INSTITUTION EVALUATION:  
A KOREAN APPROACH TO IMPROVING  
PERFORMANCE AND ACCOUNTABILITY IN  
GOVERNMENT**

Myoung-soo Kim*

Abstract: The paper deals with reform in the evaluation system, referred to as Institution Evaluation (IE), of the government of the Republic of Korea. IE was launched as a response to a variety of forces demanding improvement of performance and accountability in government. Major change was introduced basically in three aspects of evaluation. One change is reflected in the shift of focus of evaluation from policy to institution as a whole. Another important change is observed in the shift from progress monitoring to outcome evaluation in policy evaluation. The third change is found in involving citizens in the evaluation process. IE consists of ① policy evaluation, ② evaluation of policy implementation capabilities, and ③ surveys of customer/citizen satisfaction with both administrative services provided and policies implemented. Policy evaluation addresses the evaluation of what government agencies do; evaluation of implementation capabilities address the evaluation of the capabilities of government agencies to put into effect what they planned to do; and surveys of customer/citizen satisfaction measure the level of satisfaction with both administrative services provided and policies implemented.

Looking back over the two-year history of IE in the Korean government, it appears to have worked relatively well. It seems that a number of factors have contributed to its effective operation. The hard working members of an evaluation group in the OPM backed by Prime Minister's leadership have been the most important driving force. Without the support of the top management, it would have been very difficult to persuade the ministers and agency heads to make their respective organizations be subjected to evaluations by outside evaluators of IE. The Regulation on Evaluation and Coordination of State Affairs also has provided necessary legal support for those in charge of performance evaluation in the OPM to put IE into effect. However, IE currently practiced in the government of Korea has many limitations as well as strengths. So in order for IE to overcome those limitations and achieve its potential to improve performance and accountability in government, some further actions as suggested in the last part of the paper need to be taken.

BEYOND PROGRAM/POLICY  
EVALUATION: A SHIFT FROM  
POLICY EVALUATION TO  
INSTITUTION EVALUATION

Policy/program evaluation has been performed in the Korean government since the early 1960s.

More precisely the tradition dates to 1962 when the then military government adopted the Basic Operational Plan and Review and Analysis System based on a military administrative practice focusing mainly on input and output measures rather than outcome measures. There were attempts to measure effectiveness and efficiency of policies and programs in the early 1980s and mid-1990s. But it is not until Institution Evaluation (IE) was launched early in 1998 when the current Kim Dae-Jung Administration was inaugurated that serious efforts were made to address effectiveness issues when evaluating government policies and programs.

* Professor, Public Administration and Policy, Hankuk University of Foreign Studies.
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IE has brought about major changes in several aspects of evaluation activities in government. One change is reflected in the shift of the focus of evaluation from policy to institution as a whole, even though policy evaluation still remains one of the major components of IE. Another important change is observed in the shift from progress monitoring to outcome evaluation in policy evaluation. Still another change is observed in the shift of evaluators from public officials working at the Office of Policy Coordination (OPC). The OPC is headed by a minister-level cabinet member and assists the Prime Minister in his/her directing, coordinating, and overseeing the central government ministries and agencies of the Office of the Prime Minister (OPM) to a joint endeavor among civilians and staff of the OPM, with more important role played by the former.

Involving citizens in the evaluation process is yet another important change observed in the new evaluation system. The members of the Committee for Policy Analysis and Evaluation (CPAE) are all civilians except for one government official. The committee consists of 29 civilians and one government official, Minister of Policy Coordination, with the Coordinator of Policy Evaluation as Secretary.

In addition, citizen surveys have been developed and administered to assess citizen satisfaction with policies implemented as well as administrative services provided. (See Callahan and Holzer, 1999: 51 ~ 61 for discussions on the importance and the procedures of involving citizens in evaluations.)

Surveys are administered not by a government unit, but by a semi-government research institute and a private research institute.

