

3.0 Improving the Quality of Services

3.1 Open Government

3.1.1 Improving public reporting

Public reporting is the practical expression of open government. It encompasses three related categories of information to be provided to the public:

- information about government as a holder of information – what records are maintained, and how is accuracy ensured?
- information about government as a business – how much does it spend, on what, with what intention, and with what result?
- information about government as a service provider – what services are available, at what price, and at what quality?

Improving public reporting is both a point of principle, consistent with the emphasis in the Commonwealth Heads of Government Harare Declaration on just and honest government, and a pragmatic step towards improving the performance of the public service.

The context for change

Improvements in management systems and organisational structures are a necessary, but not sufficient, condition for sustainable improvement in public service performance. Pressure for change *within* the public service must be matched by continuous pressure for change from *outside* the service. This requires a public that is confident in its dealings with the public service, a public that has adequate information by which to judge the performance of the public service, and a public that knows the standards of performance that the service has set for itself.

In sum, public expectations of quality performance from the public service are a key component of performance improvements. Realistic but demanding public expectations are sustained by improvements in three dimensions:

- confidence in the accuracy of the information used by the public service;
- access to information on the cost and purpose of services; and
- clear statements of the quality standards which the public service aspires to.

Reasons for caution

Improvements in all three dimensions of public reporting require sound records management within the public service, appropriate publicity, and a culture of openness. There are material, systems development and training costs associated; and any strategy for improving public reporting will be undermined by announced improvements which cannot be sustained.

Achieving change

Commonwealth experiences suggest a three-fold strategy:

- Build confidence in the accuracy of information which government holds through legislative or administrative action, providing the public with:
 - the right of access to all non-personal information held by government which does not endanger national security, law enforcement or free trade; and
 - the right of access to personal information for the person concerned, so that facts may be verified and the information amended if it is inaccurate.
- Improve transparency in government as a business by:
 - providing details of government expenditure in a manner which an interested member of the public can understand; and
 - publishing costs and savings estimates with all policy proposals.
- Emphasise the role of government as a provider of services by:
 - providing information to the public on the range and standards of service which they should realistically expect; and
 - developing complaints procedures.

Further details on *Establishing a customer orientation* are provided in Section 3.2 in this Portfolio.

Examples of change

In *Canada*, the Access to Information Act gives citizens and corporations access to Federal Government records that are not of a personal nature. The Act complements other procedures for obtaining Government information. It aims to make the widest possible use of information within the Government by ensuring that it is organised to facilitate access by those who require it. A particular initiative in improving public reporting is the Privacy Act, which gives Canadian citizens and people present in Canada the right to have access to information that is held about them by the Federal Government. The Act also protects against the unauthorised disclosure of personal information. In addition, it strictly controls how the Government will collect, use, store, disclose, and dispose of any personal information.

In the *UK*, a Code of Practice on the release of Government information with improved access to information, subject to certain exemptions, came into effect in April 1994. Codes of Practice for Local Government and the National Health Service followed. The new statutory right of access to health and safety information and statutory right of access, by the subject, to personal records held by Government will require legislation.

The Government of *Trinidad and Tobago* has adopted a Communication Strategy to communicate with the public. The main objectives are:

- to bring co-ordination and focus to the Government's communication activities;
- to provide a standard against which achievements may be measured; and
- to ensure that all the public is reached.

All forms of communication media are used, including newspapers, TV and radio, advertisements, and exhibitions.

In 1993, the Government of *Zimbabwe* introduced a system of White Papers for proposed changes in the law. As a recent example, the White Paper proposing changes to the law on Marriage and Inheritance aims to stimulate public debate on issues of law which affect the lives of most Zimbabweans.

Other useful material (current as of 1996)

Management of Government Information Holdings. Treasury Board of Canada, 1989 (CAN)

Info Source, Privacy. Treasury Board of Canada, 1992-3 (CAN) Info Source, Access to Information Act. Treasury Board of Canada, 1992-3 (CAN)

Improvements and Development in the Public Service. Government of Malaysia, 1990, 1991, 1992 (MAL)

The Civil Service of Malaysia – A Paradigm Shift (MAL)

Annual Report of the Public Complaints Bureau, 1992 (MAL)

White Paper on “Open Government”, Cm. 2290. HMSO, London, 1993 (UK)

3.2 Quality Systems

3.2.1 Introducing a quality management approach

Quality management approaches regard the public service as a series of related units and processes, each of which ensures that their output exactly matches the requirements of the next unit or process – their customer. So customers are not only the public, they are also the next department or unit in the organisational chain which produces quality service for the public.

