



A Balanced View of Performance?



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Background

Performance measures (PMs) in public services have a long history, but have been developed and increasingly emphasised in the recent past, particularly in England (see Figures 1 and 2). Many PMs have been criticised for undermining the overall quality of service in pursuit of narrow targets, while private firms have increasingly adopted a 'balanced scorecard' approach, involving a range of measures that include finance, business processes, customers and innovation. But we have limited knowledge of how public service organisations develop and use PMs in practice, or of how far the public sector can learn from private sector PM systems.

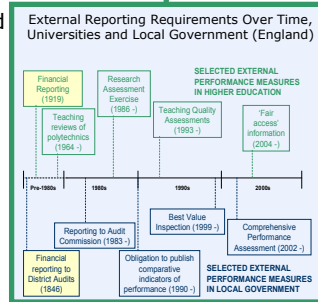


Figure 1

What We Did

- ◆ We conducted qualitative studies of the use of PMs in four organizations in the south of England (Figure 3), two unitary city local authorities and two universities (one 'old' and one 'new').
- ◆ Within these organizations we analysed documents, attended meetings and carried out about 80 interviews with senior managers.
- ◆ We used that information, along with earlier research data, to develop a theory of performance management and pilot a questionnaire that could be used to further this study and extend it to other public service domains.

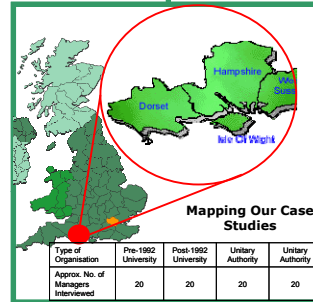


Figure 3

Aims

We aimed to:

- ◆ investigate the practices of performance measurement, strategy and accounting in two public service domains: higher education and local government;
- ◆ improve our theoretical understanding of the way these practices work;
- ◆ suggest some practical improvements to performance management, strategy and accounting systems and identify what appeared to be best practice.

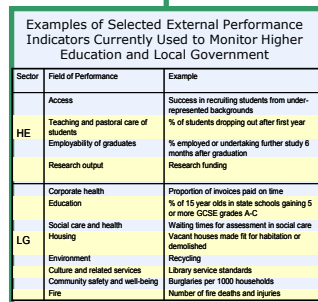


Figure 2

Findings

- ◆ There were sharp differences between the local government and university case studies, with a more pervasive PM culture observable in local government (Figure 4).
- ◆ There were also common features, notably a disjunction between PM reporting cycles, budget and strategic planning.
- ◆ Where there was a prevalent PM culture, such as in local government, dysfunctions of PMs for service outcomes were also prevalent reflecting a lack of useful outcome measures for management to focus on.

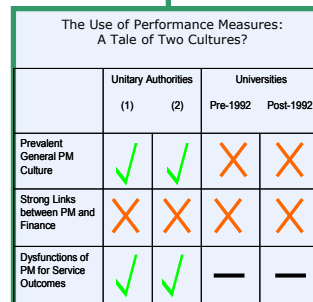


Figure 4