

# **What is the value in public performance reporting?**

**Findings from a five year study of legislator uses of  
performance reports in British Columbia**

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# **What is the value in public performance reporting?**

## **Findings from a five year study of legislator uses of performance reports in British Columbia**

### **Executive Summary**

This report tracks legislator uses of the annual *Service Plan Reports* in the British Columbia government from 2003 through 2007. Three anonymous surveys asked Members of the Legislative Assembly (MLAs) to what extent they *expected to find* (2003), and then to what extent they *did find* (2005 and 2007) the *Service Plan Reports* useful for 15 different purposes. These 15 uses cluster into five themes:

- accountability uses;
- communication uses;
- improving efficiency and effectiveness uses;
- policy decision-making uses; and
- budget decision-making uses.

#### **Key Finding: The Gap Between Expected Uses and Actual Uses**

Overall, the key finding from the three surveys is the pronounced gap between initial expectations and legislator assessments of the actual usefulness of the *Reports*. For Government (Liberal) legislators overall, the declines from the 2003 survey of expected uses to the 2007 surveys of actual uses, ranged from 35.9% for communication uses to 56.0% for budgeting uses. When results for backbenchers and Cabinet members are separated, only one exception to the significant declines is evident: for communications uses of the annual *Service Plan Reports*, the decline for backbenchers was only 24.5% (from a mean of 3.65 to a mean of 3.0).

Among the five clusters of uses, accountability uses dropped the least for Cabinet ministers, and communication uses dropped least for backbencher (Liberal) MLAs. Uses that focused on improving efficiency and effectiveness, making policy decisions, and making budgeting decisions were the three clusters that dropped the most.

In 2007, the Members of the Opposition (New Democratic Party) reported generally less use of the annual *Service Plan Reports* than that reported by Government MLAs. The one exception was the accountability cluster of uses, where Opposition MLAs reported somewhat higher use levels.

#### **Explaining the Gap: Were Expectations Realistic?**

One way to address the gap is to ask whether expectations were realistic. Performance reporting

is part of broader efforts to reform governments to make them more accountable, efficient and effective. Advocates for performance measurement and reporting tend to underestimate the challenges in designing and implementing performance measurement and reporting systems. Resolving the technical challenges of getting the right measures, collecting reliable and valid information, and writing good reports does not address the people problems – getting buy-in and ongoing commitment in situations where reporting performance results is risky for the bureaucracies and for the Government. As well, research indicates that legislators are so pressed for time, that reading lengthy reports is a low priority. Further, the incentives they have in their roles and responsibilities tend not to reward performance measurement and accountability work. In sum, B.C. Government expectations may not have been realistic when the service planning and service plan reporting process was implemented in 2002 and 2003. But, aside from this issue, there is the question of how much actual use MLAs are reporting.

### **MLAs Report Low Levels of Uses in 2005 and 2007**

The reported “actual use” levels in 2005 and 2007 are low. On a five point scale describing the 15 possible uses, possible values range from “have not used at all” (a value of 1 on the scale) to “have used to a great extent” (a value of 5 on the scale). Many of the averages in 2005 and 2007 are closest to “have used a little bit” (a value of 2 on the scale). For Cabinet Members, four of the five clusters of uses (accountability uses, efficiency and effectiveness uses, policy-making uses, and budgeting uses) are closest to “have used a little bit” in 2007. The only exception is “communication uses” which declined to averages of 3.28 and 2.50, respectively in 2005 and 2007. For backbencher MLAs the drops in both 2005 and 2007 put their averages closest to “have used a little bit”. The only exception to this pattern is “communication uses” which tend to be higher. For the Opposition in 2007, four of the five clusters of uses are closest to “have used a little” or less (with accountability uses being the exception, at an average of 2.9).

### **Liberal Government MLAs and Opposition MLAs See Legislators as the Top Users**

In the 2007 survey, MLAs were asked to pick the top four user groups for the annual *Service Plan Reports*. The key similarities between Government and Opposition MLAs are:

- both Liberal Government and NDP Opposition MLAs picked legislators as the group most likely to use the *Reports*;
- both sides of the Legislature picked government executives as important users (perhaps because their involvement in *preparing* the *Reports*; and
- both sides picked the public as least likely to use the *Reports*.