**Conceptualization**

We have been talking about policy/program evaluation long since the early 1970s. (See, for example, a guest editorial, entitled “Why Does Public Administration Ignore Evaluation?” that was written by Orville F. Poland in *Public Administration Review, March/April, 1970.*)

Different types of evaluation, that is, formative evaluation vs. summative evaluation and process evaluation vs. evaluation of effectiveness, have been devised to satisfy the needs of policy makers, program managers, staff, and so forth. Different approaches to evaluation, such as evaluability assessment, rapid-feedback evaluation, performance monitoring, and qualitative evaluation, from evaluations that rely on more rigorous experimental or quasi-experimental designs, have been suggested to meet the needs of performance-oriented managers (Whooley, 1989: 7 ~ 8). Describing the changes occurring in contemporary public management, Frederickson (2000: 7) noted that “the performance and evaluation movement is well along, and performance measures, benchmarks, outcomes, and other measures of bureaucratic effectiveness and policy results have been developed.”

However, we have seldom talked about IE: in regard to evaluation of government ministries, departments, agencies, etc. Nevertheless, works on performance indicators and performance measurement claim to measure organizational success. For example, the entire book written by Carter, Klein, and Day (1992) is devoted to performance indicators as a tool of measuring an organization's success. At one point, Whooley (1989) seems to equate ‘government performance’ with agency and program performance and further maintains performance can be assessed in terms of productivity, quality, timeliness, responsiveness, and effectiveness (Whooley, 1989: 1). But he stops short of expounding on what differences there are between agency performance and program performance and how they can be measured. Weaver and Rockman (1993) maintain that ‘governmental performance' or ‘governmental effectiveness’ can be assessed in terms of a set of specific tasks and capabilities that governments need in order to perform those tasks.
(Weaver and Rockman, 1993: 5–6). Ten specific capabilities they suggested are as follows:

1. To set and maintain priorities among the many conflicting demands made upon them so that they are not overwhelmed and bankrupted;
2. To target resources where they are most effective;
3. To innovate when old policies have failed;
4. To coordinate conflicting objectives into a coherent whole;
5. To be able to impose losses on powerful groups;
6. To represent diffuse, unorganized interests in addition to concentrated, well-organized ones;
7. To ensure effective implementation of government policies once they have been decided upon;
8. To ensure policy stability so that policies have time to work;
9. To make and maintain international commitments in the realms of trade and national defense to ensure their long-term well-being; and above all;
10. To manage political cleavages to ensure that the society does not degenerate into civil war.

There are also a large number of theoretical works which address organizational effectiveness issues. Some take the goal-centered view and some the natural systems view (Campbell, 1979: 13–55). The former makes "an assumption that the organization is in the hands of a set of rational decision-makers who have in mind a set of goals they wish to pursue." Then "the way to assess organizational effectiveness would be to develop criterion measures to assess how well the goals are being achieved." The latter makes an assumption that "it is not possible to define a finite number of organizational goals in any meaningful way. Rather, the organization adopts the overall goal of maintaining its viability or existence through time.... Thus, to assess an organization's effectiveness, one should try to find out whether an organization is internally consistent, whether its resources are being judiciously distributed..., whether it is using up its resources faster than it should, and so forth."

Even though one could borrow some ideas from those works to evaluate governmental institutions, they have certain limitations when one wants to apply them to public sector organizations. They have failed to show the whole picture of IE: what to evaluate and how to evaluate what. In addition, they are concerned exclusively with organizations in the private sector whose primary tasks are different from those of the public sector organizations.

How, then, can IE best be conceptualized? In the absence of a systematic treatment of the subject, I would argue that IE be defined in consideration of what capabilities an institution should maintain in a prescriptive fashion. Considering that an institution need to maintain such capabilities as to carry out its function, duties, tasks; to achieve its goals and objectives; to develop, implement, and evaluate policies and programs; and to build and operate organizational infrastructure necessary to carry out tasks and manage policies and programs, IE may be defined as an examination of whether and the degree to which an institution maintains such capabilities.

**Background**

But what made the Korean government introduce IE? It is judged that several forces worked together to move the government to adopt it as a means to improving performance and accountability in government. First, the need was raised from within government, especially from among the high-ranking officials working in the OPC to evaluate the performance of the government ministries and agencies, not to mention the policies and programs they manage. They expected IE would introduce the spirit of competitiveness into government ministries and agencies so that they might improve their performance.

