



Towards Generally Accepted Performance Principles (GAPP)

Sixteen Principles for Creating Highly Effective Governments



The Commonwealth

Towards Generally Accepted Performance Principles (GAPP)

Sixteen Principles for Creating
Highly Effective Governments



The Commonwealth

This report was written by Marc Holzer
and Prajapati Trivedi

© Commonwealth Secretariat 2024

All rights reserved. This publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise provided it is used only for educational purposes and is not for resale, and provided full acknowledgement is given to the Commonwealth Secretariat as the original publisher.

Views and opinions expressed in this publication are the responsibility of the author and should in no way be attributed to the institutions to which they are affiliated or to the Commonwealth Secretariat.

Wherever possible, the Commonwealth Secretariat uses paper sourced from responsible forests or from sources that minimise a destructive impact on the environment.

Published by the Commonwealth Secretariat.

Contents

| | |
|---|-------------|
| Foreword | v |
| About the authors | vii |
| Acknowledgments | vii |
| Acronyms and Abbreviations | viii |
| Abstract | 1 |
| 1. Introduction | 2 |
| 2. The Fundamental Problem of Government Performance Management | 3 |
| 3. Generally Accepted Performance Principles (GAPP) | 4 |
| Principle #1: Attributes of a GPMS used by a government | 4 |
| Principle #2: A government's GPMS should use a performance measurement methodology that has objective, scientific attributes | 7 |
| Principle #3: The GPMS should cover the whole of government | 8 |
| Principle #4: Accountability for results and delivery should trickle down from the top | 9 |
| Principle #5: Accountability for results and delivery should be assigned explicitly and unambiguously to specific individuals in the government | 10 |
| Principle #6: The government's GPMS must have an appropriate incentive system that is related to departmental, team and, ultimately, individual performance | 10 |
| Principle #7: The GPMS should be effectively integrated with the human resource (HR) systems in government | 10 |
| Principle #8: The GPMS should be integrated with the budget systems | 11 |
| Principle #9: The GPMS should be transparent, ensuring access to all organisational data | 11 |
| Principle #10: There should be appropriate institutional arrangements for managing the GPMS | 12 |
| Principle #11: The government should employ an effective, strategic communications strategy across all phases of implementing the GPMS | 13 |
| Principle #12: The GPMS should have a strong and unambiguous legal foundation | 14 |
| Principle #13: Performance measurement serves multiple, overlapping purposes | 14 |
| Principle #14: Performance measurement should be citizen driven | 15 |
| Principle #15: Knowledge management should be an integral part of the GPMS | 16 |
| Principle #16: Momentum, once built, must be maintained | 16 |

| | |
|-----------------------|----|
| 4. Summary of GAPP | 17 |
| 5. Conclusion | 19 |
| 6. Empirical Findings | 20 |
| References | 21 |
| Annex 1 | 23 |

Foreword

Today, you will, I hope, agree that performance of a government lies in the eyes of the beholder. Three people looking at the same government department can rate it as good, bad or ugly. This subjective evaluation has done more harm than good to the operations and morale of governments. According to some, the lack of consensus on what constitutes good performance is the fundamental problem of government performance management.



This monograph is a result of a challenge that I laid before the most experienced and diverse group of civil servants and academics from across the Commonwealth. In the past year or so, the Commonwealth Secretariat organised nine editions of the Advance Online Training Programmes on Government Performance Management and trained more than 2,000 senior-most civil servants and academics from 44 countries of the Commonwealth. In every training programme, I asked the impressive collection of accomplished and experienced civil servants and practitioners to begin the process of agreeing on the Generally Accepted Performance Principles (GAPP). I was convinced that if they made progress in that direction, then our training effort would have achieved a major goal.

I am pleased to report that the 1,200 strong community of practitioners seem to have achieved the goal. However, this consensus on GAPP and publication of the monograph would not be possible without the selfless devotion of Professor Prajapati Trivedi, our Special Envoy for SDG (Sustainable Development Goal) Implementation, and Professor Marc Holzer, Founding Dean of Rutgers University's School of Public Policy. Both have spent their lifetime in pursuit of designing more effective governments and we are grateful to them for their dedication to the pursuit of consensus on GAPP. I am equally grateful to the 2,000 civil servants and academics who played an active role in distilling GAPP from a vast array of experiences and viewpoints.

I am also pleased that the GAPP framework was also unanimously approved and adopted by the Second Biennial Pan-Commonwealth Heads of Public Service / Cabinet Secretaries Meeting which took place virtually from 6 to 8 June 2022 with the theme: 'Frontiers of Government Performance Management: Towards Generally Accepted Performance Principles (GAPP)' (see Annex 1).

This monograph is important because the work of government is important. If this effort contributes to improving the management of government performance, our goal would have been achieved in good measure.

Government performance management, which is the key focus of this monograph, is indeed very close to my heart. In my various incarnations in the British Government, I have seen first-hand the enormous difference that a small effort in improving government performance can make.

Very often we find that adequate availability of resources and plans does not automatically translate into good service delivery. Invariably, with a little reflection, poor service delivery is very often a function of poor performance management in the public service.

I would venture to even assert that almost all problems that we see with government inefficiency can be traced to poor performance management. That is, most problems that we observe are symptoms of a more fundamental underlying problem of poor performance management in government, also known as ineffective governance. Little wonder our efforts to deal with symptoms are often a futile and a long race to nowhere.

Today, Commonwealth leaders have realised that government performance is a major determinant of a country's competitive and comparative advantage. The race among nations will be won by countries that have effective and efficient governments and not necessarily by those endowed with abundant resources.

It is clearer than ever before that enhanced government performance affects the welfare of citizens in the short term, and has enduring positive and sustainable impact. However, our concern is, in particular, that the benefits offered should accrue primarily to those who are socially or economically marginalised.

We therefore need to pay attention to equity as well as efficiency as the two go hand in hand. The guiding principle should not only be to do the right thing but to do things right. This means operating and delivering in ways which are responsive and accountable, as well as more efficient and effective. The focus should therefore be on ensuring that systems are streamlined and managed to work better, faster and cheaper in order to deliver what is promised and what is needed.

This is where poor government performance is 'guilty as charged'. Even if we were to agree that poor performance of government is the root cause of most of our contemporary challenges, where do we begin? You know better than anyone that governments are complex, multi-layered organisations and, not surprisingly, government effectiveness and efficiency have many dimensions. Prima facie, therefore, the task of improving government performance looks daunting, if not impossible.

However, the diversity that exists among nations and their governments tends to obscure three key facts:

- first, many of the problems involved in managing government are a result of a few underlying causes;
- second, the underlying causes of poor government performance are similar in nature across a diverse set of countries; and
- third, countries have successfully dealt with these (few) underlying causes using remarkably similar approaches.

Viewed in this light, the challenge of government performance management appears more manageable.

This then is the guiding spirit of our work in the Commonwealth Secretariat. We look for what works and what doesn't work. We distil the key aspects of the methodology for improving government performance and call it 'the toolkit'. The institutional context of each country may differ a little but we are struck by the similarities and relevance of our experience for each other. That is why I am hopeful that governments will pay greater attention to the 16 Generally Accepted Performance Principles (GAPP) outlined in this monograph and will create governments that not only work better and faster but also cost less.

Rt Hon. Patricia Scotland KC
Secretary-General of the Commonwealth

About the authors

Professor Marc Holzer is the founder of the National Center for Public Performance, the founding dean of the School of Public Affairs and Administration at Rutgers University, and the founding Editor-in-Chief of the international journal *Public Performance and Management Review*. He is a past president of the American Society for Public Administration (ASPA).

Professor Prajapati Trivedi is the Commonwealth Secretary-General's Special Envoy for SDG Implementation and a Distinguished Professor at the Management Development Institute, India. He served the Government of India as Secretary Performance Management in the Cabinet Secretariat and the World Bank as a Senior Economist. He continues to teach at the Harvard Kennedy School of Government.

Acknowledgments

The authors would like to thank the Commonwealth Secretary-General, Rt Hon. Patricia Scotland KC, for being one of the first global leaders to highlight the importance of a professional consensus on Generally Accepted Performance Principles (GAPP). She reiterated and articulated the need for and the importance of GAPP in her keynote address at the Marc Holzer Public Performance Symposium entitled, *'International Best Practices: Establishing Generally Accepted Performance Principles'*, at the Virtual Conference of the American Society for Public Administration (ASPA), 9 April 2021.

