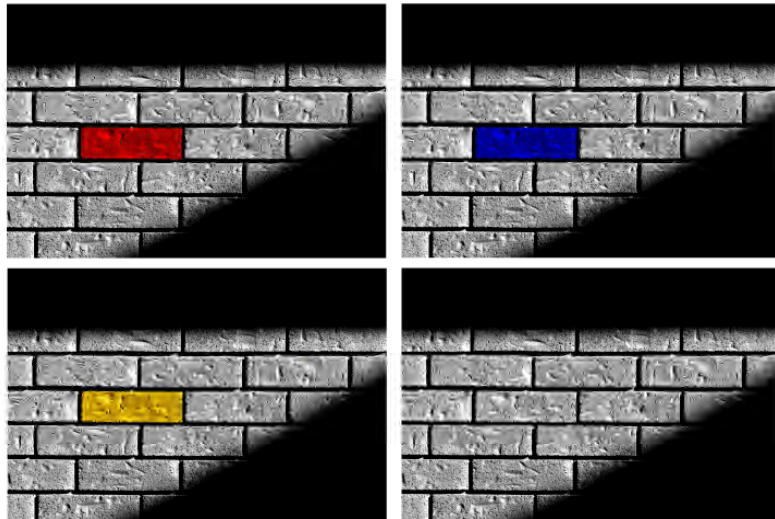


Mark Schacter
CONSULTING

Performance Measurement Meets the Real World
Leadership, Accountability, Politics & Scandal



by Mark Schacter
November, 2005

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Accountability, Politics & Scandal.*

Published by:

**Mark Schacter Consulting
5 Linden Terrace
Ottawa, Ontario, Canada
K1S 1Z1**

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www.schacterconsulting.com

mark@schacterconsulting.com

Performance Measurement Meets the Real World. Leadership, Accountability, Politics & Scandal

*Remarks by Mark Schacter to the Cognos Government Forum, Ottawa,
November 29, 2005.*

Good afternoon. I'd like to begin by thanking Cognos for inviting me here to share with you some ideas about performance measurement and results-based management (RBM) in the Canadian federal public service. And I'd also like to commend Cognos for the effort it has made to bring us all together today to exchange ideas and experiences about performance and accountability in the public sector.

There's a famous speech in Act 3, Scene 2 of *Julius Caesar* by William Shakespeare, where Mark Antony says:

*Friends, Romans, countrymen, lend me your ears;
I come to bury Caesar, not to praise him.*

I feel a little as if I'm in that position today.

All morning you've been hearing praise for performance measurement and performance management in the public sector. Speakers have been talking about what powerful tools they are and about the wonderful things they can do for you and your organization.

Now don't get me wrong -- I'm not here to "bury" performance measurement.

But I am here to raise some questions; maybe to provoke you a little; and, hopefully, my remarks will lead to some interesting discussion.

If you're familiar with the rest of Mark Antony's speech in *Julius Caesar*, you'll know that while he says he's come to bury Caesar not praise him, his speech ends up, in fact, praising Caesar.

And that's where I come out, too. Performance measurement *is* a good tool. RBM *is* an important management concept. There's no well run organization in the public sector that wouldn't be genuinely interested in implementing these things.

But I also believe we need to think carefully about how they get implemented in the public service, and that's what I want to talk about.

Sometimes I think there's some fantasy in the rhetoric around performance measurement in the public sector. Perhaps that's an odd thing to say here in a room full of users and vendors of public sector performance measurement.

I myself am a vendor – a big part of my consulting practice is about providing advice, training and support to public-sector organizations in the development of performance measurement frameworks. So I have as much of an interest as anyone here today in promoting performance measurement and RBM. And yet, I have some concerns.

My concerns are in the area where the official line about performance measurement and RBM meet the reality of life in the public sector.

Garrison Keillor, the American author and humorist, once said “I believe in looking reality straight in the eye, and then denying it.”

