such an approach only works if the process has a built-in "refresh" button that allows each new administration to put its stamp on the measures and the underlying vision they support. When the Oregon Benchmarks and the underlying strategic vision, *Oregon Shines*, were not updated when a new governor took office, the staff was forced to create a process for presenting the plan and indicators through the new governor's prism—to the satisfaction of none. If it doesn't matter to the chief elected official, it doesn't matter.

Lesson No. 5—Cater to the stakeholder groups that value the information.

In Oregon, county public officials hungered for performance information that showed how their county (substate government jurisdiction) compared to Oregon's 35 other counties. The Oregon Progress Board developed special reports delivered by staff, *in situ*, to give the counties the information they desired. For years, their strong support voiced to members of the state legislature protected the Oregon Progress Board from funding cuts in very lean years. Civic improvers are, as a rule, usually the influential group most interested in performance data, both government-specific and community-wide. Generally, performance information targeted to some entity with a personal affiliation—an agency, a city or county, or an issue—generates the greatest interest.

Lesson No. 6—Public performance reports should support a robust data analytics capability.

A good performance report should include not only an explanation of data trends, but also provide analysis of causes and explore possible solutions to problematic trends. In New York City, the MMR was the "grand dame" of management improvement but it was supported by a data analytics unit, drawing upon a myriad of data sources, which was the driver for solving complex management challenges faced by the city. In this case, performance reporting identified the "what"—for instance, chronic storm-related sewer overflows in particular areas—but more extensive data analytics was required to answer the "why"—illegal dumping of restaurant brown grease into storm drains. At the very least, any data focused performance report should include a commentary explaining the data presented.

Lesson No. 7—Don't assume that potential consumers of performance information will understand even the simplest of data presentations.

During the past few years, the author has administered a "data literacy" test for audiences. In this test, members of the audience were asked to interpret a simple scatter graph (individual data points plotted against the X and Y axes). Even audiences made up of professional performance reporters barely ever score above 50% when asked to answer a less than intuitive question. Those in the performance reporting business must constantly go the extra mile to assure that data is understandable.

Lesson No. 8—Just because you can measure it doesn't mean you can manage it.

We have all heard of the performance maxim "if you can't measure it, you can't manage it." On the other hand, just because we can measure hunger, job creation, water usage, or murders doesn't mean we can bend those indicators to our collective will. Good measures are better than no measures, but these are only small contributing factors when implementing strategies to solve persistent societal issues addressed by governments and their partners.

Lesson No. 9—Stakeholders matter.

A well-documented, visually intuitive, strategy-based performance report is of limited use if stakeholders are not using the information presented to improve government services to those in need of such services. Report originators should do everything within their power to "market" their reports to as many of the groups described above as possible. This work is not optional. Reaching stakeholders that can make a difference should be part of the planning process for every government performance report from day one.

The Governance Brief was peer reviewed by Artur Andrysiak, results management specialist, Results Management Unit, ADB; Bernard Woods, principal urban development specialist, Urban and Social Sectors Division, ADB; and Alison Wescott, international development consultant.

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