Performance Management in Local Government: Is Practice Influenced by Doctrine?

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Performance measurement is not performance management.

Performance management entails a series of acts of management that leads to performance improvement.
Performance management doctrine sets out the “rules” of performance management.

- Goal clarity
- Performance information must be relevant, actionable… and used
- Emphasis on results, rather than inputs and compliance
- Engagement of elected officials in priority setting and data-influenced decision making
- Engagement of top executives in monitoring performance reports, providing feedback, but only occasionally intervening in operating decisions
- Devolved decision authority
- Flexibility in the use of financial and human resources, coupled with accountability for results
- Incentives and sanctions
Our research set out to see if performance management practice matches doctrine with what result.

1. Do local governments adopt the practices set forth by performance management doctrine?

2. Do local governments which adopt the doctrine practices perform better?
The local governments included in this research had a reputation for performance management and were diverse in character.

- By reviewing a variety of sources a list of 91 local governments with a reputation for performance management were identified.
- Of these local governments 66 of the 91 fully responded to an online survey.
- Of the sixty-six, 21 were counties and 45 were municipalities.
- The local governments came from 25 states.
- They ranged in size from 12,000 in population to among the largest cities in the country.
Adoption of the various performance management practices varied across the local governments.

Presence of Practices Prescribed by Doctrine

- National Studies
- Reputation based on measurement
- Reputation based on management

MORE THAN TOKEN MEASUREMENT
- Engaged in performance measurement
- Quantity of measures
- Quality of measures

STRATEGIC PLAN

DEVOLVED AUTHORITY
- Dept. officials with broad discretion
- Field supervisors with broad discretion

Frequent Review of performance

INCENTIVES/SANCTIONS TIED TO PERFORMANCE
Adoption of the various practices was generally associated with higher perceived levels of achievement.

Level of Achievement by Whether Reputational Leader Followed Practice

- **MORE THAN TOKEN MEASUREMENT**
  - Quantity of measures
  - Quality of measures

- **STRATEGIC PLAN**
  - Has a strategic plan
  - Linked to measurement

- **DEVOLVED AUTHORITY**
  - Dept. officials with broad discretion
  - Field supervisors with broad discretion
  - Senior managers review routinely
  - Senior managers review quarterly or more frequently
  - Review with required explanation or action

- **INCENTIVES/SANCTIONS TIED TO PERFORMANCE**
Key takeaways.

• Even amongst a list of local governments with a reputation for performance management, many of the doctrine practices are not being followed.

• Amongst these governments, following the key practices was usually associated with higher performance.

• The findings deserve reflection. Is your organization following the performance management doctrine? Are there practices you should consider adopting?