To some extent, that's what I see happening with regard to RBM in the federal public service. And if we, the vendors in this room, don't pay careful attention to the real environment in which RBM gets implemented, then we're not going to be doing the best we can to help our public-sector clients implement RBM successfully.

So what is my basis for saying that there's a gap between the official line on RBM and the reality on the public service?

Much of the evidence comes from what I hear from clients – the people and the organizations that I work with in the public sector. And the evidence comes both from people at the staff level, and from managers and executives.

What I hear from people at the staff level is that they *do* believe in the principles of RBM, but they'd like to see more leadership on RBM coming from the executives to whom they report.

They generally raise three points:

They talk about (i) public-service leaders' commitment to RBM; (ii) leaders' understanding about the time and resources required to do RBM well; and (iii) leaders' inability or inattention to giving clear guidance about results.

On the first point, about leadership:

Many staff feel that while RBM implies a focus on long-term outcomes, management is often preoccupied with short-term prerogatives and “fire fighting” – so managers are often too distracted to think about the high-level results that matter most to citizens.

Some staff also seem to doubt that, even if short-term distractions weren’t an issue, their leaders would be comfortable with performance reporting that focused heavily on high-level results, or ultimate outcomes, that might take several years or more to materialize.

They feel that their bosses are generally much more comfortable with reporting that emphasizes outputs whose production can be easily demonstrated on an annual basis. (This of course goes against the grain of what RBM and results reporting are supposed to be all about.)

I have also heard the view from staff that managers and executives sometimes appear to be more interested in making sure that all of the required results reporting was completed than in the underlying question of whether results were actually being achieved. In other words, there is a feeling that RBM is sometimes being treated as a corporate requirement, rather than as a valuable management tool.

The second major point has to do with perceptions of staff that leaders underestimate what it takes to do a good job of delivering on RBM.

Staff have told me that their bosses seem to think that RBM is something that can be done “off the corner of the desk”, whereas, in fact, it requires a significant allocation of time and resources.

While they hear the rhetoric about “results”, they don’t see sufficient resources and person-power invested in results-based management. For example, they don’t see enough invested in gathering and analyzing performance data.

They’ve told me they don’t see enough recognition from their bosses that the time devoted to satisfying performance reporting requirements takes away from program delivery. And they expressed concern that senior managers were expecting a level of detail in results-reporting that could not be accomplished within current resource constraints.

The general concern that has been expressed to me by staff is that managers seem to assume that a rigorous approach to performance measurement and RBM can be absorbed without making any trade-offs. But the reality is that RBM, if done well, is time and resource intensive, and therefore something has to give.

The third major issue that I've heard about from staff is that their leaders aren't sending them clear messages about RBM.

On the one hand, they say, we are being told to focus on results.

And that means we need consensus in our Department or Sector or Branch about the outcomes that we, collectively are seeking. But, on the other hand, our managers and executives don't seem to be doing enough to build a clear, collective vision about the outcomes we are seeking so that everyone understands and feels connected to them.

Staff have also told me that they are looking for signs from their leaders that performance measurement will be used more as a basis for constructive criticism, learning and continuous improvement, and less as a basis for blame.

Interestingly, this is an issue which has also been raised to me by public service executives. They have spoken to me about the "blame game".

The official line on performance measurement that executives hear from the central agencies – especially TBS – is that RBM is as much a tool for learning as it is a tool for accountability; and I have no doubt that TBS is sincere about this.

The idea is that by carefully measuring and managing performance you should discover a lot not only about what your organization has done right, but also about what it has done wrong. And this will allow you to learn from your mistakes – a good thing.

And yet what I hear from some executives in the public service is that a lot of the rhetoric about openly and honestly reporting mistakes and failures – so that you can learn from them and do better the next time – rings hollow

The culture in the public service doesn't seem to have fully accepted the idea that you won't get hit on the head when you report completely and openly on honest mistakes. Indeed, the general feeling is that this would be a pretty dumb thing to do.