This paper greatly benefitted from feedback received from the over 2,000 participants from 44 countries of the Commonwealth Secretariat's training programmes on the Government Performance Management System (GPMS) over the past year. It is fair to say that this paper represents a consensus view of senior government officials charged with managing the performance of government in their countries.

Acronyms and Abbreviations

| | |
|-------------|---|
| GAAP | Generally Accepted Accounting Principles |
| GAPP | Generally Accepted Performance Principles |
| GO | Government Order (India) |
| GPMS | Government Performance Management System |
| HR | human resources |
| KPIs | key performance indicators |
| MBO | management by objectives |
| OMB | Office of Management and Budget (US) |
| OPM | Office of Personnel Management (US) |
| PART | Program Assessment Rating Tool |
| PMD | Performance Management Division (India) |

Abstract

There is little doubt today that the competitive and comparative advantages of nations are determined not so much by resource endowment but by the effectiveness of their governments. Experts also agree that approximately 80 per cent of a government's effectiveness depends on the quality of the Government Performance Management System, and only 20 per cent on the quality of the people running the system. Yet, there is no consensus among public administration professionals on how to gauge the quality of government performance. Quite literally, the performance of a governmental entity lies in the eyes of the beholder. The situation is vastly different in the private sector. There is a framework for measuring a private sector organisation's performance, and it is based on the Generally Accepted Accounting Principles (GAAP). Every private sector entity prepares its accounts using GAAP, and these accounts are audited by an external auditor, also using the GAAP framework. These audited accounts are the backbone of modern commerce. The profit or loss stated in the externally audited accounts is accepted by all market players. Unfortunately, there is no counterpart to GAAP in the government sector. That poses a fundamental challenge in the effective management of a government organisation. It is widely accepted that what gets measured gets done. Therefore, if the performance of a government organisation cannot be measured in an agreed upon manner, then it will be difficult to manage it. This monograph summarises efforts over a period of time to develop the counterpart of GAAP – the Generally Accepted Performance Principles (GAPP). Based on the combined wisdom of hundreds of participants in regional Commonwealth training programmes on government performance management, critical insights from participants at the global Annual Public Performance Conferences of the National Center for Public Performance, and then reviews by a global panel of exceptionally knowledgeable public sector performance practitioners and academics, this monograph outlines a set of widely applicable principles as a starting point to begin the process of building consensus on GAPP. These principles were also drawn from research and publications by the National Center, now at Suffolk University, Boston, and previously at Rutgers University, and the National Center's affiliates.

1. Introduction

In all countries, and at all levels of government, performance seems to lie in the eyes of the beholder. Different individuals looking at the same set of facts come to widely different conclusions. Divergent views and opinions about appropriate policies and their related programmes and projects are not only understandable, but a *sine qua non* of a healthy democratic system. However, divergent views about the performance of a government – implementation of policies, programmes and projects – are much harder to reconcile for lack of a fact-based consensus.

The private sector, on the other hand, does not face this problem. If a private sector company presents its financial statement and claims that it has made US\$350 million profit, we accept it on its face value – not because we trust them blindly, but because those financial statements are prepared using the Generally Accepted Accounting Principles (GAAP). These statements, in turn, are audited by an external auditor to ensure that the statements were indeed prepared using those principles. If they do not stand up to an audit, then there are consequences, such as a loss of confidence by investors, often expressed as a sharp drop in the price of publicly traded shares.

It is no one's argument that the private and government sectors are comparable or that we should use the same, or even similar, yardstick for performance. As Prof. Wallace Sayre at Columbia University stated so succinctly: 'The public and private sectors are alike in all unimportant respects.' Of course, both sectors have different rationales for existence and are motivated by quite different sets of motivations. Put simply, private sector enterprise is created to enhance the value of shareholders' investments and is consequently focused on the bottom line as measured by profit. Government, on the other hand, is supposed to enhance security, social welfare and the general well-being of its citizens, and is therefore focused on policies, programmes and projects that help it achieve its goals and objectives. However, unlike the private sector, there is no agreement on how to measure the bottom line in government. We know that profit is not an appropriate measure of a government's bottom line. But, if not profit, then what? Unfortunately, there seems to be no agreement on

the answer to this question. Rather, government is assessed via personal experiences, media reports and idiosyncratic impressions.

In the government sector, performance is primarily gauged in the eyes of the beholder. Government departments and agencies often know they have done a good job, but individual stakeholders looking at their performance can (and often do) come to different conclusions using a framework convenient to them. Those impressions can differ not only from the perception of the government managers who are implicitly under review, but also with each other. This potential contradiction or conflicting views of departmental performance is the fundamental problem faced by public sector management.

2. The Fundamental Problem of Government Performance Management

The main cause for this absence of an agreed yardstick for performance measurement in government can be traced to the multiplicity of principals in the public sector who hold diverse perspectives. There are many stakeholders – people as well as organisational entities – that feel that they have a right to supervise a public sector entity. For example, a typical government department is supervised by the treasury department or the finance ministry, legislature or parliament, comptroller or auditor general, judiciary, planning commission, oversight or vigilance agencies, the media, interest groups and many other entities and actors in the society. This multiplicity of principals alone should not be a real problem because, after all, even in the private sector we have countless shareholders. However, the difference between the public and private sector is stark. In the private sector, all shareholders have pretty much the same expectations from managers – a healthy bottom line. All want increased profits. In the public sector, however, every stakeholder (principal) seems to have different expectations. Some want equity and others want efficiency. Some emphasise process and some impact. Some want to achieve political goals, whereas others want to focus on non-political goals. Given the existence of multiple principals with multiple objectives, which are often conflicting, public sector managers often do not know what is truly expected of them.

If government managers run fast, they are told that this is a marathon and not a dash. If they jump high, they are told it is a broad jump and not a high jump. No matter what they do, there is someone second guessing and calling them out. Eventually, public servants working in public organisations may give up and decide to merely follow the procedural rules in order to survive. If there are collateral benefits from this strategy of lying low, then so be it. Some government managers are not inclined to actively pursue socially desirable causes that they believe benefit the public sector entity – local, state or provincial, or the nation as a whole – to the extent

that they are personally risky. This is an unfortunate, but entirely predictable, outcome. This challenge is then a major reason for developing a common understanding on what constitutes 'performance' in the public sector and how to measure it.

To reiterate, in the public sector, performance still lies largely in the eyes of the beholder. Government departments and agencies often think they have done a good job, but individuals looking at their performance can (and often do) come to different conclusions from frameworks convenient to them, differing from the perceptions of their public sector managers, and also with each other. As government's clients are increasingly questioning the effectiveness and efficiency of government programmes and services, their expectations from government are increasing exponentially: citizens are seeking ever higher standards of living, corporations ever greater investment opportunities, financial institutions newer ways to protect their investments and loans. All the while, the media is seeking to expose problems rather than highlighting high-performing organisations. Irrespective of a stakeholder's vantage point, most seem to think that public organisations need to produce 'more with less', achieving higher levels of output with the expenditure of fewer resources. This is a conundrum that is not expected of private companies; they typically make investments with the expectation that they will realise a return on those investments, or essentially that an expenditure of a modest amount will produce much more in the way of production or profits. Because this potential contradiction or conflicting view of departmental performance is a fundamental problem for public sector management, developing consensus on Generally Accepted Performance Principles (GAPP) should therefore be our profession's highest priority – a grand challenge for public management.

3. Generally Accepted Performance Principles (GAPP)

A review of literature and international best practices suggests that the following 16 principles may be a good starting point for developing the Generally Accepted Performance Principles (GAPP) that are long overdue for public organisations.

These principles were developed through discussions among government performance management practitioners from five Commonwealth regions – Africa, Europe, Asia, the Pacific, and the Caribbean and Americas, and at the National Center for Public Performance’s Annual Public Performance Conference in April 2021. Within the then 54 Commonwealth countries, these GAP Principles were discussed and debated in the training programmes for Africa and Europe (25–29 January 2021) and Asia (8–12 February 2021). These ideas were then tested through a poll in the training programme for the Caribbean and Americas on 1–5 March 2021). The results of the regional polls are presented in Section 6.

Subsequently, these principles were tested with some 600 senior-most officers in two training programmes for the Government of Barbados and the Government of The Gambia.

Arising from these discussions, the 16 Generally Accepted Performance Principles (GAPP) are listed below. Any Government Performance Management System (GPMS) that follows these principles is likely to produce a fairly accurate picture of the performance of the government.