Quality outputs which match the requirements of the customer are not necessarily expensive, elaborate or luxurious. They are fit for the customer's purpose, reliable, and provide value for money.

The context for change

Quality management originated in the private sector, particularly in the field of manufacturing, where lapses in quality mean customer complaints, waste of materials and products, increased costs in putting them right, and, most fundamentally, loss of consumer confidence. It is more difficult in the public sector to define a product, particularly in policy areas, and the emphasis within government has been on those areas where a service is provided to the public. However, policy development has not been excluded from the growing pressure on government to focus on quality.

Strengthening the concern of the public service to achieve quality services – services that meet the public's expectations, reliably and at reasonable cost – has become a priority for government. Rising consumer expectations, continuing fiscal pressures and a growing conviction that the public service should continually justify its outputs in terms of their price and effectiveness, have provided a strong motivation to identify techniques and approaches which have proved to be of value in other settings.

All organisations need to identify customers and what they value – however, this presents particular difficulties in the public service. The fact that the public service is, ostensibly, a hard environment in which to apply quality management makes it even more important to try. When it is difficult to identify customers and their expectations, the classic conditions exist for an organisation to become self-contained and inward-looking.

Reasons for caution

Formal quality management approaches have shown themselves to be of immense value in a wide range of public sector and private organisations. There is however a substantial history of expensively abandoned attempts to introduce over-elaborately specified systems within the public service. Critics have alleged that on occasion the quality movement has failed to follow its own instructions, and that in focusing on the development of a quality process, it has lost sight of the practical need to improve service quality at a reasonable cost and within a reasonable time scale.

Achieving change

Quality management approaches successfully introduced within the public service of Commonwealth countries demonstrate five key components:

First, whether following formal benchmarking approaches or the ISO 9000 route to quality improvement or otherwise, quality management approaches rest on systems which for each department:

- identify the internal and external customers;
- establish the *features* which they value in the services they receive – such as timeliness, speed, accuracy and reliability;
- establish *standards* for each feature of the services valued by customers; and
- *monitor* service delivery against those standards.

Second, quality management requires a high level of staff commitment to improve service standards engaged by:

- coherent *performance management* systems based on open appraisal and specific personnel targets;
- *training* to ensure a common understanding of quality across the department;
- *recognition* of work well done by individuals and by the department as a whole;
- a clear and unambiguous *example* of diligent work and concern for standards set by senior officials.

The third component of a quality management approach underpins the previous two. Systems will only be sustainable and commitment can only be inspired within a climate of trust. This is not a simplistic implication that little can be achieved without workplace harmony and sound dialogue with staff associations and public sector unions. These may be aspired to but cannot be taken for granted, particularly at a time of rapid change and probable downsizing. The issue of trust concerns predictability and consistency of approach. When short-term pressures overwhelm long-term developmental goals to the degree that an impression is created of arbitrary management or inexplicable policy reversals, both organisational systems and individual commitment to quality will fail.

The fourth component consistently found in successful quality management is a *problem-solving* mechanism, such as the quality improvement teams, work improvement teams or quality circles, increasingly found within public service organisations. Systems and committed staff detect areas of concern, trust enables them to solve problems imaginatively and to propose cost-effective improvements.

The fifth and final component is the *quality management structure* which:

- guides the development of the quality systems, develops strategies for inspiring commitment, alerts management to a deterioration in trust, and co-ordinates problem solving activities; and
- maintains quality firmly on the agenda at all levels of the department.

Typically, such a structure entails a steering committee, chaired by the head of department with senior managers as members, planning for quality initiatives, developing a strategic direction for the department, and monitoring quality improvement. Other committees would report to the steering committee with responsibilities for training initiatives, support to the problem-solving teams, and for studying areas of emerging concern.

Examples of change

Quality management approaches were embodied in the *Canadian* Government's Public Service 2000 (PS2000) initiative to renew the Public Service of Canada. PS2000 espoused client satisfaction, employee involvement and continuous improvement.

Through an Inter-departmental Quality Network chaired by the Treasury Board Secretariat (TBS), over 40 departments and agencies meet and exchange experiences on quality practices. To support further the work of departments, TBS has published a "Guide to Quality Management" and in order to keep abreast of initiatives in other levels of government, TBS chairs a National Quality Network that currently represents the Federal Government (including its regional offices), 10 provinces and six major cities.