The biggest difference was the importance of the media: 55 percent of Government MLAs said the media would be among the top users, compared to only 27 percent of the Opposition.

### ***Service Plans are not Used More than Service Plan Reports***

Also included in the 2007 survey was a question about uses of the planning documents, called *Service Plans*, which are published each February as part of the budget cycle. When uses of the annual *Service Plan Reports* are compared to uses of the *Service Plans*, there are no big differences among Liberal Government MLAs or among NDP Opposition MLAs. However, there are significant differences between Liberal Government and Opposition MLAs in their uses of the *Service Plans* – Opposition MLAs use them more for accountability purposes and Government Members use them more for communication and for improving service quality.

### **Legislator Suggestions for Improving the Reports**

The surveys included several open-ended questions that provide suggestions for improving the usefulness of the reports.

One theme that emerged from Liberal MLA comments was to make them simpler – to make them easier to read, shorter, more like a report card so that they are more accessible to the public. This theme suggests that the reports need to be succinct and compelling. On the other hand, NDP Members of the Legislature wanted the reports to be more detailed and broader in scope. Clearly the two sides of the Legislature had different views of how much detail was desirable.

Another theme related to making the reports more useful was to layer the reports – having a short, simple version that is widely available, backed up by longer and more detailed versions for different audiences, perhaps even with appendices. These themes are echoed in the literature that makes the point that different audiences require different reports. The information needs that legislators have will differ even among themselves, and those needs will be different from the public, and other stakeholders.

Given recent (2008) changes in the format and content of the annual *Service Plan Reports* – for example, the reduction in the maximum number of measures from twelve to six for each ministry – the reports are pitched at a higher level than was true prior to this change. These changes tend to support the view, consistent with the findings from Liberal MLAs, that the reports are a primarily a communications tool and a high level commitment to being accountable, and less an aid to improving efficiency and effectiveness, or making policy and budget decisions.

### **What Does All This Mean for MLAs and for the Government?**

Assuming finite resources for performance planning and reporting, simplifying the service planning and reporting cycle could make it possible to better address the internal performance management needs of agencies. The literature points out that when performance results are reported externally, and particularly when they are subjected to external audits, public organizations tend to decouple the external performance measurement and reporting process

from the rest of the work that they do. Concerns with reporting results that somehow might reflect badly on the agency mean that external performance reports become quite bland and sanitized and tend not to be used for internal performance management.

If the goal of measuring results is to get them used, it may be that the key need for measures is internal to the organizations themselves. To facilitate internal performance measurement, and managing using performance results, there may be a case for formally acknowledging that external reporting will continue to have high level accountability and communication uses, particular for Government MLAs, and devoting resources to building internal performance management capacity.

### **Two Suggestions for Changes**

**First**, the limited uses of the annual *Service Plan Reports* suggest that it may be time to focus the reporting process so that they are more useful for communicating with constituents and other stakeholders. Government (Liberal) MLAs suggested that short, simple reports are important to them and should be the centerpiece of the process.

**Second**, the literature suggests that public performance reports have very limited utility as a decision-making resource for managing performance within public organizations. The process of reporting externally is risky, and in our Canadian federal and provincial governance system, there are inherent pressures to avoid reporting shortcomings. Managers need performance information they can use and trust to adjust the work they do – and as need be, learn from their mistakes. In the 2007 survey, there were several suggestions that the resources that go into the current system be re-assigned. One way to do that would be to support internal performance management more, and recognize that public reporting is different from managing performance.

## **What is the value in public performance reporting?**

### **Findings from a five year study of legislator uses of performance reports in British Columbia**

#### **Introduction**

Over the past five years, analysts have increasingly pointed to the under-utilization of public performance reports across many jurisdictions<sup>1</sup>. In British Columbia there is growing concern that the story may be the same. Provincial Members of the Legislative Assembly (MLAs) are intended to be principal users of the performance reports that are produced annually, yet several reports have suggested that actual use has not met expectations (Auditor General of British Columbia, 2006b, 2008; CCAF-FCVI, 2006a, 2007b).