Principle #1

The GPMS used by a government should have the following attributes:

- a. be based on a preceding agreement on the meaning of ‘performance’ and the intent of a performance programme to produce tangible, salient efficiency and service improvements;
- b. employ instruments such as a Performance Agreement (PA), Performance Contract (PC), Commitment for Results (CFR) and Results Framework Document (RFD), etc;
- c. cover all aspects of organisational performance – financial, physical, quantitative, qualitative, static and dynamic¹; and
- d. focus on ‘managerial’ performance as well as ‘agency’ performance.

While government performance management is in vogue, there seems to be no consensus on the meaning of the term ‘performance’. With the aim of measuring the ‘performance’ of a government department or organisation, there have been a proliferation of approaches, methods and methodologies. Performance measurement is often assumed to be a process or system of measures and procedures, whereby organisations assess how well they are doing compared to their previous performance, compared to other organisations and compared to previously established objectives. However, no one measurement approach is better than others. The

1 **Static indicator** = where the ‘costs’ and ‘benefits’ of an activity occur in the same period.
Dynamic indicator = where the ‘costs’ and ‘benefits’ of an activity occur in different time periods. For example, many training activities involve immediate costs for their execution, but the benefits come in the long run (if at all).

better question to ask should be: Is the proposed measurement approach appropriate for the mission at hand? (Behn 2003).

To be sure, 'performance management' is more than 'performance measurement'; measurement is a necessary, but not sufficient, condition for improving performance in terms of the expected efficiencies and promised outcomes of any service area. Performance measurement should help track and improve results over time; help identify areas continually faced with large backlogs, slipping deadlines, high turnover or many complaints; and help evaluate and track evidence of progress. For effective performance management, we need:

- an appropriate performance measurement system;
- assignment of responsibility for performance; and
- incentive systems (consequences for performance).

While all three of these are important, appropriate performance measurement is the starting point for the design of any meaningful performance management system for a government department/agency. If the measurement system is flawed or is inappropriate for the purpose at hand, the entire performance management exercise is a non-starter. Therefore, it is of paramount importance to choose the appropriate performance measurement approach.

Commonly used measurement systems for government performance can be classified along the following broad dimensions.

a. Partial versus comprehensive performance measurement systems

Partial measurement systems measure only specific aspects of an agency's performance. They may, for example, focus on a particular programme, project or policy. Comprehensive measurement systems, on the other hand, evaluate the performance of the entire agency or department. The Program Assessment Rating Tool (PART), developed by the US Office of Management and Budget (OMB) under President George W Bush (OMB 2008), would be an example of a partial performance measurement system. On the other hand, Performance Agreements, (OPM 2001) developed as part of the National

Performance Review initiative of President Bill Clinton, and Performance Plans under the US Government Performance and Results Act (GPRA) 1993 would be examples of a comprehensive measurement system. Similarly, the Government of India's initiative, termed a Results Framework Document (RFD), under the then-Prime Minister's Performance Monitoring and Evaluation System (PMES) from 2009 to 2015, is another example of a comprehensive performance measurement system (PMD 2015).

b. Prior- versus post-performance measurement systems

All management by objectives (MBO) systems are baseline measurement systems, as they are based on the specification of measurement criteria and targets at the beginning of the year. Most professional organisations use some variation of this system. On the other hand, post-measurement systems involve the measurement of performance after the fact and are not necessarily based on any agreed set of criteria at the beginning of the year. In fact, they are often based on criteria selected by the evaluator at the end of the evaluation cycle. Thus, most of the performance audits conducted by an audit institution (such as the comptroller and auditor general [CAG] in most Commonwealth countries) are an example of such after-the-fact measurement systems. Research conducted by academics also falls into this category (Trivedi, 2017a).

c. Managerial versus agency performance measurement systems

Measurement of an agency's performance is typically based on the observed results delivered by the agency at the end of the year. Managerial performance (or performance of the head of the agency), on the other hand, is calculated by adjusting 'agency performance' for factors beyond the control of the 'management (head of the agency)'. When we place all three dimensions discussed above in a two-dimensional diagram (Table 3.1), we obtain eight major types of performance measurement approaches.

No one approach mentioned in Table 3.1 is in and of itself better than the others. The right question to ask should be: Is the measurement approach appropriate for the task at hand? For example, measurement approaches under cell #1 are more

Table 3.1 Taxonomy of performance measurement approaches

| | | Measurement of managerial performance | Measurement of agency performance |
|---------------------------------------|---------------------------------------|---|--|
| Prior to performance measurement | Comprehensive performance measurement | Cell #1 Results Framework Document in India (GOI, 2017) | Cell #2 'Performance agreements' under US National Performance Review (OPM 2001) |
| | Partial performance measurement | Cell #3 Performance Management & Delivery Unit in Malaysia (IBRD, 2017) | Cell #4 PART (OMB 2004; OMB 2008) |
| Subsequent to performance measurement | Comprehensive performance measurement | Cell #5 Newspaper reviews | Cell #6 Academic research |
| | Partial performance measurement | Cell #7 Randomised clinical trials (Esther Duflo 2007) | Cell #8 Performance audit (Government Accountability Office) (Trivedi 2017a) |

effective for managing the performance of an agency. These approaches specify targets for all aspects of agency operations at the beginning of the year and hold the management accountable for achieving the targets at the end of the year. Meanwhile, approaches in cell #8 are more appropriate for measuring the effectiveness of policies and programmes.

In other words, performance measurement is a means, not an end. If the 'ends' of this performance measurement exercise are not clear, any measurement technique or approach will be acceptable, but largely ineffective. Alas, the mismatch between 'ends' and 'means' is more common than one might think.

Given that all approaches to government performance measurement listed in Table 3.1 are valid for a particular purpose, one needs to first decide the most relevant approach for government performance management. It turns out that the approaches falling into cell #1 are most appropriate for this purpose. To be fair to the public managers, performance measurement must be based on a prior agreement regarding expected performance – which includes a clear understanding regarding

performance criteria and criterion levels. The public managers must know the race they have to run. The goalpost cannot, and should not, be changed after the fact. The measurement system must cover all relevant and important aspects of a government department's responsibilities. That is, it must be as comprehensive as possible. Finally, it must only focus on what the managers are reasonably expected to control or influence. Thus, the performance of a government agency can be depicted as follows:

$$\text{Performance of government agency} \equiv \text{Performance of public manager} \pm \text{Exogenous factors}$$

To measure the contribution of management to performance, we must make the following adjustment:

$$\text{Performance of public manager} \equiv \text{Performance of government agency} \pm \text{Exogenous factors}$$

Principle #2

A government's GPMS should use a performance measurement methodology that has the following objective, scientific attributes.

- a. There should be a connection (line of sight) between vision, mission, objectives, actions and success indicators (key performance indicators – KPIs).
- b. Menus of KPIs could be drawn from web-based resources and other publications. They need not be reinvented; rather they may be adapted or modified from those lists. KPIs should include measures of capacity, efficiency, efficacy, and outcomes or impacts.
- c. The objectives, actions and KPIs in the GPMS should be prioritised (that is, weighted).
- d. There should be an explicit, prior agreement on what constitutes various levels of performance – such as 'excellent', 'good', 'average' and 'poor' levels of performance.
- e. Data should be drawn from routinely collected metrics as well, but additional data that has not been routinely collected may also need to be collected for some KPIs.
- f. The evaluation should be based mostly on objective, verifiable aspects of performance and only occasionally on subjective aspects of performance; subjective data may be developed through surveys or interviews of users and non-users of services, employees, managers and other stakeholders.
- g. A government's GPMS should be able to calculate a composite score (a weighted index) for managerial performance.

Even if a measurement system is consistent with cell #1 in Table 3.1, we need to make sure that the performance measurement methodology is also robust. The management problem in most Government Performance Management Systems (GPMS) can be traced to the lack of an objective and credible bottom-line measure. Most of the management problems we observe in government agencies are 'symptoms' resulting from the missing bottom line in government. Managing in government without a clear bottom line is like

playing a game of football without the goal posts – the managers of the government agency often do not know what is expected from them.

Many governments around the world have successfully used the following seven-step process to create a clear and unambiguous bottom line for their agencies. Of these, four steps are to be taken at the beginning of the year and three steps at the end of the year.

Steps to be taken at the beginning of the year

Step 1: Develop a strategic plan for performance measurement and improvement, aligning or including it with the department's strategic plan. Specify the long-term vision for the agency. A vision specifies the final destination for the agency. It shows where we want the agency to be in a few years' time. It is the big picture of what the leadership wants the government agency to look like in the future.

Step 2: Develop performance goals. Specify the objectives (subgoals) that will help achieve the vision. Objectives specify how to get to the final destination captured in the vision statement. They should be linked to and derived from the organisational vision.