In *Malaysia*, the special focus on Quality Management began with the launching of the Excellent Work Culture Movement in November 1989. The main objective of the Movement was to enhance public awareness of the importance of providing quality products and services, thereby institutionalising a culture where quality becomes a way of life. Action programmes include:

- A manual on Quality Implementation which outlines the critical stages involved in implementing quality management at organisational level.
- Twenty Development Administrative Circulars serve as guidelines on quality.
- A comprehensive quality training programme has been formulated by the National Institute of Public Administration.
- Inspections are conducted by the Chief Secretary to the Government and heads of departments to monitor the implementation of the quality improvement programmes.
- Many recognition incentives have been introduced to reinforce positive attitudes.

In *New Zealand*, the public sector organisations that have adopted quality management, for example, the Department of Survey and Land Information and the Ministry of Commerce, have tended to be service delivery rather than policy advice agencies.

In *Singapore*, each Ministry takes responsibility and is accountable for its quality of service. Accordingly, Ministries and statutory boards appoint senior officers as Quality Service Managers who monitor and upgrade the quality and service provided by their organisations. In April 1991, the Service Improvement Unit was set up, under the Prime Minister's Office to review and assess the current quality of service provided by departments; make recommendations or suggestions on how service levels can be upgraded and improved; and to serve as a channel for the public to suggest improvements. A comprehensive system of Work Improvement Teams is in place across the Public Service; a similar approach has recently been adapted in *Botswana*.

In the *UK*, the Citizen's Charter initiative has played a part in emphasising the citizen's right to expect a reasonable level of service from all public service employees. The Charter Mark is an award for excellence in delivering public service. It was first announced in the Citizen's Charter White Paper in July 1991. The first 36 awards were presented by the Prime Minister in 1992 and the aim is to promote high standards of information and openness, choice and consultation, courtesy and helpfulness.

Other useful material (current as of 1996)

Administrative and Managerial Reform in Government: A Commonwealth Portfolio of Current Good Practice. Proceedings of a Pan-Commonwealth Working Group Meeting held in Kuala Lumpur, Malaysia, 19-22 April 1993. Commonwealth Secretariat, 1993 (ComSec)

Quah, J. S. T. Sustaining Quality in the Singapore Civil Service. In: Government in Transition. The Inaugural Conference of the Commonwealth Association for Public Administration and Management, Charlottetown, Canada, 28-31 August 1994. Commonwealth Secretariat, 1995 (ComSec)

Pearson, V. L. Increasing quality in government services: a modern imperative (Canada). In: Government in Transition. The Inaugural Conference of the Commonwealth Association for Public Administration and Management, Charlottetown, Canada, 28-31 August 1994. Commonwealth Secretariat, 1995 (ComSec)

Guide to Quality Management. Interdepartmental Quality Network, Human Resources Development Branch, Treasury Board of Canada, October 1992 (CAN)

Quality Practices. A String of Pearls. Interdepartmental Quality Network, Human Resources Development Branch, Treasury Board of Canada (CAN)

Guide to Quality Management. Government Review and Quality Service Division, Administrative Policy Branch, Treasury Board Secretariat, Ottawa, Canada (CAN)

Development Administration Circulars Nos. 1, 3, 4. Guidelines on Strategies for Quality Improvement in the Public Sector, 1993 (MAL)

Doing it Better, Doing it Right. Public Sector Task Force on Productivity. State Services Commission, Wellington, 1992 (NZ)

Creating a Quality Service – An Information Note. Cabinet Office, Office of Public Service and Science, Development Division, 1994 (UK)

With HMSO into TQM - Her Majesty's Stationery Office, from HMSO Publicity (PU23), St Crispins, Duke Street, Norwich NR3 1PD (UK)

3.2.2 Ensuring a right of redress

A *right of redress* is of particular importance in the public service. In the absence of a choice of supplier, individuals need mechanisms to settle their grievances quickly, simply, and fairly. Redress mechanisms, sometimes known as service recovery mechanisms, also bring wider benefits, acting as a check on the actions of service providers and providing quality controls that force management systems to identify and correct underlying problems in policies and practices.