With considerable resources being spent on collecting performance information and producing the flow of mandated reports, it is important that we gain a better understanding of the areas where the reports are being used and where they are missing the mark, and whether there is something that can be done to ensure that the efforts expended in producing the reports are worthwhile to government and the public<sup>2</sup>. There has been little empirical study of the use of performance information by elected officials (Pollitt, 2006). The intent of this project is to improve our understanding of the actual usage of public performance reports in British Columbia<sup>3</sup>.

**This report summarizes key findings from the *Legislator Uses of Performance Reports Project*, a five year project to examine the ways that elected officials use public performance reports. The project was funded by a grant from the Social Science and Humanities Research Council.**

The report will focus on legislator self-reports of their uses of performance reports. Based on three anonymous surveys of British Columbia MLAs that were conducted in 2003, 2005 and 2007, this report offers a unique look at how legislators see the usefulness of the mandatory public performance reports that are produced by all provincial ministries and Crown agencies in B.C.

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<sup>1</sup> For example, see Aucoin & Jarvis, 2005; Auditor General of Canada, 2005; Behn, 2002; de Lancer Julnes, 2006; de Waal, 2003; Dluhy, 2006; GAO, 2005; Halachmi, 2002, 2005b; Holzer & Kolby, 2005; C. Hood & Peters, 2004; Ingraham, 2005; Moynihan, 2002, 2006; Robinson, 2003; Schwartz & Mayne, 2005a; Steele, 2005; Thomas, 2006; Van de Walle & Bovaird, 2007).

<sup>2</sup> As the CCAF notes: “The cost of producing government performance reports is enormous” (CCAF, 2006, p. 3).

<sup>3</sup> A Government assessment of the budget process, including the *Service Plans* and annual *Service Plan Reports* is also on the horizon. The *Budget Transparency and Accountability Act* (2001) mandated a “Budget process review” to occur in 2009:

- 21 (1) By April 30, 2009, the minister must appoint a panel to review the budget process, scope of the budget and information provided in the budget plan and report the results to the minister.
- (2) The report under subsection (1) must be made public by September 30, 2009.

This report is divided into ten sections:

**Section One** provides essential background for the study, including a brief history of performance reporting and accountability in British Columbia.

**Section two** of the report summarizes key findings and conclusions from other studies of the ways that performance information has been used in the public sector. Performance measurement and reporting are key components of the broad movement to embrace results-based management, and there has been a growing interest in assessing how well performance measurement systems are performing. The findings from U.S., European, New Zealand and Australian studies help to situate the study we have conducted in British Columbia.

**Section three** of the report summarizes the methodology that was used to gather the data used in this report. A key feature of the methodology is a baseline survey of B.C. MLAs. That survey, conducted in 2003 before the first public performance reports were received, focused on MLA expectations about the ways that they would be able to use the performance reports. The baseline survey offers us a way to estimate the “promise” of performance measurement and reporting. The subsequent two surveys focus on actual uses of the performance reports, as reported by MLAs.

**Sections four through nine** discuss key findings from the study. The Liberal Party was elected in 2001 and re-elected in 2005, and the first two surveys capture the period in which the Liberal Government enjoyed a dominant majority (77 of the 79 seats in the B.C. Legislature). The third survey was conducted two years into the second mandate of the Liberal Government – this time the New Democratic Party (NDP) Opposition had 33 seats in the Legislature, and the Liberals 46.

The **fourth** section summarizes MLA responses to a question that focuses directly on how many of the performance reports they intended to read or review (2003), and subsequently did read or review (2005 and 2007).

**Section five** of the report describes how Members of the Government (Cabinet Ministers and non-Cabinet together) used the performance reports in 2003 (expectations), 2005 and 2007 (actual). This section also describes the way that specific uses of performance reports can be clustered for analysis purposes.

**Section six** summarizes the ways that members of the Executive Council (the Cabinet) of the B.C. Government use performance reports, over time. A key part of this section is comparisons of Cabinet Minister expected uses (2003) to actual uses (2005 and 2007).