Step 3: Prioritise key objectives and corresponding key performance indicators (KPIs). Set performance improvement priorities, starting with potential high impacts. While many agencies take the first two steps mentioned above, they flounder when it comes to the next steps. Objectives and corresponding KPIs should be prioritised and specific weights attached to these. As the Table 2 shows (column 3), these weights must add up to 100 per cent.

Step 4: Agree on how to measure deviations from targets. Instead of a single-point target, we need to agree on the entire range for performance (Table 3.2, columns 4–8). This scale of criteria values allows us to accurately measure performance at the end of the year. Without such a clear understanding,

Table 3.2 Specifying the bottom line in government

| Beginning of the year | | | | | | | | End of the year | | |
|-----------------------|----------|---------|-----------------|-----------|------|------|------|-----------------|-----------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Objectives | Actions | Weights | Criteria values | | | | | Achievement | Raw score | Weighted raw score |
| | | | Excellent | Very good | Good | Fair | Poor | | | |
| | | | 100% | 90% | 80% | 70% | 60% | | | |
| Objective A | Action 1 | .50 | 85 | 80 | 70 | 60 | 50 | 65 | 75 | 37.50 |
| | Action 2 | .30 | 20 | 15 | 10 | 5 | 2 | 10 | 80 | 24.00 |
| | Action 3 | .20 | 50 | 40 | 30 | 20 | 10 | 60 | 100 | 20.00 |
| Composite score | | | | | | | | | 81.50% | |

performance measurement remains subjective. A document incorporating the first four steps is referred to as a 'Performance Agreement'.²

Steps to be taken at the end of the year

Once an agreement has been reached on steps 1–4, government agencies should be allowed sufficient operational freedom to achieve the agreed targets. That is, 'accountability' must be coupled with appropriate 'autonomy'. This is the essence of management by objectives (MBO). At the end of the year, government agencies submit their achievements against the targets to the designated authority, and that authority calculates their bottom-line achievement as follows (see steps 5–7).

Step 5: Calculate the raw achievement score for each KPI. By comparing actual achievement at the end of the year with the range of criteria values agreed at the beginning of the year, we can calculate the precise raw score for each KPI (Table 3.2, columns 9–10).

Step 6: Calculate the weighted raw score for each KPI. Multiply the raw score for each KPI with the corresponding weight for that raw score (Table 3.2, column 11).

Step 7: Calculate the composite performance score – the bottom line. Add up all the weighted raw scores to get the composite score – that is, the bottom line. For example, in Table 3.2, this number

is 81.50 per cent. This measures the degree to which a government agency has been able to achieve agreed-upon objectives.

This bottom line is powerful because the composite score:

- incorporates government priorities;
- is a comprehensive measure of all aspects of departmental performance – quantitative, qualitative, static, dynamic, short term and long term;
- allows benchmark competition among agencies (research shows that competition is a key source of efficiency); and
- is a necessary condition to implement an effective performance incentive system in government.

Principles #1 and #2 – a GPMS with objective, scientific attributes – outlined above are necessary conditions, but are not sufficient. That is why those two conditions have been discussed in greater detail. What follows now are criteria required for fulfilling both the necessary and sufficient conditions for ensuring an effective Government Performance Management System.

Principle #3

The GPMS should cover the whole of government

The GPMS must include all public entities funded by public funds (except constitutional bodies, such as the judiciary and the legislature, which are parallel to the executive branch).

² New Zealand was the pioneer of this innovation, introduced as part of the New Public Management Revolution in 1980s. The Government Performance and Results Act of 1993 made Performance Agreements a mandatory requirement for US government agencies. We hasten to add that the structure of Performance Agreements in both efforts left much to be desired.

Most important and significant tasks in government are more akin to a 'team sport' rather than a 'solo event' (Kamensky 2018). That is, services are usually interconnected. Education may impact criminal justice workloads. Correctional institutions may impact health, while transit is a prerequisite for employment. And so on. Hence, if the GPMS does not cover all departments in the government, then the weakest link will break the chain. Further, those that are covered will begrudge the fact that they have been chosen for special treatment, and then impute political motives to this decision. That is why pilot programmes often do not work. Those departments that are part of the pilot are usually unhappy with being selected for greater accountability, and those not chosen to be part of the pilot programme have an incentive to ensure that the pilot remains a pilot and never gets extended to the whole of government, including them.

Principle #4

Accountability for results and delivery should trickle down from the top

That is, accountability for performance improvement must start with department and department heads reporting to the head of the governmental entity. Experience shows that accountability trickles down the government hierarchy, and it never trickles up (Vaughan 1997; Metzenbaum 2006). The incumbent holding the top echelon must be held accountable; they will then hold the next level below them accountable, and so on until the last person on the organisational ladder is being held accountable. That is, accountability is subject to gravity and not capillary action. Starting anywhere other than the top of the organisational hierarchy will not have the same impact. Managers working for bosses who are not accountable themselves do not co-operate as much.

Planning strategically, it is critical to secure top leadership involvement and commitment. This includes understanding prior and related efforts in order to avoid costly errors and to learn from those experiences. Departmental leadership must be called upon to ensure sufficient budgetary and human resources to begin a performance measurement and improvement programme.

Knowledge investments have a difficult time surviving a budget process, losing out to more immediate needs. Professional knowledge, under the best of circumstances, is treated as a discretionary expenditure as opposed to a necessary investment. If, however, public managers are not afforded access to information, then we can expect that same mistakes will be repeated.

Some substantial level of funding must be invested in learning resources such as memberships in networks, attendance at conferences and short courses, publications, web-based research, etc.

We often overlook capacity building in favour of measurements of inputs, outputs and outcomes. Virtually all the focus in this field is on outputs and outcomes, with some workload measures. But building capacity – which has little political appeal and is a long-term endeavour – gets almost no attention. In order to truly build internal capacity, key staff should be trained in management competencies. Yet in many public organisations, 'on-the-job' training is thought to be good enough. Many public organisations suffer from the mistaken belief that government work is simple enough – that it can be learned rather quickly by virtually anyone. The reality, however, is that in a post-industrial society, on-the-job training is insufficient preparation for a public sector with increasingly complex responsibilities. To carry out those tasks, in order to deliver on government's promises, public sector managers must be trained in a range of competencies:

- a results-driven orientation, including accountability, performance measurement and management, decisiveness and entrepreneurship;
- skills in leading change, including creativity and innovation, vision and strategic thinking, and managing organisational change; and
- resource acumen: the management of budgets and financial policies, human capital and technology.

Principle #5

Accountability for results and delivery should be assigned explicitly and unambiguously to specific individuals in the government

As part of the GPMS, often an elaborate performance evaluation exercise is carried out for a specific programme, policy or project. However, people responsible for these policies, programmes and projects are not identified. For example, government evaluation reports often arrive at the conclusion that a particular programme, say the 'malaria programme', did not work. This misses the whole point. Programmes do not either succeed or fail on their own. Programme managers make them work or fail. Unless we identify the person responsible for the programme and assign explicit accountability to an actual person in the governmental organisation, civil servants will not feel the pressure to perform.

Principle #6

The government's GPMS must have an appropriate incentive system that is related to departmental, team and, ultimately, individual performance

Such incentive systems can be explicit or implicit, financial or non-financial. Because most governments believe 'performance measurement' is the same as 'performance management', they treat performance measurement as an end in and of itself and are repeatedly disappointed when it does not have the desired impact. Performance measurement is merely the starting point for performance management.

We need to assign clear baseline accountabilities for results and design an incentive system (Burgess and Ratto 2003). By 'incentive system', we do not mean a complicated monetary reward system. An incentive system means there should be 'consequences' – positive or negative – to the measurement exercise. Without clear assignment of responsibilities, most measurement systems are only academic exercises.

Experience shows that for performance measurement systems to affect human behaviour, good or bad performance must have consequences. Performance measurement systems must

be mapped to individuals in the organisation. Programmes and projects do not self-implement. It is specific individuals in the organisation who are responsible for their success or failure. Effective performance management systems hold individual managers accountable, co-ordinating performance management accomplishments with personnel performance evaluations. An appropriate incentive system will contribute to accomplishing the ultimate goal of improving services and outcomes, thereby delivering on the government's promises to its citizens and laying the basis for enhanced trust with voters and taxpayers. Governments and elected officials should be held accountable for 'delivering as promised' in:

- foundation documents, in terms of promises to improve people's lives;
- oaths of office to uphold those promises;
- campaign statements;
- legislation;
- executive orders;
- budgets/performance budgets; and
- management's goals and objectives: in annual reports, plans, timelines.

