Current Themes in Performance Measurement and Emerging Challenges of the Government Performance and Results Act in the United States

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Abstract: This study explores how performance measurement has changed over time and identifies the major themes and emerging challenges of the Government Performance and Results Act by reviewing the literature of performance measurement. This study categorizes three themes in performance management studies—conceptual, technical, and managerial—and examines three challenges of the GPRA—adjustment, measurement, and complexity. Although many have argued that performance measurement and the GPRA are some of the best alternatives for improving government, there are many challenges that are difficult to resolve easily. This study argues that performance measurement is not a panacea for improving government; rather, many considerations about how we use or deal with performance measurements are needed.

Keywords: performance measurement, GPRA, reinventing government

INTRODUCTION

Since its inception, the field of public administration has been concerned with government performance (Light, 1997; McGregor, 2000). Performance measurement is an old idea that has taken on a renewed importance. Past decades have witnessed a growing body of literature on performance measurement in the public sector. A number of authors have discussed the history of performance measurement (Bouckaert, 1992), the value of performance measurement (Newcomer, 1997; Wholey, 1999), obstacles to performance measurement (Ammons, 1992; Kravchuck and Schack, 1996), the experiences of public organizations with performance measurement (Bowden, 1996), and methods for promoting measurement improvement through performance measurement (Hatry, 1999; Wholey, 1999). One of most influential reforms on performance measurement has been the Government Performance and Results Act of 1993 (GPRA). Notwithstanding these efforts,
many issues related to performance measurement and the GPRA remain to be discussed. This study explores how performance measurement has changed over time and identifies current themes and emerging challenges to the GPRA by reviewing the literature of performance measurement.

WHY MEASURE PERFORMANCE?

Why measure performance? One reason is that measuring performance is good. But how do we know it is good? Because all business firms measure their performance, and everyone knows that the private sector is managed better than the public sector (Behn, 2003: 587). A variety of commentators have offered a variety of purposes. Wholey and Newcomer (1997: 92) observe that the current focus on performance measurement at all levels of government and in nonprofit organizations reflects citizen demands for evidence of program effectiveness. In their case for performance monitoring, Wholey and Hatry (1992: 604) note that performance-monitoring systems are beginning to be used in budget formulation and resource allocation, employee motivation, performance contracting, improvement of government services, and improvement of communications between citizens and government.

The Governmental Accounting and Standards Board suggests that performance measurement is needed for setting goals and objectives, planning program activities to accomplish those goals, allocating resources to those programs, monitoring and evaluating the results to determine whether progress is being made toward achieving the established goals and objectives, and modifying program plans to enhance performance (Hatry et al., 1990: v). Ammons (1996: 37) promises that more sophisticated measurement systems will strengthen management processes, better inform resource allocation decisions, enhance legislative oversight, and increase accountability. Osborne and Plastrik (2000: 247) argue that performance measurement enables officials to hold organizations accountable and introduces consequences for performance. It helps citizens and customers judge the value that government creates for them, and it provides managers with the data they need to improve performance. Performance measures can be used for multiple purposes.

PERFORMANCE MEASUREMENT: AN OLD IDEA

Modern governmental performance measurement can be traced back to the turn-of-the-century Progressive political movement and the scientific management movement. The father of scientific management, Frederick Taylor, rejected subjective means of defining work and stressed the importance of using objective measures to describe work. Taylor argued for the establishment of objective performance standards through rigorous systematic investigation. Objective measures of work are means, not ends, because the descriptions are used to improve the production process (Fry, 1989). The bureau and early public administration theorists assumed that the appropriate approach to effective decision making was rationality. These early efforts in public-sector performance measurement were sidetracked by World War II, but interest and enthusiasm for performance measurement was revived with the social indicator movement.
During the mid-1960s, social scientists such as Daniel Bell believed that social indicators, such as economic indicators, should be compiled and reported. One of the early benchmark publications was Bauer's Social Indicators (1966), the result of a study commissioned by the National Aeronautics and Space Administration (NASA) to examine the impact of the space program on society. Soon after, Bauer’s report, Toward a Social Report, presented a set of social indicators for measuring government's effectiveness at meeting social needs. Thus, public-sector performance was measured and judged in terms of its effect on society as well as its efficiency. However, initial optimism about the benefits of systematic measurement was replaced by the reality that reporting by itself cannot solve problems or improve performance (Innes, 1990).