A right of redress is an assurance that what was wrong will be put right, through explanation, apology, compensation or other remedy. It begins with a complaints mechanism which is:

- *readily accessible* to users of services;
- *simple to operate*, with clearly set-out procedures and responsibilities;
- *speedy*, with time limits for dealing with complaints;
- *objective*, with provision for an independent means to investigate complaints, if necessary;
- *confidential*, protecting the privacy of complainants; and
- *integrated* with the organisation's management information systems.

The office of the Ombudsman, where this exists, provides a baseline protection against maladministration, that is, the failure of the service to follow due process. A right of redress is complementary to the protection offered by the Ombudsman.

The context for change

The establishment of a right of redress is a fundamental component of a customer orientation for the public service. As such, the users of public services, their customers, are increasingly requiring that services are provided in a way which are clearly responsive to their changing needs. Equally, governments are increasingly encouraging customers to be reasonably but assertively demanding through mechanisms such as the right of redress, in order to place pressure on public services to continue with improvements.

Reasons for caution

The mechanism for providing redress, and the complaints procedure which underpins it, must be reliable and productive if it is not to undermine its own purpose. It is widely held that the costs of establishing complaints systems are more than offset by the systematic reduction in the number of errors made by the service. There is, as yet, little concrete evidence to support this assertion, and some realistic assessment of costs must be factored into the overall development strategy.

Achieving change

Recent experience within the Commonwealth suggests that the overall framework for customer-service improvements, including the establishment of *principles* for redress, is set at a strategic level for the whole public service. The establishment of *specific complaints mechanisms* is generally undertaken at Ministry or department level. Whether such mechanisms are to be established across the service or, within an overall framework, Ministry by Ministry, the steps required are:

- identify the procedures by which complaints are to be investigated, defining the roles and responsibilities of staff and imposing time limits at each stage;
- establish the procedures for appeal or review if the complainant remains unsatisfied;
- review existing legislation and agency responsibilities, including those of the office of the Ombudsman, to ensure consistency;
- consult with members of the legislature and other elected officials to ensure that a reasonable working agreement can be maintained between officials responsible for responding to complaints, and elected officials who may have been approached by a constituent in relation to the same issue;
- determine the policy for public reporting of the complaints system, in particular, highlighting areas of particular dissatisfaction;
- review training implications; and
- publicise the complaints system widely.

Examples of Change

The Government of *Canada* is strongly promoting integrity in procurement within the public service. It has been concerned to provide the right of redress when procurement decisions have been found to be unfair. The relevant departments ensure that any supplier, whether from within or without Canada, is encouraged to lodge formal or informal complaints if they have reason to believe that they have been dealt with unfairly.

In *Malaysia*, the Public Complaints Bureau of the Prime Minister's Department, established in 1971, is an independent organisation which looks into the nature of various complaints concerning all public agencies. Its restructuring in 1992 strengthened its administrative machinery to manage public complaints more effectively. The Bureau functions as the main channel for the public to forward their complaints or grievances on:

- dissatisfaction with services rendered by public servants, e.g. lack of courtesy, delay in providing services;
- administrative actions and decisions which are alleged to be unfair, against existing laws and regulations inclusive of misconduct, misappropriation, abuse of power and maladministration.

The Service Improvement Unit of the Government of *Singapore* encourages all members of the public to complain if they feel that they have received poor treatment from any part of the public service. The Government of *Mauritius* has just established a Public Complaints Board with a similar remit.

The *UK* Government introduced the Citizen's Charter in 1991, with a view to improving all aspects of public service to individuals, in particular, improving the mechanism under which customers could register complaints and obtain redress. The Government is establishing a Complaints Task Force to advise on setting-up and improving complaints systems.

Other useful material (current as of 1996)

Current Good Practices and New Developments in Public Service Management: A Profile of the Public Service of the United Kingdom. The Public Service Country Profile Series: No. 2. pp 104–106. Commonwealth Secretariat, 1995 (ComSec)

Development Administration Circular No. 4, 1992, Managing Public Complaints (MAL)

The Civil Service of Malaysia – A Paradigm Shift, Chapters 3 and 8 (MAL)

3.2.3 Establishing a customer orientation

A *customer orientation* for the public service is a priority in many Commonwealth countries. The principles of customer orientation have been well defined in the UK Citizen's Charter and similar initiatives can be set out as:

- setting and publicising *standards* for the service that individual users, and private sector firms and other organisations that use public services, can reasonably expect;
- providing full, accurate *information* about how services are run, what they cost, how well they perform and who is in charge;
- the public sector should offer *choice* wherever practicable and systematic consultation with users of services to determine priorities for service improvements;
- front-line staff should offer a *courteous and helpful service* wearing name badges and providing convenient opening hours;
- service users should have access to an easy-to-use complaints procedure; and if the service has been defective, they should receive an apology, a full explanation and swift and effective *redress*.