Principle #7

The GPMS should be effectively integrated with the human resources (HR) systems in government

Often, the Government Performance Management System (GPMS) and the Human Resource Management System are not linked to each other and are in fact run by two separate bodies in the government. For example, the Office of Management and Budget (OMB) in the US Government may run the performance management systems, whereas the Office of Personnel Management (OPM) runs the human resources (HR) management system. In India, the Cabinet Secretariat in the Prime Minister's Office ran the Performance and Monitoring and Evaluation System (PMES), whereas the Department of Personnel and Training under the Ministry of Home Affairs ran the HR system. If these two systems are not synchronised and are not sending the same signals, performance management is likely to remain an ineffective exercise.

Principle #8

The GPMS should be integrated with the budget system

There was a time when everyone believed that what government did could not be evaluated. That is, they believed that the outputs in government could not, and perhaps should not, be subject to evidence-based scrutiny. Thus, the focus was on 'inputs' and 'due process'. In this context, budgeting was considered an effective tool for controlling financial inputs and, through financial control, all other inputs such as human and capital resources. Consequently, budgets became the primary tool for government performance management, and spending within budgetary limits was considered 'good' performance.

Dissatisfaction with the narrow focus of budgets on inputs in the 1960s and 1970s led to the widespread advocacy and adoption of Performance Budgeting. In addition to financial information, this included information on activities and outputs associated with government departments. This new version of MBO improved the way objectives were defined and measured, but there was no real integration of budgets and performance.

Soon there was a realisation among policy-makers that Performance Budgeting was missing perhaps the most important aspect of government performance – the final outcomes for the society. This led, in the 1980s and 1990s, to a wave of Outcome Budgeting in governments around the world. Unfortunately, most governments simply, and somewhat mechanically, specified outcomes for various items of departmental expenditure. Thus, we saw examples of ridiculous outcome budgets that specified outcomes for each line item in a budget or that simply mentioned outcomes in another table, without making any organic links or seeking real integration.

Even outcome budgets that were structured more thoughtfully were found to be ineffective for government performance management. This is primarily because outcomes are often long-term concepts, whereas most governments operate on an annual cycle. Therefore, how can we evaluate the performance of an officer in the government each year when it takes several years for an outcome to materialise? By the time the expected outcomes materialise, the officers have been moved around.

This is the primary reason why Outcome Budgeting never worked in any country and has been pretty much abandoned by all.

In addition, outcome budgets were focused primarily on the outcomes related to budgetary expenditures. However, as we know, governments do a large number of things that do not require any financial outlay. Indeed, many innovations could actually save money.

In response to prevailing dissatisfaction with the state of management technology in the government, New Zealand pioneered a revolutionary approach to government performance management in the late 1980s. Inspired by techniques used in the private sector and the army, this approach has come to be known as the New Public Management (NPM) (Scott & Boyd, 2017) and, explicitly or implicitly, dominates thinking in public administration globally. While far from perfect, Performance Agreements drafted under NPM represent the best example of budget integration with performance management.

Principle #9

The GPMS should be transparent, ensuring access to all organisational data

A GPMS should have the attributes described below.

Key to accountability is transparency (Boyle 2009). Most leaders have a good sense of who are the real performers and non-performers in their cabinet or leadership. However, this conclusion is based on impressions and hunches. To be credible, it must be evidence based. Data must be scanned for trends, suggesting areas for improvement.

Generally speaking, performance measurement entails trying to answer questions as to whether the organisation is performing well – delivering what is expected or promised. Such initiatives are designed to encourage objective measurement efforts that document outcomes that matter to people (Holzer et al., 2011).

- Is the organisation fulfilling its mission and accomplishing stated goals, objectives and outcomes?
- Is the organisation producing unintended impacts?

- Is the organisation responsive to the people?
- Does the organisation keep within its bounds of authorised activity in compliance with the law?
- Is the organisation producing public services efficiently, economically and effectively?
- Performance measurement is also implied (and required) when we ask questions that deal with the quality of government services: 'Is the neighbourhood dangerous?', 'Are the streets dirty?', 'Are the schools succeeding?' Citizens often answer these questions with tales told by friends and acquaintances, rumours, and personal experiences.

Public organisations need to know how well they are performing, and in doing so they must rely on hard data: 'Crime is down 8 per cent', 'The streets are 23 per cent cleaner', 'Standardised test scores have increased by an average of 5 points in the last year'. Public organisations often possess the hard data to develop objective performance measures. As award-winning and innovative cases suggest, measuring public service quality is practically feasible. Data are available and the results need not be too complicated to use. Performance measurement provides an opportunity to present 'hard' feedback in place of 'perceptions' that are often fuelled by incorrect information, rumours and conjecture. According to the US General Accounting Office (GAO 1992):

Managers can use the data that performance measures provide to help them manage in three basic ways:

- *to account for past activities,*
- *to manage current operations, or*
- *to assess progress toward planned objectives.*

When used to look at past activities, performance measures can show the accountability of processes and procedures used to complete a task, as well as program results. When used to manage current operations, performance measures can show how efficiently resources, such as dollars and staff, are being used. Finally, when tied to planned objectives, performance measures can be used to assess how effectively an agency is achieving the goals stated in its long-range strategic plan. Having well-

designed measures that are timely, relevant, and accurate is important, but it is also important that the measures be used by decisionmakers.

At the end, some things will get done, no matter how ineffective the government of the day is. However, the issue is whether the government delivered what it had promised. This requires that the citizens should know what was promised and what was achieved. This, in turn, requires that the commitments of the government should be made transparent and the year-end achievements against these promises should also be made public.

In many countries, the foundational commitments made at the beginning of the year are posted on departmental websites at the time. Similarly, at year's end, the retrospective achievements and the composite scores are posted on the departmental websites, as well as being placed before the legislature as part of departmental annual reports. This level of transparency not only allows citizens to point out if the facts on the ground are different than those claimed by the government, but also helps manage their expectations.

Principle #10

There should be appropriate institutional arrangements for managing the GPMS

The following attributes of performance-related institutions are desirable:

- there should be provision for independent (prior/post) expert scrutiny of targets and KPIs used in the GPMS; and
- the body managing the GPMS should be located at the highest possible level in the government.

In this context, three main issues need to be considered:

- location of the performance management unit within the government;
- ensuring fair and balanced treatment; and
- ensuring a balance between knowledge and experience of all parties involved in negotiating performance commitments.

Experience has shown that the location of the performance management unit within the government has major implications for the overall

effectiveness of the proposed GPMS (Shirley 2008). Given that accountability trickles down, the starting point for the GPMS must be the top of the government. Hence, the performance management unit must be located at the highest possible vantage point. Most effective GPMSs are located in the office of the chief executive (the president or prime minister).

Governments have used various institutional arrangements to implement the GPMS in the country. In parliamentary systems, successful examples include the Prime Minister's Delivery Unit (United Kingdom, Malaysia, Australia), the Performance Management Division in the Prime Minister's Office and the Cabinet Secretariat (India, Bhutan and Bangladesh). In presidential systems, most successful initiatives are driven essentially from the President's Office, as in the US and Kenya (IBRD 2017). In short, creating and monitoring the government's bottom line is a top management function.

To ensure a fair and balanced treatment, some aspects of a third neutral party are necessary parts of an effective institutional design. In the early 1980s, South Korea started a system of using an Advisory Task Force (ATF) for negotiating the performance commitments of Korean state-owned enterprises (known in Korea as 'Government Invested Enterprises'). This institutional innovation was subsequently used by Pakistan, India and Kenya. In India, the government appointed a body of highly experienced non-government experts consisting of former permanent secretaries of government departments, former chief executives of public and private enterprises, renowned academics, and leaders of non-government organisations.

Having such a neutral group as a vetting body has three advantages. First, it increases transparency, as the government is seen to be open to discussing these issues of public interest and importance with experts. Second, it provides continuity in institutional memory as this group provides the knowledge bridge between transfers of the civil servants, who often move on after finishing their tenure in one position. Finally, this neutral group brings to the table expertise and experience that would be hard to procure (or afford) for the government.

Principle #11

The government should employ an effective, strategic communications strategy across all phases of implementing the GPMS

Often, governments implement a sound GPMS and their performance improves. Yet, there is a gap between perception and reality – with the reality usually much better than the perception. The main explanation for this gap between perception and reality is often the absence of effective communications about performance by the 'government of the day' with the public. Since nature does not like a vacuum, if a government does not communicate the facts, the space is quickly filled with speculation (Boyle 2009). As elsewhere, here there is also a first-mover advantage. Once the damage is done, it is difficult to repair it.