Second, there have been a movement towards
evaluating institutions in the public sector. Universities have been subjected to outside evaluation since 1982, government-invested enterprises from since 1984, and institutes of science and technology since 1992. Faced with such a movement, government ministries and agencies could find no reason why they had been excepted from such a trend.

Third, a certain kind of sentiment prevailed among the general public that the government bureaucracy was to blame for national difficulties which began in late 1997 due to the dearth of foreign exchange and that it should be held accountable for mismanagement of the nation’s economy. Such criticisms of government bureaucrats by the people coupled with self-realization on the part of the former that they needed to do something to improve performance and increase accountability in government seemed to have precipitated the introduction of IE into government.

Fourth, limitations embedded in the existing evaluation system, for example, focusing on progress analysis of government activities and spending rather than on the measurement of outcomes of those activities and spending, having government officials who lacked expertise and objectivity perform evaluations without participation from outside thus jeopardizing reliability of the evaluation findings, etc., called for a different approach to evaluation.

Last, the advent of a strong Prime Minister, the Prime Minister is appointed by the President with the consent of the National Assembly, the highest unicameral legislative body in the Republic of Korea. Jong-Pil Kim, who headed a political faction in a coalition government, certainly contributed to providing the support needed for proponents of the new system to put that into effect against potential resistance from within government.

INSTITUTION EVALUATION AS PRACTICED IN THE KOREAN GOVERNMENT

Definition

According to Article 2 of the Regulation on Evaluation and Coordination of State Affairs, IE is defined to mean “to monitor, analyze, and evaluate the implementation of major policies, the results of those policies, and capabilities of government ministries and agencies to implement them.” Here we find some discrepancy between an ideal and a reality. Conspicuously missing in the practice of IE in the Korean government is an examination of tasks and duties and organizational infrastructure. Serious efforts are being made by the OPC to incorporate an examination of organizational infrastructure, such as leadership, planning capabilities, organizational management, manpower management, financial management, information technology, etc., in an evaluation of capabilities to implement policies.

Purpose

Korean government officials claim that they could improve performance and accountability by introducing IE into government. The logic behind such argument is that measuring not only the outcomes of policies and programs, but also capabilities to manage them and further measuring organizational infrastructure to support government operations is expected, both to introduce the spirit of competitiveness into government ministries and agencies and to make them focus their efforts on improving their performance.

Further, documentation and reporting of performance of government ministries and agencies are used as a means of informing top leaders of the country, their clients and citizens of what was done with what impacts with tax money allocated to
them (Ammons, 1995: 16~17). That is, such performance information is served as an "evidential basis upon which accountability is to be shown" (Mayne and Hudson, 1992: 9). Furthermore, it is used in the ministries and agencies for communicating with clients and those who want to know government capabilities to manage policies and programs as well as the actual achievements. Such practices help government ministries and agencies improve accountability for results.

**Components**

IE consists of ① policy evaluation, ② evaluation of policy implementation capabilities, and ③ surveys of customer/citizen satisfaction with both administrative services provided and policies implemented. Policy evaluation addresses the evaluation of what government agencies do; evaluation of implementation capabilities addresses the evaluation of the capabilities of government agencies to put into effect what they planned to do; and surveys of customer/citizen satisfaction measure both the level of satisfaction and the degree of increase in the level of satisfaction of customers/citizens with both services provided and policies implemented.

The first component of IE is performed mainly by policy evaluators with the assistance of OPM staff. Policy evaluators are members of the CPAE, whose functions are, according to the Regulation on Evaluation and Coordination of State Affairs, to consider the guidelines for and the findings of evaluations, to perform evaluations of policies, and to consider ways to improve the evaluation system. Each year a few policies, one from small and implementation-oriented agencies, two from regular-sized ministries, and three from rather bigger ministries are selected for evaluation. In addition, about 10 broader policies which are of public concern at a specific time and involve more than two ministries and agencies are selected for evaluation.

The second component of IE is performed mainly by officials in the OPM, who are members of a unit in charge of the government-wide performance evaluation, the OPC, which is headed by the Coordinator of Policy Evaluation. The findings of evaluation are considered at a joint meeting among policy evaluators and OPC staff.