So even though we might wish that it were otherwise, there still seems to be a sense in the public service that RBM is, on balance, more about blame than about learning; more about self-promotion than honest self-criticism.

This is too bad, because by shortchanging the learning element of RBM, we're losing out on a big part of what makes it so powerful.

The point is that much of what government does is very risky; and that is to be expected. Improving the social and economic conditions of Canadians isn't easy; there's a lot of uncertainty involved in what government does – a lot can and does go wrong in public programs.

Indeed, I'd say that if a good number of public programs and policies *weren't* failing to achieve everything that they set out to achieve, then I'd have to conclude that the government was playing it too safe.

Thomas Edison put it well when he said: "Results! Why, man, I have gotten a lot of results. I know several thousand things that won't work."

All of you who are public servants know that life in government is a lot like that; and I don't think it's much different in the private sector either.

But there's a whole array of incentives that push you away from balanced reporting. There's question period, there's the press, there's the AG; there's your personal performance evaluation to worry about. There are incentives that sometimes get in the way of building a positive association with performance measurement as a tool that helps public servants to do their job better. And that's a shame.

Then there's the whole question of being required to measure things in areas where performance measurement may not be appropriate. This, as much as anything else, tends to breed skepticism within the public service about the value of performance measurement

My own bias, most of the time when I'm working with organizations, is to reject the complaint that *this* or *that* kind of outcome can't possibly be measured because it's too qualitative, or the results are too long term, etc.

In fact, there are usually ways to work around these kinds of measurement challenges.

But even so, I think it does make sense to have a discussion about areas where performance measurement may not be appropriate – at least, not beyond the level of outputs and activities.

Suppose for example that you work in a policy shop, or a corporate services shop; there may be some problems there, at least over the short to medium term, in developing credible performance measures related to social or economic outcomes.

You may have a problem in cases like these of establishing a credible link between output and outcomes. That doesn't mean that the link isn't there or that the work isn't valuable. It just means that a link to high-level outcomes may be very difficult to demonstrate.

Does that mean we throw up our hands and abandon attempts to examine the value added by these kinds of functions? No – but perhaps we need to agree that in certain cases, methods other than ongoing performance measurement are more appropriate.

Periodic evaluation, for example, may be a preferable tool in instances where there are no objective standards for the quality of outcomes, and where it's very difficult to demonstrate a causal link between outputs and outcomes.

Probably the worst thing you could do in these difficult-to-measure areas would be to enforce performance measurement that wasn't suitable. This would just undermine the credibility of performance measurement as a management tool.

The last point that I want to touch on has to do with events that have been very much in the news lately. Let me read something to you. It's a description of a former senior public servant:

“ _____ was a man of action. You only have to spend some time with him to see how he operates. He can attack a number of projects at the same time. He is active, coming and going, all sorts of meetings. He was a man of decisions. He was never afraid, nor did it take him 50 years to come to a decision. [The program that he ran] was administered very quickly. In my experience, he was always available. I'd say, and I will close with this: _____, in terms of client services, there were few who could beat him; he was always very attentive to client department requests.”

Someone else said that this man was “oriented to obtaining results by cutting through red tape.”

This sounds like a man who was very interested in outcomes rather than activities or outputs; someone who would be in tune results based management.

The quotations are taken from testimony to the Gomery Inquiry into the “Sponsorship Scandal” and from Judge Gomery's report. They describe Chuck Guité, who was, of course, a central figure in the affair. Mr. Guité was very focused on results – no question about it.

Let's suppose I'm willing to take the former government's word that the Sponsorship Program was primarily about helping to preserve the unity of Canada. That's a pretty important result - there were just a few problems with the way in which it was pursued.

Remember where the drive for RBM in the public sector came from. It was an outgrowth of the New Public Management movement that rose to prominence in the 1980s when high public deficits in the OECD countries led to intense pressure to cut the cost of government.