**Section seven** zeroes in on the ways the backbenchers (non-Cabinet members) on the Government side of the Legislature use performance reports over time. By comparing expected

to actual uses, and selectively comparing backbencher to Cabinet uses, we develop a picture of use patterns among groups of MLAs who were in the governing political party from 2003 through 2007.

**Section eight** compares uses for Government MLAs and Opposition MLAs in 2007. The 2005 election marked an important change in the environment in which public performance reports were prepared and tabled in the Legislature. Arguably, the Opposition could have different views on the usefulness of the reports. The 2007 survey permits comparisons of actual uses between the Government and the Opposition sides of the B.C. Legislature.

**Section nine** compares the ways MLAs use the annual *Service Plan Reports* to the ways that they use the *Service Plans*. Each year, *Service Plans* are published in February as part of the budget process. These three-year plans are prospective, that is, they describe what each ministry or Crown agency intends to do in the next three fiscal years. Performance measures are included, as well as intended targets for the next three years. Because the subsequent annual *Service Plan Reports* are retrospective, covering the previous fiscal year when they are published in the summer of each year, it is important to see whether MLAs in 2007 (both Government and Opposition) found the *Service Plans* to be more or less useful than the annual *Service Plan Reports*.

**Section ten** of the report discusses the key findings, highlighting trends in reported uses over time and offers conclusions and suggested changes, based on the study.

## Section One: A Chronology of Performance Measurement and Reporting in British Columbia

Public performance reporting has become a widely acknowledged expectation for governments in the Western world<sup>4</sup>. There are two main streams of intended uses for performance measures. The first is improved performance management, where measures are used for internal decision-making purposes such as program improvement and resource allocation. The second is improved accountability to the public, partly through legislators holding government to account on behalf of the public through scrutiny of public performance reports. This is sometimes described as “closing the accountability loop”, leading to “taking corrective action” if appropriate (Aucoin & Jarvis, 2005). The logic of performance management rests partly on the assumption that improved measurement of results leads to improved management (Halachmi, 2005a).

The importance of accountability in modern governance has been a principal reason why many jurisdictions have committed themselves to performance measurement and reporting (Van de Walle & Bovaird, 2007)<sup>5</sup>. In Canada, the B.C. government is widely acknowledged as a leader in this movement (CCAF-FCVI, 2006a; Select Standing Committee on Finance and Government Services, 2006).

In the mid-1990s, the province’s Office of the Auditor General (OAG) and the Deputy Ministers’ Council developed a comprehensive accountability framework that featured public performance reporting as a key part of a proposed performance management cycle. Performance reports were expected to have real consequences, including changes to programs, policies and legislation (Auditor General of British Columbia & Deputy Ministers’ Council, 1995, 1996). Working with the support of ministries and Crown corporations, the OAG and the Deputy Ministers’ Council jointly tabled three reports between 1995 and 1997:

- *Enhancing Accountability for Performance in the BC Public Sector* (Auditor General of British Columbia & Deputy Ministers’ Council, 1995);
  - *Enhancing Accountability for Performance: A Framework and an Implementation Plan* (Auditor General of British Columbia & Deputy Ministers’ Council, 1996);
- and,

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<sup>4</sup> Over the past twenty years, fiscal and technological pressures as well as corporate and citizen demand for more effective public sector management have led most Western democracies to embrace, in various forms, principles of New Public Management in the public sector (Borins, 1995; Christopher Hood, 1991, 1995). Using performance management to improve efficiency, effectiveness and accountability is central to New Public Management. Rhetorically at least, this has two main implications. For front line managers and executives, it implies a change from a focus on control of inputs and processes to one of “managing for results”, in order to foster the innovation and flexibility necessary for achieving outcomes. For elected officials, it means increased transparency so that government is more accountable (Moynihan, 2006; Thomas, 2004). Accordingly, one of the key assumptions of New Public Management is the idea that improved accountability, through improved transparency and scrutiny, will mean improved performance (see Auditor General of Canada, 2002; Dubnick, 2005; Halachmi, 2005a; Moynihan, 2006; Radin, 2006).