While governments are beginning to understand the importance of communication, they are way behind their counterparts in the private sector in taking it seriously and making it a science (Boxelaar et al. 2006). For example, communications and marketing are required courses in most business schools, yet courses on marketing and effectively communicating public policies are hardly ever taught in public policy or public administration schools.

Most governments communicate only their achievements, but not the journey towards those achievements. Take the example of two airplanes stuck on the tarmac waiting for clearance for take-off from traffic control. The pilot of one airplane comes on the public address system, reassuringly explains the delay and offers a round of drinks on the house while waiting for clearance from the air traffic control tower. The pilot of the second plane does not explain. Both planes are in the same situation and are not moving, but the passengers of the first plane are more relaxed and happier.

Governments should learn a lesson from this story and keep their stakeholders informed about the journey towards the final 'promised results'. If they do not do so, then citizens may assume the worst and feel government is trying to hide something. A good performance management system, therefore, reports on the achievement of major milestones in the journey towards the desired

destination. This is an essential element of any communication strategy.

Finally, public managers must remember that citizens' views of the government do not depend solely on the government's achievements of results. Public managers must also manage public perceptions of government performance, via engagement and communication tools. A Citizens'/ Client Charter (CCC) is an example of a successful strategy. CCCs detail what citizens should expect in terms of service quality for specific services, such as the phone response time and time spent standing in line (Ho 2007). A Grievance Redress Mechanism, which gives voice to citizens' concerns about how they are treated by government employees, provides another example of a tool for managing the citizen–government interface.

Principle #12

The GPMS should have a strong and unambiguous legal foundation

Another commonly observed threat to Government Performance Management Systems comes from changes in governments. In most jurisdictions, a new government that comes in on the slogan of bringing change often wants to undo all the efforts of the previous government. In doing so, they often 'throw the baby with the bath water'. Although a GPMS is a management tool like a budget, new governments do throw out the budget when they come to power. They simply change the priorities in the budget. This is because the budget has been enshrined in most constitutions and charters as an accepted tool of management, and all elected governments must abide by the constitutional and legal requirements of preparing a budget and seeking its approval from a legislative body at the country, state, provincial or local levels. Unfortunately, the same level of maturity has not been achieved for GPMS. Therefore, it is imperative that a good GPMS should be provided with a legal basis for it to be sustained over time and survive changes in governments. (Trivedi 2017b). For example, in the US, the State of New Jersey formalised a GPMS:

The Department of the Treasury is hereby directed to establish a statewide performance budgeting program for implementation.... Such program shall include, but not be limited to, a provision specifying that no existing program will be expanded or new program created unless it 'sunset' after its first four

years and includes outcome-based performance objectives by which it can be measured.

Principle #13

Performance measurement should serve multiple, overlapping purposes

Performance measures serve several purposes. While coming to an overall conclusion about the performance of a government organisation is the primary goal, to successfully operate their organisations, public managers must have certain information. This applies to all management levels and to all organisations. It is critical that performance measurement and resultant performance information be considered a requisite part of the management process. A robust GPMS is generally expected to contribute to the following.

- Improved decision-making: That is, utilising performance measures to afford managers necessary information with which to perform their control functions.
- Performance assessment: Connecting individual and organisational performance to personnel management serves as a basis for motivation.
- Accountability: That is, by engendering managerial responsibility.
- Service delivery: It does this by fostering service performance improvements.
- Public participation: Establishing regular performance reporting contributes to encouraging citizens to take a greater interest in, and provide more encouragement for, public employees who provide timelier or better-quality services.
- Improved civic discourse: That is, by making public discussions about public service delivery more factual.
- Analysis and oversight: Performance measurement is especially valuable to staff analysts and auditors, as measures can be useful to both internal and external groups in improving their assessments of a government's programmes.
- Problem-solving performance meetings: Convening such meetings emphasises learning from both successes and errors,

with the latter likely informing 'mid-course corrections'. A GPMS should create internal working groups of managers, employees, citizens, users of services and management experts. Those groups should be linked to external working groups in similar jurisdictions and related professional associations.

- Dashboards: Stakeholders must be oriented to the performance programme. In order to do this, a GPMS must build dashboards with attractive graphics, linking to spreadsheets and tables as backup. Programme report cards should include data and illustrative vignettes or cases, and should not hide poor performance within detailed tables or spreadsheets. Clear visual graphics will stimulate problem-solving dialogues.

Principle #14

Performance measurement should be citizen driven

A citizen-driven GPMS adds great value and utility. However, for citizen-driven performance measurement to be meaningful rather than a public relations ploy, the guiding value of the endeavour should be reciprocity. Many have argued that designing performance measurement systems with the aid of average citizens adds value to the process. In other words, by involving citizens in the process, public organisations can ensure that they are measuring what is important to the community (Smith and Huntsman 1997). Weeks (2000) maintains that including citizens in the performance measurement process can potentially reduce participatory lethargy, cynicism toward government, and the rift between citizens and public decision-makers. These benefits are in addition to better performance measures.

A meaningful citizen-based GPMS acknowledges the following.

- In order to conduct meaningful consultation with citizens, they have to be present in the process at an early stage. Citizens must be consulted about the actual decision to involve them in the decision-making process, as it is presumptuous of public managers to decide what should be submitted to citizen participation and what should not.
- Citizens have preferences and interests that diverge from the assumed public interest that managers may have in mind. Citizen-based performance measurements channel upstream resources and efforts to minimise downstream corrections. It does so by internalising the priorities and preferences of the financiers, the stakeholders and beneficiaries of public services: citizens.
- Citizen-based performance measurements reverse the downward tailspin of incongruity between managers' perceived performance and citizen satisfaction. Citizen-centred performance measurement reduces managers' contempt about citizens' capacity to assess government performance, while addressing citizens who feel disaffection and cynicism toward government.
- Managers and citizens must act in concert to produce measures that will fulfil managerial and communication goals alike. Citizens should be able to steer managers toward intended outcomes for their community; managers should take the time to educate citizens about technical specification of inputs, which all government bodies have in their budgets.
- Diversity and thoroughness ought to be prominent in engagement of the community. For citizen-based performance measurements to lie on a solid base of legitimacy, measures have to be taken to widen the pool of citizen representatives beyond the 'usual suspects', while recognising their valuable contributions.
- Interagency co-operation is an inevitable condition for success. Government must work against its reflex to assess its performance agency by agency. Citizens are faced with an unfragmented reality and do not think in jurisdictional terms.
- An attitude suited for performance measurement has to be present. If measureless blaming and unabridged political opportunism punish accomplishments that fall short of previously formulated ambitious goals, performance measurement will be a paralysing and corrosive influence.

Principle #15

Knowledge management should be an integral part of the GPMS

Public organisations need to learn from their successes and failures – but perhaps more importantly, from the successes and failures of other public organisations. A deep reservoir of potentially applicable innovations, typically known as 'best practices', 'model programmes' and the like, is readily available at conferences, in hundreds of publications, and especially on the internet at virtually no cost. Practitioners of performance improvement, although eager to share best practices and lessons learned, are not often asked to do so by their colleagues elsewhere. Those human and informational resources, however, can suggest strategies for improving services, cost savings and quality enhancements. And contacting programmes of interest will often result in 'virtual consultations' and a deeper understanding of interventions that might be applicable to one's own organisation. Managers of such programmes may also be willing to provide invaluable documentation, such as strategic plans and manuals. Of course, any such innovations should not simply be copied, but must be adapted to an organisation's context.

However, consulting the internet must not be limited to a singular search at a particular point in time. It is important to repeat searches for best practices and related insights on a regular basis. Academic and practitioner journals, books and relevant professional networks (which are often underutilised) offer a wealth of research and experiential insights. That effort is a cost-effective means for continuous performance improvement.

Principle #16

Momentum, once built, must be maintained

An effective and enduring performance measurement and improvement system is a continuous process. Over the long term, a successful performance programme is one that:

- keeps an eye not just on measurement, but on improvement of services to citizens;
- builds a successful track record of 'small wins';
- celebrates wins with both external publicity and internal celebrations;
- anticipates crises and misunderstandings;
- responds to criticisms with data and facts;
- builds capacity to meet increased demands for services;
- continually scans the political–managerial–labour environment for problems or obstacles;
- communicates regularly with community-based partners: non-profits, the public, interest groups, etc.;
- creates public–private collaborations;
- highlights a track record of performance improvements in the budget process;
- constantly supplies elected officials with evidence of successes;
- argues that the performance programme is an important return on investment (ROI);
- re-evaluates efforts on a regular basis;
- addresses important disconnects between measurement and improvement, acknowledging that salient performance improvement is not achieved as expected due to intangibles; and
- recognises that politicians and appointed officials often dismantle or ignore their predecessor's changes to make an imprint by introducing their own programmes and priorities.