During the 1970s, the tightening budget, pressure from citizens demanding accountability, and a drive to achieve efficiency instigated a search for practical methods of collecting and analyzing performance data (Hatry, 1980). The Urban Institute helped to develop a measurement system geared toward local officials’ needs. In the 1980s, the private sector experimented with a number of productivity initiatives defined by total quality management (TQM) as the performance-measurement field expanded to consider the notions of service quality, customer satisfaction, and managing by results.

During the 1990s, a number of forces in the field of public administration renewed or reinvigorated interest in performance measurement. Taxpayer revolt, pressure to privatize public services, legislation aimed at controlling “runaway” spending, and the devolution of many public services generated increased demands to hold government agencies accountable to legislatures and to the public in terms of what they spend and the results they produce. In addition, the reinventing government movement, initiated by Osborne and Gaebler in 1992 and by Vice President Al Gore’s National Performance Review in 1993, called for a new way of thinking about how public agency performance is defined and measured.

One of the most important emphases on performance measurement has been the Government Performance and Results Act of 1993: This law requires strategic planning and performance reporting by agencies throughout the federal government. Many state governments have implemented macro-level processes for statewide strategic planning, budgeting, and performance measurement, such as the Oregon Benchmarks program, Minnesota Milestones, Texas Tomorrow; some states are ahead of the federal government in this regard.

CURRENT THEMES IN PERFORMANCE MEASUREMENT

Since the implementation of the GPRA in 1993, a number of substantial studies on government performance measurement have been produced. Many researchers associated with performance measurement (Ammons, 2001; Berman, 1998; Hatry, 1999; Hatry et al., 1999; Heinrich and Lynn, 2000; Kearney and Berman, 1999; Sims, 1998; Williams, Webb, and Philips, 1991; Williams, 2003) have provided not only technical advice on such matters

† President Lyndon B. Johnson directed the Department of Health, Education, and Welfare to develop the necessary social statistics and indicators to supplement those prepared by the Bureau of Labor Statistics and Council of Economic Advisers. With these yardsticks, we can better measures the distance we have come and plan for the way ahead.
as inputs, outputs, outcomes, and benchmarks but also conceptual and managerial advice on how performance management meets public objectives, how it uses resources to do so, and how its processes can be made more productive. In particular, Poister (2003) offers a comprehensive resource for designing and implementing effective performance-measurement systems at the agency level. He mentions that comparative performance measurement will help public organizations support resulted-oriented management approaches such as strategic management, resulted-based budgeting, performance management, process improvement, performance contracting, and employee incentive systems.

**Figure 1. Theoretical Framework for Performance Measurement and Challenges of the GPRA**

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Inghram (2005: 391) argues that three issues need to be addressed in performance measurement: (1) the capacity of public and nonprofit organizations; (2) the ability of performance measurement; and (3) the role of leadership in communicating performance. She argues that performance needs to be about creating the necessary conditions for success. This study creates a theoretical framework for understanding and analyzing the main themes in performance measurement and challenges of the GPRA. The main themes in performance measurement comprise (1) conceptual, (2) technical, and (3) managerial themes. The challenges of the GPRA are categorized as (1) adjustment challenges (political process), (2) measurement challenges (administration process), and (3) complexity challenges (implementation process).

