

Center for Results-Focused Leadership

Strategies to strengthen results in public-sector and nonprofit organizations



Quick Summary

Performance measurement is about deciding why an agency or organization wants to measure performance (since different purposes require different measures) and then choosing measures that fit that purpose.

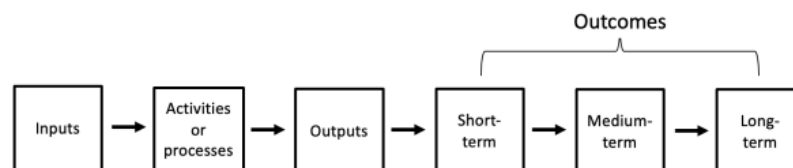
Strategy Details

Q1. What is performance measurement?

Performance measurement sounds like a self-evident concept, yet doing it well requires thoughtfulness and savvy. That's because performance measurement requires, first and foremost, deciding why your organization wants to measure performance, since different purposes require different measures. The next step is then choosing measures that fit that purpose.

Q2. What are the main types of performance measures?

Some of the main types of performance measures are shown in the figure below, presented in the form of a logic model. They include:



- **Input measures:** Measures related to the resources used by the organization (or program or office), such as money, staff time and anything else needed to do the work.
- **Activity or process measures:** Measures related to the everyday work of the organization. Put another way, these measures show how inputs get turned into outputs, which are discussed next.

- **Output measures:** Measures related to what the organization produces. For example, for a health department that could be the number of houses checked for lead paint. Or for a training program it could be the number of individuals trained.
- **Outcome measures:** Measures related to what the organization aims to achieve. These are sometimes divided into short-term, medium-term and long-term measures. To continue the job training example, for instance, a near-term outcome measures might be the number of training graduates (let's assume they were unemployed) who become employed within six months of the training. A long-term outcome measures might be the percentage of graduates who are still employed (in any job) three years later.
- Another category that's not shown in the figure is **efficiency measures**, which are created by dividing outputs by inputs. For example, the number of job training staff (an input) divided by the number of training graduates (an output) is an example of an efficiency measure.

Q3. What format does a well-crafted performance measure have?

As you develop performance measures, it's useful to note that a well-crafted measure has a quantity, the thing being measured, and a time period. For example, here's an input measure: The number [a quantity] of potholes fixed [the thing being measured] per month [the time period].

Q4. What measures should your organization track?

Maybe the most useful piece of advice on performance management comes from Robert Behn of the Harvard Kennedy School who advises, "Always start with purpose." By that he means: Always start by being clear about why you're measuring performance. In his *Public Administration Review* article, "Why Measure Performance? Different Purposes Require Different Measures," Behn provides examples of some of the possible reasons for measuring performance and some of the different types of measures that would be useful:

- **To motivate staff:** That requires real-time outputs compared with target levels.
- **To evaluate organizational performance:** That requires examining changes in outputs compared to changes in outcomes.
- **To promote your organization to stakeholders and the public:** That requires easily understandable aspects of your organization's performance that citizens really care about.
- **To celebrate (with your staff) your organization's success:** That requires periodic and significant performance targets that, when achieved, provide people with a real sense of personal and collective accomplishment.
- **To improve organizational performance:** That requires measuring inside-the-black-box relationships that connect changes in operations to changes in outputs and outcomes.

Q5. Why is being aware of unintended consequences so important with performance measurement?

This piece of advice goes beyond just performance measurement and steps into performance *management* (i.e., how the measures will be used), but it's important to always be aware of possible unintended consequences when measuring performance and using those measures to reward performance, even if it's simply celebration. For example, creating high pressure on specific measures (and targets) can lead to distortions. To take an example, if DMV staff are under strong pressure to process people faster, customer service or accuracy can drop. Examples like these underscore the importance of 1) Being wary of creating too much pressure on any given measure and 2) Having a comprehensive set of measures that leaders track (to watch out for distortions), even if those leaders emphasize just a few key goals to their staff.



Additional Resources

- **Article:** "[Why Measure Performance? Different Purposes Require Different Measures,](#)" by Robert Behn in *Public Administration Review*.
- **Book:** *Performance Measurement: Getting Results* by Harry Hatry
- **Gov Innovator podcast episodes:**
 - [Successful performance management starts with purpose:](#) Robert Behn, Harvard Kennedy School
 - [How to design performance measures to better measure impact:](#) Peter Schochet, Mathematica Policy Research
 - [Avoiding performance perversity:](#) Donald Moynihan, (then) La Follette School of Public Affairs, University of Wisconsin-Madison



Customized Assistance

Please [contact us](#) if your organization needs help with performance measurement, including staff trainings or workshops on the topic.