<sup>5</sup> See also Aucoin and Jarvis (2005) for an excellent review of accountability in the Canadian parliamentary system, and in the U.S. system.

- *Enhancing Accountability for Performance in the British Columbia Public Sector - A Progress Report to the Legislative Assembly* (Auditor General of British Columbia & Deputy Ministers' Council, 1997).

The 1995 report (Auditor General of British Columbia & Deputy Ministers' Council, 1995), pointed out that it would take more than one form of performance reporting to satisfy all accountability and performance management purposes:

We suggest that the information reported be required to meet certain basic criteria, such as being relevant, complete, timely, and verifiable. *Since no single report can serve the accountability interests of everyone, a variety of reports may be necessary.* Summary level reports would be useful at the government-wide level; sectoral reports would provide valuable information about the status of particular policy areas of government (such as the environment); and organizational reports would provide more detailed information about the operations of government programs. (p. 10, emphasis added)

Between 1995 and 2000, a series of political events elevated budgeting processes and government accountability to centre stage. The 1996 provincial election, in which the NDP was re-elected with a narrow majority, resulted in accusations that the budget that had been tabled just before the election had deliberately misstated the overall fiscal position of the government. In 1997, the Auditor General conducted a review of the events that led up to the pre-election budget and found significant problems with the budget process (Auditor General of British Columbia, 1999). The Government responded by striking an independent panel to review the budget process and make recommendations. Among the recommendations were several that focused on improving accountability (Budget Process Review Panel, 1999).

*Survey question: If you could change one thing about the Annual Service Plan Reports to make them more useful...*

*"To have various levels of reports [including] executive summaries. Short and long versions, with simple to full details and supporting documentation." [2003]*

In 2000, the NDP Government introduced the *Budget Transparency and Accountability Act*. The Act was amended in 2001 by the newly-elected Liberal Government, and mandated two types of public performance reports: yearly *Service Plans* and *Annual Service Plan Reports*. Each *Service Plan* lays out what the organization plans to achieve over the next three years and how that will be measured, and each annual *Service Plan Report* is intended to show what each organization has achieved over the past year, against what it had intended to achieve.

Over the years, accountability has continued to be the main focus of the drive to improve public performance reports in B.C. (Auditor General of British Columbia, 2000, 2001, 2003, 2005,

2006a, 2006b, 2008). However, it is becoming increasingly evident that the mandatory performance reports of ministries and Crown corporations are under-utilized by legislators. Most recently, there have been calls for a re-examination of the performance reporting system in light of its lack of progress over the past few years (Auditor General of British Columbia, 2006b, 2008; CCAF-FCVI, 2006a, 2007a, 2007b; Select Standing Committee on Finance and Government Services, 2006).

Despite years of effort to develop and establish “reporting principles” to guide the direction of government performance reports (Auditor General of British Columbia, 2001, 2003, 2005, 2006a, 2006b), in its 2006 presentation to the Select Standing Committee on Finance and Government Services, the Auditor General noted that the progress of the public performance reports toward meeting criteria had “flatlined”. The Office of the Auditor General announced that it would not be systematically reviewing the upcoming *Annual Service Plan Reports*. The Office has trimmed the percentage of its resources spent on accountability reporting, and intends to review the current state of accountability reporting in B.C. in an effort to offer suggestions for improving the situation (Select Standing Committee on Finance and Government Services, 2006, 2007). A report on a 2007 CCAF conference in Victoria, B.C., cites MLA Rob Fleming:

... legislators are like ‘the canary in the coal mine’ of public performance reporting – if they aren't using PPRs, the public likely isn't using them either. Despite some successes, he said research shows that MLAs are not in fact using the reports. (CCAF-FCVI, 2007b, p. 3)

## **Section Two: Performance Measurement, Performance Reporting and Performance Management in Other Jurisdictions**

### ***2.1 The Rise of Public Performance Reporting and Results-Based Management in the Public Sector***

The early 1990s was a time of rapid change in ideas about public governance and management. Beginning with the experience of New Zealand (1989 onwards), the strategy of using performance measurement to manage for results was adopted in many Western countries (Barzelay, 1997). One theme of this movement – a movement generally known as New Public Management (NPM) – is to use performance management to improve the efficiency and effectiveness of government programs, while holding government to account for its performance to an increasingly demanding public. A key premise of the movement is that government performance can be enhanced by more transparently measuring and reporting on results achieved, while simultaneously giving managers more freedom and encouraging innovation from the employees that they manage (Borins, 1995; Gore, 1993; Christopher Hood, 1995; Osborne & Gaebler, 1992; Joseph S. Wholey & Hatry, 1992).