**Conceptual Themes**

Major studies concerned with conceptual themes focus on the idea of government productivity. Do governments simply have to seek more efficiency in economic aspects? What is a truly good way to improve government productivity? Is the government sector
the same as the business sector? Is there some difference between the public and private sectors? If any, can the differences be overcome? (Forsythe, 2000).

Conceptual studies deliberate on the philosophical issues of performance measurement. For example, can the idea of productivity be the same in government management as in business management? Can government performance be measured by the formula of efficiency only? If not, are there any additional indicators? The effectiveness of education and welfare services can hardly be measured by short-term indicators such as economic efficiency or the numbers served by those services. In many cases, the opponents of reinventing movement and their critiques have dominated conceptual studies.

Technical Themes


In general, we assume that performance measurement is a good managerial tool for quality improvement in public service. In this regard, technical studies try to figure out whether performance measurement is a kind of value-free tool that can be adjusted across organizational cultures, structures, and social environments in the public sector. Through the technical development of performance measurement, technical studies show us that performance measurement can be a good tool for managing public organizations effectively. Many theories and techniques used by performance measurement have made great contributions to the scientific development of the whole sphere. Hatry (1999) has provided substantial volumes of helpful knowledge concerning the whole process of designing measurement indicators, from identifying a program’s mission, objectives, and outcomes to finding the best indicators for each outcome.

Managerial Themes

Can performance measurement in public organizations have sustainability? How can we develop and retain the rationale and practices of performance measurement? These kinds of studies focus on how to establish not only a technical measurement but also a measurement culture and mind-set in public organizations and with public employees. Some studies on managerial themes demonstrate how significant communication channels can be constructed between citizens and the bureaucracy, between managerial-level employees and street-level employees, and among all levels of government. For example, involving citizens more actively and appropriately can help to build a broader constituency for the performance-measurement process, clarify a community’s vision and priorities, and strengthen accountability for program performance between citizen and public officials. Three primary groups are involved in designing performance measurement: elected officials, public managers, and citizens. The role of citizens is more important. There are several roles for citizens in designing performance measurement: as visionaries, as customers, as co-producers of services, as evaluators, and as owners (Callahan and Holzer, 1998).
The managerial theme highlights human aspects of performance measurement beyond the technical aspects. When compared to traditional issues, the managerial theme generally puts a greater emphasis on strategic planning, measurement of program outcomes, customer satisfaction, results-oriented objectives, and the use of business-like process-improvement tools (Osborne and Plastrik, 1997; Swiss, 2005: 592; U.S. Commerce Department, 2004). In particular, public employees' perceptions and cooperation with performance measurement are a crucial antecedent for a successful performance-management system. Measurement initiatives are typically most successful when they secure the input and support of frontline employees and supervisors. In this regard, employee attitudes toward benchmarking initiatives are the most important consideration for successful implementation (Ammons, 1999; Wang, 1999). In short, many studies on managerial themes demonstrate whether performance measurement can provide useful information for managers, employee, and citizens—a key consideration because the fundamental goal of performance measurement is to improve the quality of service, citizen satisfaction, efficiency, and effectiveness.

THE GPRA AND ITS EMERGING CHALLENGES

One of the most important changes in performance measurement has been the Government Performance and Results Act of 1993. This law helps to resolve the problems that have undermined federal agencies' efficiency and effectiveness and provide greater accountability for results. The intention of the GPRA is to address several broad purposes, including strengthening the confidence of the American people in their government; improving federal program effectiveness, accountability, and service delivery; and enhancing congressional decision making by providing more objective information on program performance (GAO, 2004: 4–5).