The third component of IE is performed by research institutes. The Korea Institute of Public Administration (KIPA), a government-supported research body, designs questionnaires to be used in the survey of customer satisfaction with services provided to be considered at a joint meeting among KIPA researchers, policy evaluators, and OPC staff. KIPA is responsible for administering questionnaires, analyzing data, and reporting the findings. The Korea Research, a private survey research body, does the same as KIPA for the survey of citizen satisfaction with policies implemented.

**Criteria and Indicators**

What criteria and indicators are used when performing those three components of IE? When evaluating policies: ① policy formulation, after some discussions among OPM staff and experts in the field on whether policy formulation be subjected to evaluation, it was decided that examining it was necessary, if very cautiously, especially when policy outcomes were found not what had been expected, ② policy implementation processes, and ③ policy outcomes are all subjected to evaluation. Criteria and indicators to be used to measure those three policy-related elements are shown in Table 1.

When evaluating policy implementation capabilities, two areas are examined. One area is the capability to innovate institutional business, and the other is the capability of agencies to evaluate policies/programs. The former consists of the examination of the following four elements:
Table 1. Criteria and Indicators for Policy Evaluation

<table>
<thead>
<tr>
<th>Elements</th>
<th>Criteria</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>policy formulation</td>
<td>appropriateness of policy objectives</td>
<td>- Are the objectives of the policy clearly defined?</td>
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<td></td>
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<td>- Are the objectives of the policy in accordance with the objectives of higher-level policies?</td>
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<td></td>
<td>appropriateness of policy contents</td>
<td>- Are the policy means logically matched with the objectives of the policy?</td>
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<td></td>
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<td>- Have appropriate procedures been followed in preparing plans, seeking opinions of the interested public?</td>
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<tr>
<td>policy implementation</td>
<td>correctness of policy implementation</td>
<td>- Has the policy been implemented as planned, in terms of inputs, activities, schedule?</td>
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<td></td>
<td></td>
<td>- Is the use of resources geared to accomplishing policy outcomes?</td>
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<td></td>
<td>appropriateness of policy implementation</td>
<td>- Has the policy been well implemented, overcoming obstacles encountered during its implementation process?</td>
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<tr>
<td></td>
<td></td>
<td>- Is the policy being smoothly implemented, through listening to pertinent ministries and agencies, keeping interested public informed?</td>
</tr>
<tr>
<td>policy outcomes</td>
<td>accomplishment of target goals</td>
<td>- Have the target goals been accomplished as planned, in terms of outputs?</td>
</tr>
<tr>
<td></td>
<td>effectiveness of the policy</td>
<td>- Have policy intentions and objectives been achieved, in terms of effects?</td>
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1. Adequacy of efforts to realize knowledge-based government;
2. Adequacy of efforts to make rules and regulations to put into effect what's decided in the National Assembly;
3. Adequacy of counter-corruption efforts;
4. Adequacy of efforts to inform people of what's going on in the respective ministry.

The latter consists of the examination of the following four elements.
1. Appropriateness of the selection of the evaluand and an evaluation plan;
2. Appropriateness of the evaluation process;
3. Appropriateness of the selection of evaluation types;
4. Appropriateness of the use of evaluation findings.

A few criteria have been devised to measure each element, and a few indicators have been used to measure each criterion. For example, the appropriateness of the selection of the evaluand and a self-evaluation plan are measured by two criteria: appropriateness of the selection of the evaluand and appropriateness of a self-evaluation plan. The former is evaluated by using the following indicator: whether major programs are all selected for evaluation.

Customer satisfaction with administrative services provided has been examined since 1997 after two years of pilot studies by means of a survey of those who had been provided a service by staff of a certain ministry. The following six dimensions of customer satisfaction have been measured by 26 items (OPC, CPAE, June 26, 1999: 15):
1. accessibility: kindness of service providers; provision of guidance for customers
2. convenience: simplicity of forms; multiplicity of means of application for services
3. speed and accuracy: speed and accuracy in handling matters
4. amenities: provision of parking lots, waiting spaces, telephones, etc.
5. responsiveness and feedback: responsiveness to citizen demands
6. fairness: fairness in handling matters

Citizen satisfaction with policies implemented by
ministries and agencies has been examined since 1998 by means of a survey of a sample of 3600 citizens. The following six dimensions of citizen satisfaction have been measured (OPC, CPAE, July 13, 1999: 5–6):

1. knowledge of the policy
2. responsiveness
3. relevance
4. implementation efforts
5. progress
6. effectiveness

Knowledge of a specific policy is asked first. Then follows an explanation on the specific policy under question when asking for responses to items used for measuring other dimensions.