4. Summary of GAPP

The principles/criteria for judging the quality of a government performance management system discussed above are summarised below.

| Summary of Generally Accepted Performance Principles (GAPP) | |
|---|---|
| 1 | <p>What is the performance measurement system used by your government's GPMS?</p> <ul style="list-style-type: none"> • Is it based on a foundational agreement on the meaning of performance? Does it employ instruments like a Performance Agreement, Performance Contracts, Results- Framework Document, etc? • Does the GPMS cover all aspects of organisational performance? Financial, physical, quantitative, qualitative, static and dynamic? • Does it focus on 'managerial' performance as well as 'agency' performance? |
| 2 | <p>Does your government's GPMS use an appropriate performance measurement methodology?</p> <ul style="list-style-type: none"> • Is there a connection (line of sight) between vision, mission, objectives, actions and success indicators (key performance indicators – KPIs)? • Are the objectives, actions and KPIs in the GPMS prioritised (i.e., weighted)? • Is there an explicit, beginning agreement on what constitutes an 'excellent', 'good', 'average' and 'poor' level of performance? • In your country's GPMS, are you able to calculate a composite score (a weighted index) for managerial performance? |
| 3 | Does the GPMS cover the whole of government? |
| 4 | Does the accountability for results and delivery trickle from the top down? |
| 5 | Is the accountability assigned explicitly and unambiguously to specific individuals in the government? |
| 6 | <p>Does your government's GPMS have an appropriate incentive system?</p> <ul style="list-style-type: none"> • Are the incentives explicit or implicit? • Are the incentives financial or non-financial? • Are the incentives related to departmental, team, individual performance? |
| 7 | Is the GPMS effectively integrated with the HR systems in the government? |
| 8 | Is the GPMS integrated with the budget system? If so, how? |
| 9 | <p>How transparent is your GPMS?</p> <ul style="list-style-type: none"> • Are the commitments and promises made (objectives, actions and targets) displayed transparently at the inception of the performance programme? • Are the results achieved at the end of the year actually displayed at the end of the year? |
| 10 | <p>Are there appropriate institutional arrangements for managing the GPMS?</p> <ul style="list-style-type: none"> • Is there provision for independent (pre and post) expert scrutiny of targets and KPIs? • Is the body managing the GPMS placed at the highest possible level in the government? |
| 11 | Does your government employ an effective communications strategy across all phases of implementing the GPMS? |
| 12 | Does the GPMS have a strong and unambiguous legal foundation? |

| Summary of Generally Accepted Performance Principles (GAPP) | |
|---|---|
| 13 | Is there widespread recognition that performance measures enhance decision-making, performance assessment, accountability, service delivery, public participation, civic discourse, problem solving, etc? |
| 14 | Is there complete agreement that citizen-driven performance measurement will add value and utility to internal managerial efforts? |
| 15 | Are there efforts to inform performance management via systematic searches for best practice innovations? |
| 16 | Is there anticipation of the commitments and efforts necessary for continuous improvement of the performance measurement and improvement process? |

5. Conclusion

The GAPP outlined in this paper were derived from an extensive on-the-ground implementation experience. They were then tested in the three training programmes organised by the Commonwealth Secretariat for the senior most policy-makers in this area. Finally, a poll was taken on the GAPP. Further dialogue has continued at the Annual Performance Conferences of the National Center for Public Performance, in conjunction with the Section on Public Performance and Management of the American Society for Public Administration, and with an advisory group of academics and practitioners worldwide. It seems reasonable to assert that the Generally Accepted Performance Principles outlined in this paper have wide support among professionals and students of public sector performance in this area, and represent a good starting point for measuring, managing and improving services delivered to the public.

6. Empirical Findings

The focus of this monograph was to outline a set of criteria that can be used to judge the quality of a Government Performance Management System. Such GAP Principles were extensively discussed and debated in three editions of the Commonwealth Advanced Online Programme in Government Performance Management:

- a. Africa and Europe Edition (21–25 January 2021)
- b. Asia Edition (8–12 February 2021)
- c. Caribbean Edition (1–5 March 2021)

These GAP Principles were discussed in all editions of the training programme and participants of these editions were asked to carry out a peer review of various countries represented in each

regional edition. The methodology for doing so was as follows. First, each country delegation was asked to complete a questionnaire based on the 16 principles described earlier. Second, these principles were discussed during the training programme to establish if there was a consensus among participants. Finally, each participant was required to peer review the completed questionnaires submitted by the country delegation. The summary of scores assigned by each participant to the country peer reviewed by them is shown in Table 6.1.

Table 6.1 Results of peer review of Government Performance Management

| Country | Rating of GPMS | Country | Rating of GPMS |
|--|----------------|--|----------------|
| Caribbean region (1–5 March 2021) | | Africa and Europe region (21–25 January 2021) | |
| Jamaica | 164.16 | South Africa | 166.27 |
| Barbados | 150.04 | Rwanda | 164.37 |
| Trinidad and Tobago | 118.23 | Kenya | 159.66 |
| St Vincent and the Grenadines | 115.29 | Botswana | 153.00 |
| Dominica | 102.52 | Sierra Leone | 151.68 |
| The Bahamas | 86.52 | Namibia | 148.00 |
| Saint Lucia | 79.73 | Mauritius | 145.84 |
| Antigua and Barbuda | 65.84 | Uganda | 143.89 |
| Grenada | 50.76 | Ghana | 137.23 |
| St Kitts and Nevis | 41.39 | Malta | 135.35 |
| Asia region (8–12 February 2021) | | Zanzibar | 130.49 |
| Bangladesh | 161.27 | Lesotho | 127.00 |
| Brunei | 155.15 | Mozambique | 119.54 |
| Maldives | 153.52 | Zambia | 108.84 |
| Punjab | 147.17 | The Gambia | 86.50 |
| Himachal Pradesh | 129.41 | Cameroon | 82.97 |
| Sri Lanka | 123.25 | Cyprus | 65.60 |
| India | 121.65 | | |
| Uttarakhand | 106.46 | | |
| Seychelles | 99.33 | | |

References

- Behn, R (2003), 'Why Measure Performance? Different Purposes Require Different Measures', *Public Administration Review*.
- Boxelaar, L, M Paine and R Beilin (2006), 'Community engagement and public administration: Of silos, overlays and technologies of government', *Australian Journal of Public Administration*, Vol. 65 No. 1, 113–126.
- Boyle, R (2009), *Performance Reporting: Insights and International Practice*, IBM Center for the Business of Government, Washington, DC.
- Burgess, S and M Ratto (2003), 'The Role of Incentives in the Public Sector: Issues and Evidence', *Oxford Review of Economic Policy*, Vol. 9 No. 2, 285–300.
- Duflo, E, R Glennerster, M Kremer (2008), 'Using Randomization in Development Economics Research: A Toolkit', in Behrman J, Srinivasan TN (eds), *Handbook of Development Economics*, vol. 4, Ch. 61, pp 3895–3962
- Government of India, Government Office (2017), 'The Government Performance Group, Bharti Institute of Public Policy', Indian School of Business.
- Ho, AT (2007), *Engaging Citizens in Measuring and Reporting Community Conditions*, IBM Center for the Business of Government Washington, DC.
- Holzer, M et al. (2010), 'Statement on the Value of Performance Management and Reporting', Citizen-Driven Government Performance Project, National Center for Public Performance.
- International Bank for Reconstruction and Development (IBRD) (2017), 'Malaysia's Experience with PEMANDU Offers Lessons Worldwide', Press Release, World Bank, available at: <https://www.worldbank.org/en/news/press-release/2017/05/09/malaysias-experience-with-pemandu-offers-lessons-worldwide>
- Kamensky, J (2018), 'Cross-Agency Collaboration: A Case Study of Cross Agency Priority Goals', the IBM Center for the Business of Government, Washington, DC.
- Metzenbaum, SH (2006), *Performance Accountability: The Five Building Blocks and Six Essential Practices*. Washington, DC: IBM Center for the Business of Government.
- Office of Management and Budget (OMB) (AU-confirm year?), available at: <https://georgewbush-whitehouse.archives.gov/omb/performance/>
- Performance Management Division (PMD) (India) (2015), 'Results Framework Documents (RFD)', PMD, Cabinet Secretariat, Government of India.
- Scott, R and R Boyd (2017), 'Interagency performance targets: a case study of New Zealand's results programme'. Washington, DC: IBM Center for the Business of Government.
- Shirley, M (2008), *Institutions and Development*, Edward Elgar, Northampton, MA.
- Smith, GE and CA Huntsman (1997), 'Reframing the metaphor of the citizen-government relationship: a value-centered perspective'. *Public Administration Review*, Vol. 57, 309.
- Trivedi, P (2017a), *Rethinking Performance Audit Methodology in Government*, IBM Center for the Business of Government, available at: www.businessofgovernment.org/blog/rethinking-performance-audit-methodology-government

Trivedi, P (2017b), 'The rise and fall of India's Government Performance Management System', *Governance*, Vol 30, No. 3, available at: <https://doi.org/10.1111/gove.12278>

Trivedi, P (2018), *Performance Management in Government: A Primer for Leaders*, Commonwealth Secretariat, London

US General Accounting Office (GAO) (1992), 'Program performance measures: federal agency collection and use of performance data. GAO/GGD-92-65.