The GPRA requires executive agencies to complete strategic plans in which they define their mission, establish results-oriented goals, and identify the strategies needed to achieve those goals. Through this strategic planning requirement, the GPRA also requires federal agencies to reassess what they will need to achieve their goals. The GPRA requires agencies to measure their progress toward the achievement of their goals in an annual performance plan and to report annually on their progress in program performance reports. If a goal is not met, the report is to provide an explanation and present the actions needed to meet any unmet goals in the future. These reports are intended to provide important

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* Performance measures are quantitative or qualitative indicators used to assess an agency's performance. The GPRA process uses three types of measures: inputs, outputs, and outcomes. Inputs are measures of manpower, equipment, facilities, or any other resources allocated to produce an output or outcome. Outputs are generally conceptualized as the products of an agency's activity or as "effects that can be described in a quantitative or qualitative manner and reflect products or services produced by a program or process and delivered to customers." Outcome measures reflect the quality and effectiveness of program and services, whereas outputs are more quantitative and relate efficiency ratios. Outcome measures are external to the organization in the sense that they focus on results and measure the extent to which the service or good provided met with citizen's expectation (Radin, 1998).
information to agency managers, policy makers, and the public on what each agency accomplished with the resources it was given.

Notwithstanding that the GPRA is one of the best alternatives for improving governments, there are many challenges to resolve. This study categorizes and analyzes three kinds of challenges to better understand the challenges of the GPRA: (1) adjustment challenges (political process); (2) measurement challenges (administration process); and (3) complexity challenges (implementation process).

**Adjustment Challenges**

The U.S. political process is influenced by six aspects: election cycles, partisanship, time frames, divided government, the budget process, and the GPRA process (Radin, 2003: 1151). The GPRA is available ammunition for political figures to use to advance their own electoral agendas. Over the past several years, politicians have used the GPRA as a wedge to attack programs that they do not support. The politicians' short time frame allows them to maintain their flexibility as well as their discretion and ability to respond to emerging issues.

The GPRA provides that federal agencies must consult with congressional committees and other stakeholders as strategic planning efforts progress. This requirement is the GPRA's most significant challenge because any effort to link resources and results must encompass a fundamental understanding of the goals of a particular program. However, discussions between agencies and Congress on strategic planning are likely to underscore the competing and conflicting goals of many federal programs, as well as the different expectations among the stakeholders in the legislative and executive branches. In addition, the federal government's increasing reliance on third parties—principally, state and local governments and contractors—further complicates efforts to reach consensus on program goals. Significantly, executive branch officials and legislative staff seem to approach strategic planning consultation with very different expectations (GAO, 1997: 10).

Despite the good government rhetoric surrounding the GPRA, it is hard to look at pronouncements about probable success or failure. It is clear that some proponents of the legislation advocate good government for its own sake, but it is difficult to read the pronouncements from the Congressional Institute—a Republican think tank—without also considering that this group has a substantial policy agenda. In one report (Mercurio, 1997), the Congressional Institute was described as a tool to help the Republican Party further its effort to dismantle departments that have difficulty tracking their productivity, such as the Commerce and Education departments. Another report noted, "While performance measures could give an agency that's targeted for extinction proof of its effectiveness, such standards could also provide Members determined to sink an agency just the ammo they need" (Shin, 1997). The normal institutional conflict between the executive branch and the Congress is thus exacerbated by the dynamics of divided government. Not surprisingly, the

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5 The GPRA is the very essence of government management and accountability in the United States (Kravchuk and Schack, 1996: 348). Though it has antecedents in previous federal governmental reform efforts—such as program, planning, and budgeting systems (PPBS), management by objectives (MBO), and zero-based budgeting (ZBB)—the GPRA contains several unusual attributes that reflect widespread concern about the accountability and effective government, which is called "improving governments" (Radin, 1998: 307).
two institutions of government have quite different political and substantial agendas (Radin, 1998: 312).

The GPRA also involves its own set of politics that includes several elements: conflicting program goals, the negative impact of the focus on outcomes, the independent life of information, and gaming (Radin, 2003: 1255–1256). Many federal programs have been enacted and implemented with multiple and frequently conflicting goals contained within their purview. The structure of the GPRA does not acknowledge this. Rather, it assumes there is already clarity in program goals or that Congress ignores the competing values and interests found in a very complex society.