Reporting and Follow-up

It is required that each ministry or agency submit a self-evaluation report by June 15 for the first half of the year's performance, and by October 25 for the latter half of the year's performance. Reviewing the performance report, each evaluator prepares his/her evaluation report to be considered at the pertinent subcommittee and then at the full committee. Then follows a mid-year reporting meeting late July with all the evaluators and ministers and agency heads attending and usually with the Prime Minister presiding, and a year-end reporting meeting in mid-December, usually with the President as presider. The evaluation reports that mostly contain recommendations to take remedial actions for the shortcomings found in the evaluation process are handed over to the pertinent ministries and agencies. Then action plans are to be prepared and submitted to the OPC by those ministries and agencies which had been asked to take remedial actions. Actions taken are reported to the OPC twice a year, by June 30 and by November 10, respectively. OPM staff visit the ministries and agencies to confirm those actions taken. The information gained through a monitoring activity in the field are used when assessing self-evaluation efforts. Incentives are provided to the outstanding performers in the form of citation, advantages in personnel action and budgetary allocation, while reprimands are imposed on the low performers.

AN ASSESSMENT OF THE OPERATION OF INSTITUTION EVALUATION

Now how can we assess the operation of IE? What are its characteristics? What impacts did it have? What are its shortcomings? What might help improve the IE system?

Characteristics

The current IE system may be characterized by the following:

First, the current evaluation system is concerned with evaluation of policies which are composed of a multitude of programs, which make it difficult to apply a more rigorous methodology to evaluations. Only a few comments are made on each element, that is, programs, without making any synthesizing efforts of the evaluation findings of component elements of a policy.

Second, the current system focuses mainly on performance measurement. Broadly defined, performance measurement might be categorized as an evaluative activity rather than systematic evaluation. It is concerned with measuring biannual performance of ministries and agencies rather than a more rigorous measurement of changes in a problem due to the impacts of a policy under evaluation.

Third, evaluation under the current system is formative rather than summative in the sense that it is performed during the policy implementation process in order to improve its operation by identifying problems to be solved. Summative or impact evaluation has never been attempted.
Fourth, outside evaluation by members of both CPAE and by OPC staff is performed simultaneously with self-evaluation, which certainly adds workloads to those working in the ministries and agencies.

Fifth and lastly, evaluation performed by OPC staff is basically meta-evaluation on self-evaluation in the sense that they examine the quality of self-evaluation practices performed by the ministries and agencies.

Impacts

In the absence of a systematic study of the effectiveness of the current evaluation system, until this time no systematic efforts have been made to measure the effectiveness of institution evaluation. The following is an attempt to describe some impacts that IE has had to date.

The new evaluation system seems to have had impacts on a variety of stakeholders. For example, top managers began to recognize the importance of improving performance of the ministries and agencies they manage. Members began to heighten their alertness on the performance of their respective units, recognizing that an easy-going approach to their job is no longer accepted. At the same time, we often hear them utter complaints that IE, or any form of evaluation, adds workloads to their job. However, it seems too premature to judge whether IE has contributed to improved performance of the ministries and agencies, considering that it is only two years old.

The new evaluation system, though, seems to have contributed to improved accountability, especially what Rossi and Freeman call impact accountability (1982: 79～80) or what Mayne calls accomplishment accountability (1997: 157～163). Policy managers in the ministries and agencies began to be more concerned with impacts, both for internal operating reasons and in order to be justified externally. Press releases of evaluation findings and exposure in the internet home page as well as reporting to the President or the Prime Minister at a joint meeting among policy evaluators and heads of the ministries and agencies will certainly help increase accountability in government.

Shortcomings

On the other hand, a closer examination of the current evaluation system reveals some shortcomings. First, considerate evaluability assessment need to be introduced to help reduce the probability of abstract policies being selected for evaluation. Under the current system some policies are selected even though it is evident that they are not amenable to systematic evaluation.