The context for change

There are two forces operating to make the establishment of a customer orientation a priority for the public service.

On the one hand, service users – individual citizens, private sector firms and others who use public services – are increasingly defining themselves as active customers rather than passive recipients of public services. Across the Commonwealth, users of public services have growing exposure to improving customer practices in private sector firms and, through the media, are increasingly able to make international comparisons about standards in the public service. In sum, users of public services are placing pressure on the public service to reorient its priorities towards its customers.

On the other hand, many governments have recognised that it is by encouraging service users to be reasonably, but assertively, demanding that momentum for service improvements will be maintained. Governments are recognising that developments and improvements to systems and structures will only go so far in improving services. These internal pressures for improvements must be matched by rising external pressures from customers if the public service is to continue to improve.

Many Commonwealth governments are seeking to create a virtuous circle in which rising standards in the public service send a signal to customers that improvement is possible and that they should expect more; and increasingly demanding customers send a signal to the public service that it must focus on the needs and expectations of its service users.

Reasons for caution

A customer orientation is fundamental to a modern public service, but it must be seen within the context of the full range of responsibilities of the public service. In particular, the customer orientation must reflect the need to improve services and the manner of their delivery, within the resources that can reasonably be allocated, bearing in mind the overall government responsibility to avoid burdening its taxpayers with excessive demands, or future generations with excessive debt. Equally, the customer orientation must recognise that improvements in service quality may not always be evident in the short term to the customer. Hospital patients have every right not to be

kept waiting unduly and to be treated courteously – but they have a more profound right to expect treatment which will offer them the best long-term health prospects. They will readily be able to judge the former but might have difficulties in assessing the latter.

Achieving change

Commonwealth experience suggests that there are three levels of change necessary for the establishment of a customer orientation.

At a *strategic level*, to set the context for change across the public service, a clear message must be sent from senior levels to indicate:

- that customer service is to be improved;
- the framework for those improvements, indicating the immediate priorities and the mechanism for monitoring progress; and
- that improvements will be broadly resource-neutral, with developments made within existing budgets.

At *Ministry or department level*, steps are necessary to:

- introduce customer service training for front-line staff, those who interact daily with the public, to provide them with the awareness and skills necessary for a responsive customer service;
- broader training for all staff highlighting the importance of customer service and disseminating the messages sent from senior levels; and
- establish complaints procedures and consider the identification of customer contact officers, with a particular responsibility for monitoring developments and proposing practical steps for improvement to department management.

At the *level of specific services provided*, it is necessary to:

- identify the customers and the features of those services which the customers consider important;
- specify standards for each feature of the service valued by customers;
- publicise those standards; and
- monitor service standards and encourage customer suggestions and complaints.

Examples of change

The success of *Canada's* Government Telecommunications Agency (GTA) is based on customer orientation. GTA has introduced a number of mechanisms to ensure that it understands customers' needs. These include: two senior-level interdepartmental committees, the Government Telecommunications Council and the Telecommunications Advisory Panel, which include customers among their members; and Product Focus Groups, which provide information that allows GTA to improve its services.

In *Malaysia*, customer orientation has been introduced with the implementation of quality management in public sector agencies and the launch of Client's Charters by the Prime Minister in June 1993. As at December 1994, a total of 318 agencies had formulated their Client's Charter, which is either exhibited, posted at strategic places or produced in booklet form for distribution. An award for the best formulated Client's Charter was introduced in 1993.

Statistics NZ is *New Zealand's* national statistical office. It provides a wide range of commercially-marketed and supplied information services, as well as meeting its obligations under the Statistics Act to provide most of the official statistics in New Zealand. In recent years, Statistics NZ has faced the challenge of converting a department with a traditional public service culture into a customer-orientation agency. It has done this very successfully and now has an Information Marketing Group, which develops customer services, disseminates information, and informs the media, commercial and community users of the Department's products.