**Measurement Challenges**

The best performance measurements are valid, reliable, understandable, timely, resistant to perverse behavior, comprehensive, not redundant, cost sensitive, program specific, and focused on aspects of performance that are controllable (Ammons, 1996; Hatry, 1980; Wholey and Hatry, 1992). Generic performance measures rarely meet the managerial needs of the organization and never reflect the changing environment or the expectations of the organization. But even as performance measurement has become institutionalized, governments have not moved beyond generic formulations (Glaser, 1994).

There are many issues involved in the design, development, and operation of any performance-measurement system: (1) divergent perspectives (different audiences require different information); (2) unclear mission and objectives (a fact of government life); (3) multiple and contradictory organizational, program, and system goals; (4) monitoring versus the evaluation of information needs (Barnow, 1992); (5) lack of consideration of the full range of outputs and outcomes (Osborne and Gaebler, 1992); and (6) measurement of customer satisfaction in a regulatory environment (Swiss, 1992).

In addition, performance measurement places great emphasis on the development of measurable objectives and the identification of quantifiable outcomes (Blalock and Barnow, 2001: 500–502). The first is an emphasis on a narrow set of quantitative outcome measures. Limiting outcome measures to a small, manageable set that can be accessed readily in a management information system associated with the program may be efficient in terms of initial cost, but it may miss critical variables that explain what works and does not work within a program or system. And the heavy dependence on limited quantitative indicators also ignores important qualitative outcomes.

The second is frequency and length of measurement. Evaluation research studies have suggested this limitation can produce misleading information, which a more frequent measurement interval and longer measurement period could never correct. Well-designed longitudinal surveys with multiple measurement points can reduce bias in information production, but these are rarely an integral part of performance management. The third is that many indicator data sets are secondary data, meaning that users have not developed these measures based on their own unique information needs but are utilizing data sets created by others. Frequently, the data elements in these sets are adopted without question in management information systems. Validity reflects the extent to which a data element truly represents a more abstract variable. The fourth is data reliability and consistency. Although interpretations of inputs, processes, and improvements from previous years are not likely to be confused with net impacts, there is a danger that information on the level of an outcome variable or on the change in outcomes between the pre-program and post-program period may be confused with net impacts.
The final is that most public programs and services cannot easily quantify success. One can measure tons of garbage picked up, but one cannot measure crimes prevented by neighborhood policing. Proxy measures are usually developed to capture certain program outputs, and those proxy measures are assumed to correlate with actual program outcomes. Public employees are thus induced to maximize the proxy being measured, and managers are held accountable for program results based on how they perform on those proxies. The first problem with this approach is that the correlation between the proxy and the outcome may be weak. The second problem is that correlation is not causation (Drebin, 1980). Furthermore, information about outcomes does not reveal how those outcomes were achieved. Confusion over real output and policy measures, overcorrelation and causation, and the role of rationing as a basis for decision making can have profound managerial and political consequences.

A recent national survey of city and county administrators and budgeters that included nearly 300 governments showed that, although the use of performance measurement by local governments is pervasive, survey respondents were less enthusiastic about measurements effectiveness (Melkers and Willoughby, 2005: 180). It also suggests that the consistent, active integration of measures throughout the budget process is important in determining real budgeting and communication effect in local governments.

Complexity Challenges

Implementation theory provides a useful theoretical foundation for examining the link between the processes of implementation policy directives and their outcomes (Pressman and Wildavsky, 1984; Sabatier and Mazmanian, 1978). The implementation literature also provides a basis for predicting how government personnel will react to top-down mandates to implement a one-size-fits-all policy directive (Long and Franklin, 2004: 310). Implementation is a key to successful policy outcomes (Pressman and Wildavsky, 1984). The process of implementation and the way challenges or obstacles are addressed can determine whether policies achieve their intended outcomes. Nonetheless, there is no single model of “effective implementation” (Ripley and Franklin, 1982); rather, implementation models vary according to policy type and contextual factors (Lowi, 1964).