Paul Thomas, a notable Canadian contributor to this field, sums up the attractiveness of NPM and its focus on results-based management this way:

What could be more logical and attractive in theory than a requirement that organizations explain and justify what they had accomplished with the authority and resources they had been given. Positive control to obtain results obviously seems better than negative control designed to prevent mistakes. (2004 p. 15-16)

Confidence in the promises of reporting and use of performance results was exemplified by the title of Epstein's (1992) *Public Administration Review* article: *Get ready: The time for performance measurement is finally coming!*

## ***2.2 From Promise to Experience with Performance Measurement and Reporting***

The enthusiasm for results-based management that dominated the literature in the 1990s has given way to a more balanced view of results-focused public management. Many analysts who have gone beyond writing about the promises of performance reporting and how it *should* work to improve government efficiency, effectiveness, and accountability, are saying that public performance reports have been under-utilized and have not met their promise (Pollitt, 2006). Further, there is little evidence of the reports playing a significant role in improving the efficiency and effectiveness of programs. In *Performance measurement, reporting, obstacles and accountability: Recent trends and future directions*, Paul G. Thomas (2006), who reviews the literature up to that point, notes:

It is easier to find examples of where performance measurement systems have been abandoned or drastically scaled back than it is to find examples where such systems have become an influential feature of government decision-making and have contributed demonstrably to improved performance by public organizations. (p. 1)

Robert Behn (2002), in *Psychological barriers to performance management: Or why isn't everyone jumping on the performance-management bandwagon?* asks "If performance management is so promising – if it has worked so well (if only in particular circumstances) – why has its impact on government been more rhetorical than behavioral" (p. 7). Legislators, he maintains, continue to be more interested in inputs than in outcomes, because of the immediacy of announcements of intended programs and policies. Outcomes from the programs and policies may not occur until years or even decades later. Similarly, in *Performance measurement: An effective tool for government accountability? The debate goes on*, de Lancer Julnes (2006) notes that while there are an increasing number of organizations confirming that they are using performance measurement systems,

...actual use of performance information is not as common. On the contrary, research has shown that, even when performance measures, and especially outcomes measures, have been developed, they often remain unused by public agencies. (p. 224)

Julnes (2006), in *Contextual approaches to using measurement to improve performance*, finds the same: “The performance measurement field has no shortage of literature detailing the low utilization of available information by decision-makers” (p. 2).

In the U.S., the reports mandated by the federal government’s 1993 *Government Performance and Results Act*<sup>6</sup> (GPRA)-mandated reports are still not being widely used by decision-makers, and are not necessarily improving performance (Halachmi, 2005a). Dubnick (2005), in *Accountability and the promise of performance: In search of the mechanisms* concurs: “GPRA has turned into a costly but largely symbolic exercise, which has not delivered on a number of hoped-for improvements in performance” (p. 396, citing Cavalluzzo and Ittner, 2004), and adds, “PART [the Program Assessment Rating Tool], like GPRA, is likely to do little to improve public-sector performance, but it will add still more account-giving obligations” (p. 397). In *Managing for results in state government: Evaluating a decade of reform*, Moynihan (2006) examines “the growing sense of disappointment in MFR [management for results], a feeling that will only increase as it becomes clear that heightened expectations have not been met” (pp. 77-78)<sup>7</sup>.