US Office of Management and Budget (2008), 'Assessing Program Performance', OMB, available at: <https://georgewbush-whitehouse.archives.gov/omb/performance/index.html>

US Office of Personnel Management (2001), 'Policy, Data, Oversight – Performance Management', OPM, available at: <https://www.opm.gov/policy-data-oversight/performance-management/performance-management-cycle/planning/performance-agreements-lead-to-improved-organizational-results/>

Vaughan, V (1997), 'The Trickle Down Effect: Policy Decisions, Risky Work', *California Management Review*, Vol. 39 No. 2, 80–102.

Weeks, EC (2000), 'The practice of deliberative democracy: results from four large-scale trials'. *Public Administration Review*, Vol.60 No. 4, 360-72.

Annex 1

Second Pan-Commonwealth Meeting of Heads of Public Service / Cabinet Secretaries on Frontiers of Government Performance Management: Towards Generally Accepted Performance Principles (GAPP), 6-8 June 2022

Outcome Statement

The Second Pan-Commonwealth Heads of Public Service / Cabinet Secretaries Meeting took place virtually from 6 to 8 June 2022 with the theme: 'Frontiers of Government Performance Management: Towards Generally Accepted Performance Principles (GAPP)'.

The forum brought together the Commonwealth Heads of Public Service, Cabinet Secretaries and Senior Public Officials from across the Commonwealth with the following principal objectives.

1. To review and discuss the international experience in general and Commonwealth experience in particular with regard to design and implementation of effective government performance management systems with a view to share best practices, lessons learned, and identify challenges.
2. To take stock of emerging global consensus on the Generally Accepted Performance Principles (GAPP) for the design and implementation of government performance management systems, which contribute to more effective government.
3. To enhance participants' knowledge in (a) performance improvement and management techniques, based on theory and international experience, and
4. (b) cutting-edge tools and techniques.
5. To strengthen the Commonwealth Community of Practice in Government Performance Management to ensure that we sustain and institutionalise cross-learning, exchange of ideas and experiences in performance management.

During the three-day meeting, experience of following countries in designing and implementing a government performance management system (GPMS) was discussed in some detail: Bangladesh, Barbados, Bhutan, Jamaica, Kenya, Namibia, Nigeria and The Gambia. Many other participants shared their country experience to highlight various points.

From the various country cases and experiences from across the Commonwealth discussed during the meeting, participants sought to distil the underlying principles that seem to be common among countries that have been successful in creating government departments that work faster, cheaper, better and deliver what they promise. These underlying principles were discussed and summarised as Generally Accepted Performance Principles (GAPP).

Participants agreed on the following broad points.

1. Government performance is critical to service delivery and achievement of national development goals, including the 2030 Agenda for Sustainable Development Goals (SDGs).
2. The competitive and comparative advantage of nations depends primarily on the performance and effectiveness of government, implementation of sound policies, and optimal utilisation of limited resources. An 'effective' performance management system is therefore a critical requirement for the public service.
3. It is felt that many, if not most, of the problems that we see with government inefficiency can be traced to poor performance management systems in governments. That is, most problems that we observe are symptoms of a more fundamental underlying problem of poor performance management in government.
4. The diversity that exists among nations and their governments tends to obscure three key facts.
 - a. First, many of the problems involved in managing government are a result of a few underlying causes.
 - b. Second, the underlying causes of poor government performance are similar in nature across a diverse set of countries.
 - c. Third, countries have successfully dealt with these (few) underlying causes using remarkably similar approaches.
5. Participants looked for what works and what doesn't work and distilled the key aspects of the methodology for improving government performance and culled out the generally applicable (and acceptable) principles. The institutional context of each country may differ a little, but participants were struck by the similarities and relevance of their experience for each other.
6. A broad consensus emerged on the relevance of the following principles while designing government performance management systems in individual member countries. These principles then constitute the Generally Accepted Performance Principles (GAPP):

| Principle | Brief Description |
|--------------------|---|
| Principle 1 | The GPMS used by a government should have the following attributes: <ol style="list-style-type: none"> a. be based on a preceding agreement on the meaning of performance and the intent of a performance programme to produce tangible, salient efficiency and service improvements. b. employ instruments such as a Performance Agreement (PA), Performance Contract (PC), Commitment for Results (CFR), and Results-Framework Document, (RFD), etc. c. cover all aspects of organizational performance - Financial, physical, quantitative, qualitative, static and dynamic. d. focus on 'managerial' performance as well as 'agency' performance. |

| Principle | Brief Description |
|---------------------|---|
| Principle 2 | <p>A government's GPMS should use a performance measurement methodology that has the following objective, scientific attributes.</p> <ol style="list-style-type: none"> There should be a connection (line of sight) between vision, mission, objectives, actions and success indicators (Key Performance Indicators [KPIs]). Menus of KPIs should be drawn from web-based resources and other publications. They need not be reinvented; rather they may be adapted or modified from those lists. KPIs should include measures of capacity, efficiency, efficacy, and outcomes or impacts. The objectives, actions and KPIs in the GPMS should be prioritised (i.e. weighted). There should be an explicit, prior agreement on what constitutes various levels of performance – such as excellent, good, average and poor levels of performance. A government's GPMS should be able to calculate a composite score (a weighted index) for managerial performance. |
| Principle 3 | The GPMS should cover the whole of government. |
| Principle 4 | Accountability for results and delivery should trickle down from the top. |
| Principle 5 | Accountability for results and delivery should be assigned explicitly and unambiguously to specific individuals in the government. |
| Principle 6 | A government's GPMS must have an appropriate incentive system that is related to departmental, team and, ultimately, individual performance. |
| Principle 7 | The GPMS should be effectively integrated with the human resource (HR) systems in the government. |
| Principle 8 | The GPMS should be integrated with the budget system. |
| Principle 9 | The GPMS should be transparent, ensuring access to all organisational data. |
| Principle 10 | There should be appropriate institutional arrangements for managing GPMS. |
| Principle 11 | The government should employ an effective, strategic communications strategy in all phases of implementing GPMS. |
| Principle 12 | The GPMS should have a strong and unambiguous legal foundation. |
| Principle 13 | Performance measurement should serve multiple, overlapping purposes. |
| Principle 14 | Performance measurement should be citizen driven. |
| Principle 15 | Knowledge management should be an integral part of GPMS. |
| Principle 16 | Momentum, once built, must be maintained. |

7. There is a general agreement among observers of public administration that today the performance of a government organisation lies in the eyes of the beholder. There is, therefore, a need to generate consensus on the use of these GAP principles for designing effective government performance management systems to enable greater trust on the performance rating of government organisations.
8. To facilitate better understanding of these GAP principles, the delegates agreed to create a community of practice and requested the Commonwealth Secretariat to suggest modalities for designing and operationalising such a community of practice (COP) based on international experience.
9. Participants thanked the Commonwealth Secretary General, the Rt Hon Patricia Scotland QC, for her leadership of the meeting and the staff of the Commonwealth Secretariat for making this meeting of the Commonwealth Heads of Public Service / Cabinet Secretaries very productive and useful.
10. The meeting ended with a vote of thanks to all the participants for taking time out from their busy schedules and contributing to the discussions and deliberations over the past three days.

Commonwealth Secretariat

Marlborough House, Pall Mall
London SW1Y 5HX
United Kingdom

thecommonwealth.org