The experience of federal agencies with the implementation of the GPRA comprises a variety of structural and process-oriented challenges (Franklin and Long, 2003). Many of these challenges are common across all federal agencies and serve as barriers to successful implementation of the GPRA. These challenges are difficult to overcome and illustrate the problem with a one-size-fits-all approach to implementing strategic management initiatives. Although many agencies experience common challenges, they also experience unique challenges that are determined by the specific context of each agency. These challenges can be solved only through an adaptive or evolutionary implementation approach (Pressman and Wildavsky, 1984). However, the rigid nature of top-down mandates for GPRA implementation does not allow for this sort of adaptation and learning. In other words, in the case of the GPRA, there is a lack of statutory ability to structure implementation in a flexible manner that allows for adaptation. Many practitioners have suggested that adaptation is a common response. Agencies at the federal level have attempted to adapt the GPRA requirements to their specific environments despite the uniformity of the mandates. Some degree of internalization may increase the usefulness and longevity of the documents (Long and Franklin, 2004: 317).

A survey of city and state auditors found that respondents were satisfied with the input and output data collected as a part of their performance-management system, but they were
not so satisfied with the measures of program effectiveness or efficiency (Garsombke and Schrad, 1999). The researchers concluded that performance measures provide useful information for managers, but they do not always capture the effectiveness of the programs to which they are applied, especially if the measures are static while the programs are changing to meet demands (Affholter, 1994). Furthermore, the limited use of these measures for decision making can be explained not so much by public managers’ resistance to being held accountable for results as by their understanding that what is being measured may not be a suitable basis for decision making.

Measurement has come to be regarded as essential for the rational management of organizations (Gore, 1993: 81). The assumption of rational decision making must, therefore, be confronted directly. The rational decision maker is analytically inclined to understand the causal forces that shape outcomes as completely as possible. As the environmental context shifts and changes, new information is to be incorporated into the decision process. In principle, the better, more extensive, and reliable the information, the more rational the decision will be. However, the effect of increasing complexity in the policy or implementation space, both externally and within the service-delivery mechanism, directly threatens the critical assumptions of the rational-analytical decision process. These threats emerge from the impact of complexity on program administration, indeterminate objective functions, multiple administrative layers, logic-of-collective-action problems, systems and information overload, and the increasing scope and sheer scale of government operations.

In the face of these factors, the design and development of performance-measurement systems can be as challenging as program management itself. Confronted with increasing complexity, suboptimization has been employed as an explicit strategy in public organizations through a process of simplification and decentralization of decision making (McKean, 1968). In this vein, resource allocation, management, and control are conceived of as subproblems of choice. Decisions are grounded hierarchically into clusters, which are subject to optimization on a decentralized basis. This may account for the endless layering and thickening of the federal bureaucracy since the New Deal era—it is a response to increasing complexity. However, in highly complex organizations, suboptimization can pose serious threats to efficient decision making.

CONCLUSION

As a matter of fact, measuring performance effectively is very difficult. Often, what people measure is not precisely what they want to do. And people, responding to the explicit or implicit incentives of the measurement, will do what is being measured, not what they actually want to do. Thus, performance measurement may shape behavior in both desirable and undesirable ways.

Many have argued that performance measurement and the GPRA are some of the best alternatives for improving governments. Nonetheless, there are many challenges that are difficult to resolve easily. Through discussing performance measurement and the GPRA, this study has suggested that performance measurement and the GPRA cannot be a panacea for improving governments; rather, many considerations about how we should properly use or deal with performance-measurement systems are needed. In particular, the leaders of public agencies should not go looking for one magic performance measurement. Instead, they should consider whether performance measurement contributes to their own managerial purposes. Only then they can select a collection of performance measurements that will help them, directly and indirectly, to achieve those purposes.
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