Second, it pays little attention to evaluation of large-scale programs involving a large number of people and a large amount of money, which results in loss of opportunities to save a large amount of money. It pays more attention to abstract policies with abstract objectives.

Third, performance reports prepared by the ministries and agencies may form the basis for outside evaluation. But timely performance reporting is often lacking; this is against the wishes of the outside evaluators, which in turn hampers their evaluation.

Fourth, most members of the CPAE lack expertise on evaluation. The result is that evaluation focuses on identifying strengths and weaknesses of a policy in question and further focuses on suggesting remedies for the identified weaknesses. In this sense evaluations done under the current system might well be called 'policy research' in general terms.

And last, the government ministries and agencies have been created to perform specific functions, duties, and tasks. I believe that one of the major components of institution evaluation should address whether they faithfully fulfil such prescribed duties. But that component is missing in the current
Suggestions for the Improvement of the IE System

Some suggestions can be made in order to improve the IE system. It seems that the following is warranted if the new evaluation system is going to achieve its predetermined objectives of improving performance and accountability in government:

First, when operating an evaluation system, one should keep in mind that evaluation is a tool for better management, not vice versa. However, the government ministries and agencies are so eager to get good marks in evaluations that they tend to concentrate their energy on the ways to show the shiny side of their performance rather than on getting better results of their actions. Certainly such a tendency is undesirable.

Second, if one is going to evaluate an institution as a whole, he/she will have to examine tasks it performs in addition to policies and programs. Such aspects as the appropriateness of setting tasks, the congruency of tasks with those set forth in a law, whether such tasks have been and are being faithfully performed or not, whether other undesirable tasks than set forth in the law have been performed, desirability of the image of the institution might be some good aspects of tasks to be addressed in an evaluation.

Third, qualifications of evaluators should be strengthened so that those who are able to use more systematic approaches to evaluation form the majority and that their evaluation works might be perceived to be objective and reliable. Objectivity and reliability are major factors that affect the persuasiveness of evaluation results.

Fourth, infrastructure for the new evaluation system should be built. For example, the Regulation on Evaluation and Coordination of State Affairs, which is a presidential order, might well be replaced by a law. It will give needed authority to the organization in charge of operating and coordinating the evaluation system. It will also induce the members of the National Assembly to pay more attention to it and find ways to utilize the evaluation information produced in performing their functions.

Fifth, now that government ministries and agencies are required to evaluate their own policies and programs, both members of CPAE and PMO staff in charge of performance evaluation might well shift their role to that of meta-evaluators from original evaluators and focus on improving the self-evaluation capacity of the ministries and agencies.

Sixth, some policies programs must wait for some time-more than a year-in order for them to have effect on the conditions of the target group. In that case, measuring their performance biannually may not make any sense at all because it does not represent the true value of those policies/programs. Evaluation, especially impact evaluation of policies/programs had better be performed a specific period of time after they have been put into effect so that it allows them to have sufficient effects.

Seventh and lastly, performance measurement within a framework of policy/program evaluation should be regarded as a necessary step towards impact evaluation or summative evaluation. Performance evaluation should not be satisfied with mere performance measurement, but need to move further towards impact evaluation, even on a selective basis.

CONCLUSION

Looking back over the three-year history of Institution Evaluation in the government of Korea, IE has been working relatively well so far. It seems that a number of factors have contributed to its effective operation. The devoted members of an evaluation group in the OPM backed by Prime Minister’s leadership have been the most important
driving force. Without this support of the top management, those who are in charge of operating and coordinating the institution evaluation system would have been in a very difficult position to persuade the ministers and agency heads to make their respective organizations be subjected to evaluations by outside evaluators. The Regulation on Evaluation and Coordination of State Affairs also have provided necessary legal support for those in charge of performance evaluation in the OPM to put PR into effect. 

However, as indicated earlier, IE currently practiced in the government of Korea has many limitations in spite of its many strengths. So, in order for IE to overcome those limitations and achieve its potential to optimally improve performance and accountability in government, some further actions as suggested above need to be taken.

Bibliography