The *UK* Government is introducing a customer orientation in the public service through the Citizen's Charter, launched by the Prime Minister in July 1991. The Charter is a ten-year programme to raise the standards of public service and make them more responsive to their users. Significant developments include the publication of 38 individual charters, covering some of the main public services providing the public with, often for the first time, published standards of service, information on performance, complaints procedures and ways to obtain redress. The charters are reviewed and improved annually. Among the charters are the Patient's Charter, Parent's Charter; British Rail Passenger's Charter; Jobseeker's Charter; Taxpayer's Charter; London Underground's Customer Charter; and the Child Support Agency Charter. In some cases, new laws have been passed, for example, to make sure that Citizen's Charter principles are applied to the privatised utilities, that comparative information about local authority performance is published, and to strengthen inspection arrangements in schools.

Other useful material (current as of 1996)

Bruce Rawson et al. PS2000. Report of the Task Force on Service to the Public, 9 August 1990. Government of Canada, Ottawa (CAN)

Public Service 2000, Service to the Public. Task Force Report, October 12, 1990 (CAN)

Development Administration Circular No. 3, Guidelines on Client's Charter (MAL)

The Civil Service of Malaysia – A Paradigm Shift 1993, Chapter 3 (MAL)

The Citizen's Charter. Raising the Standard. Information Pack. HMSO, London, 1991 (UK)

The Citizen's Charter. Second Report. HMSO, London, 1994 (UK)

3.3 Measuring Success

3.3.1 Improving standard-setting

Sustained improvements in the overall performance of the public service require the introduction of measurable standards of performance for services, made widely available to service users.

Standards place a direct responsibility on both the individual public servant and the organisation to perform. They help in the identification of strengths as well as weaknesses.

By setting standards for their final outputs, departments provide guidance on the level of service that can be reasonably expected by service users and the public. Publishing service standards complements the development of performance indicators which act as a management tool for monitoring a particular programme or activity, or the performance of an organisational unit, such as a Ministry or department.

The context for change

Standard-setting, providing information for service users and the public concerning the level of quality which can reasonably be expected from the public service, meets two needs. First, it provides the public with sufficient information to assess the performance of the public service, providing some assurance that the service is sensitive to the views of its users. Second, it provides a continuing source of pressure for service improvements.

Reasons for caution

Setting and publicising standards is, intentionally, the start of a one-way movement. Published standards represent a baseline from which service quality should only improve. Sustaining the service at or above those standards, presents a particular focus for the credibility of the public service. Subsequent deterioration in the service, however unavoidable, will reflect starkly on the overall service.

Achieving change

Standards must refer to things that matter to the public. They must indicate the anticipated quality of particular services, and particular features of those services, that are valued by the public.

The key test is that standards must be:

- specific;
- measurable and stated in terms of cost, time and quality;
- achievable and realistic;
- regularly reviewed; and
- publicised in plain language.

Examples of change

In *Canada*, the establishment of service standards was part of the reform of the Public Service associated with the Public Service 2000 initiative. In its February 1994 Budget, the Canadian Government announced that standards for service would be established and published for each department and that a declaration of quality service delivery would be issued.

In *Malaysia*, the internal processing standards and output standards are documented in the Department's Quality Handbook and in the Client's Charters which record the quality standards applicable to service users.

In *Trinidad and Tobago*, setting standards is a voluntary activity of individual Ministries and departments. One particular initiative in improving standard-setting is the annual service contracts between the Ministry of Health and the Regional Health Authorities which provide operational aspects of health services. The performance of these Authorities will be evaluated in terms of outcomes, such as the number of patients seen, and eventually in terms of the health status of the population, for example, disease-specific mortality and morbidity rates.

In the *UK*, the Citizen's Charter provides quality standards which can reasonably be expected by the users of an increasing number of public services.

Other useful material (current as of 1996)

Abdul Rahman, A. Productivity and Quality Management in the Public Sector in Malaysia. In: Administrative and Managerial Reform in Government: A Commonwealth Portfolio of Current Good Practice. Proceedings of a Pan-Commonwealth Working Group Meeting held in Kuala Lumpur, Malaysia, 19-22 April 1993. Commonwealth Secretariat, 1993 (ComSec)

Development Administration Circular No. 3, Guidelines on Client's Charter (MAL)

Raising the Standard: Britain's Citizen's Charter and Public Service Reforms. Foreign and Commonwealth Office, 1992 (UK)

Development Administration Circular No. 3, 1993, Guidelines on Client's Charter (UK)

3.3.2 Introducing performance indicators

Performance indicators are statistics, used as a management tool, which reflect the activities of the public service, and give insight into how well it is functioning. Performance indicators are used to monitor a particular programme or activity, or the performance of an organisational unit, such as a Ministry or department.