Leaders like Margaret Thatcher and Ronald Reagan popularized the idea of bloated and wasteful public services, and contrasted this with the private sector, which was supposed to be the epitome of management efficiency.

RBM was part of a larger movement to make the public sector more "business-like". The marching orders were to focus on results not process; "get things done"; lighten up on procedure; cut red tape, etc. Which of course is fine, up to point.

But the one thing that we can't forget is that the public sector is not the private sector; the public sector is and should be different.

It's interesting that the New Public Management theorists like to talk about the government having customers or clients, just as private companies do. I don't know about you, but I don't want to be thought of as a "customer" of government; I want to be thought of as a citizen.

The relationship between a citizen and government is much deeper than the relationship between a client and a company. As a client, I look to a company to provide me with a good or service at a fair price, and I expect the company to stand behind its work.

As a citizen, I might also look to the government to provide me with certain goods and services, but beyond that, I look to the government to define and to protect the public interest - which is not something that any private company can or should be doing.

I look to the government to embody a certain set of values, and to help make Canada the kind of country that I want to live in, and that I am proud to live in.

That's very different than the kind of relationship a client has with a company. Our expectations of the private sector are very different.

What does this have to do with RBM, performance measurement and “Sponsorship”?

Sponsorship was – let’s assume – aiming for a good result; but the way it did business was terribly wrong

There’s no question that results are critically important in the public sector. I want my government to get things done that make life better for me and my fellow citizens. But because government is what it is – because of what it stands for – results are not the *only* thing that matters in the public sector. Government is very much more than a machine that generates goods and services.

When former Prime Minister Chretien said, when questioned about the misappropriation of sponsorship money (I’m paraphrasing), “so what if a few million dollars were stolen, the point is that we saved Canada” – I’m not sure that a lot of Canadians agreed with that way of thinking

In the private sector, process and administration generally have a negative connotation: they’ve something that you have to do even though they reduce profit – they’re a necessary evil.

But in the public sector process and administration have a special significance – they’re part of ensuring that government lives up to our ideals and protects the public interest.

So, on the one hand, it’s right to send a strong message to public servants about focusing on results. But if that message is interpreted in a way that downgrades the importance of process and administration, then we’re in trouble – precisely because of what government is and what it is supposed to stand for.

I have a lot of admiration for the public service and for public servants. I see public servants up close, and I see that they are talented, dedicated and they work hard. They want to serve Canadians and contribute to results that matter to us all.

As much as anyone in this room, I buy into the results-based management agenda. But I think there’s a tendency to avoid some uncomfortable subjects when we talk about RBM.

A lot of progress has been made over the last ten years in embedding a culture of results and results-based management in the public sector. In order to go further, we have promote an open and honest dialogue about the kinds of issues that I’ve raised.

- We need leaders throughout the public service to demonstrate clearly – through words and actions – that they have bought in to the RBM agenda.
- We need to stop playing the “blame game”. Until that happens, RBM will be seen as something to be afraid of, and its full potential will never be realized.
- We need to give serious thought to the question of whether everything that goes on in the public service is suitable to being assessed through performance measurement. In some cases, perhaps evaluation rather than performance measurement is the way to go.
- Amid all of the emphasis on “results”, we must be careful not to undervalue the importance of process and administration in the public service. Results without process can be as harmful to the public interest as process without results.

Performance measurement and RBM can help the public service to be more effective at creating social and economic benefits for Canadians. And so, it’s good to do a lot of cheerleading for RBM. But that needs to be balanced by a realistic understanding of the environment in which RBM is implemented. If we don’t “get real” and acknowledge the more difficult features of the environment we risk creating cynicism within the public service about RBM.

It’s also important – and now I’m speaking as a consultant – for us as vendors to have a realistic appreciation of the public service environment in which RBM is being implemented, so that we can provide the best possible advice and assistance to Departments.

Thank you very much.