Performance indicators reflect all aspects of the public service, some of which hold little interest for the general public. Accordingly, they are first and foremost a management tool. They are accompanied by published service standards which are of more immediate relevance for service users and the public.

A good performance indicator is:

- relevant in determining the performance of the programme or activity, service or unit being evaluated;
- quantitative, as far as possible, to enable measurement and analysis;
- based on information which can be readily obtained at minimal cost;
- based on data which is accurate; and
- credible within the public service.

A distinction is often made between the terms performance measure and performance indicator. The term performance measure is often used when economy, efficiency and effectiveness can be measured precisely and unambiguously. However, when it is not possible to obtain a precise measure, it is usual to refer to performance indicators – provocative and suggestive signals which alert managers to the need to examine an issue further.

The context for change

In much of the public service, the bottom line of profit does not exist. The outputs of the public service are multiple, complex, and often immeasurable. It is, therefore, difficult to assess the final impact of the resources allocated to public services. Without profit or rate of return measures, public service organisations have turned their attention to various proxies and surrogates of performance, referred to as performance measures or indicators.

For public service agencies, performance measurement is a major aspect of accountability. Financial reporting alone is insufficient to meet this requirement as, although it covers the collection and distribution of funds and the allocation of resources, it does not show the service provided nor the quality of these services. A set of performance measures is needed to provide a balanced and accurate picture of an organisation's performance.

Reasons for caution

Unless performance indicators are sufficiently robust, then those who supply the raw data for their compilation may be tempted to distort information in order to present themselves, their services, or their organisations, in the best light. This is particularly true if the emphasis is placed upon performance review for control purposes rather than for organisational learning.

There may also be a tendency to overemphasise quantification. This can drive out qualitative performance indicators which capture a more holistic view of particular activities or services. Similarly, too many indicators are unproductive, leading to managers suffering from information overload. Paralysis through analysis, and important performance messages getting lost in the plethora of unnecessary detail, will follow.

Some performance measures overemphasise the short-term dimensions of performance and ignore the longer-term, more enduring, aspects of performance. This problem can be minimised by using a mix of long-term and short-term indicators.

Achieving change

As a management tool for achieving an improved service, performance indicators depend on a management team's conviction that they offer a useful guide to decision making. Performance indicators which do not inspire conviction will not influence decision making.

In introducing performance indicators, the following elements of Commonwealth experience should be taken into account:

- base the indicators on issues that seriously matter to management about the activity or organisation – reviews of low-cost, marginal operations can be undertaken on an ad hoc basis;
- ensure that the indicators do not squeeze out qualitative concerns in the hunt for hard data;
- ensure that the people who provide the basic data for the indicator believe in them – they will be tempted to provide low-quality information if it is to be factored into what they regard as low-quality indicators;
- never collect new data unless the collection costs can be fully justified, and always consider the possibility of ceasing some existing data collection; and
- bear in mind that for a given activity or organisation, the performance indicators should provide the equivalent of a readily assimilated, broad-based score card, providing staff and managers with an early warning of concerns or achievements at a glance.

Examples of change

In *Malaysia*, the New Performance Appraisal System has been accompanied by the development of performance indicators and annual work targets.

In *New Zealand*, traditionally, Public Service reporting has been heavily oriented towards financial measures. However, the Public Finance Act 1989 provided the legislative reporting framework for Government departments and requires output-based reporting. The Act stipulates that a statement of service performance should accompany the reporting on each class of outputs produced. The statement of performance represents a consolidation of a department's performance measures at the end of the year.

In the *UK*, a particular initiative in introducing performance indicators has been to compare the performance of local authorities in England, Wales and Scotland under the Citizen's Charter framework. The Local Government Act 1992 empowered the Audit Commission to require local authorities to publish information on standards of performance achieved over a range of indicators. In 1994/95, there were a total of 77 indicators. Early evidence suggests that local government, in general, is reacting favourably to the discipline of the Citizen's Charter and the Commission's performance indicators.

In *Zimbabwe*, the new performance appraisal system which is being developed focuses on objective-setting, measurable outcomes, training needs, and continuous dialogue between managers and staff. This is assisting in the development of meaningful performance indicators.

Other useful material (current as of 1996)

Performance Information and the Management Cycle, A joint publication of the Management Advisory Board and its Management Improvement Advisory Committee, No. 10, February 1993. Australian Government Publishing Service, Canberra (AUS)

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