In Canada, the CCAF-FCVI in their book *Users and uses: Towards producing and using better public performance reporting*, conclude:

Our overall findings in this research project suggest that the primary intended audiences for PPRs [public performance reports] – legislators, the media and the public – have generally made little use of them. (2006b, p. 2)

Reasons for the disappointing level of use of performance measures, have been variously described as practical, technical, financial, managerial, institutional, political, and psychological

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<sup>6</sup> The GPRA initiative began with pilot projects, and departmental annual performance reports were mandated to begin by 1997. The GPRA mandated three types of reports: Departments were to set out their 5-year strategic plans, their annual performance plans, and then report on the results that they achieved. The performance information from the latter report was then to be used *ex post* in determining budgetary allocations for the following year. Currently, the annual performance reports are submitted to Congress, but are not systematically used for budgetary decision-making.

In part, because progression towards linking performance information to budgetary decisions was progressing more slowly than was hoped, in 2002 the Bush administration introduced the Performance Assessment Rating Tool (PART). This tool was to be used by the Office of Management and Budget (OMB) to assess agency performance at the individual program level so that the information could be linked to funding decisions, and could be used to aid in program improvement. The tool provides a series of questions (currently 25) designed as a way for OMB to assess agency/program performance consistently across government. While the GPRA-mandated performance reports have a more agency-wide focus, the information used for the PART must contain more program-level detail. In some ways, however, the functions of GPRA and the PART appear to be redundant, with the PART bypassing the intended Congressional review process with a more executive-driven process. The Government Accounting Office (GAO), similar in some respects to Canada’s Office of the Auditor General, has argued that the PART’s program detrimentally affects the GPRA’s intended agency-level strategic planning and reporting processes (GAO, 2004, January).

<sup>7</sup> It is important to acknowledge, however, that there are important differences between Canadian and American accountability systems (Aucoin & Jarvis, 2005). Canada has not matched U.S. efforts to link budgetary decision-making to public performance reports (Sterck & Scheers, 2006).

(Aucoin & Jarvis, 2005; Behn, 2002; Cavalluzzo & Ittner, 2004; de Lancer Julnes & Holzer, 2001; Thomas, 2006). The under-utilization of performance reports is explored next.

### ***2.3 Possible Reasons Why Performance Reports Have Been Under-Utilized***

Analysts and researchers have offered different explanations for the failure of performance measurement systems to live up to expectations. Thomas (2006) has suggested four clusters of challenges to performance measurement uses:

- Technical challenges;
- Resource challenges;
- Institutional challenges; and
- Lack of political incentives for legislators.

All of these challenges can impact legislator uses of public performance reports. First, they can inhibit the production (supply) of potentially useful information in performance reports. Second, even if the information is potentially useful, the incentives and roles within which legislators perform their duties may not encourage their use of performance information – the demand for performance information may simply be quite limited (Gill, forthcoming; Steele, 2005). Thomas argues that “the greatest obstacles to the integration of measurement and management are human and cultural, not analytical and technical” (Thomas, 2005, p. 1).

#### ***2.3.1 Technical Challenges to Developing Useful Performance Measures***

A key technical challenge to developing useful performance measures is the difficulty of determining and agreeing upon measurable outcomes that can be attributed as being results of particular public sector programs, policies or agencies. Cavalluzzo and Ittner’s (2004) study found that “difficulties selecting and interpreting appropriate performance metrics in hard-to-measure activities are a major impediment to measurement system innovation” (p. 244). Radin (2006) also addresses this issue:

*Survey question: What is the biggest downside risk of having Annual Service Plan Reports?...  
“There is no REAL or effective way of measuring outcomes.” [2005]*

While the emphasis on outcomes is appealing, it is difficult to put into operation. This is particularly true in the public sector, where the complexity of public action frequently involves a range of actors with different agendas and conflicting values operating within a fragmented decision process. And the decisions that emerge from the public sector do not always create a situation that makes it possible to determine what program outcomes are anticipated. Yet performance measurement

efforts set up requirements in which programs and policies are expected to report their progress in terms of specific outcome assessments. (p. 2)

Thomas (2006) points to that same issue, and concurs that public sector organizations are complex, having multiple lines of business, and programs and policies that are aimed at a diverse set of objectives. Identifying a core set of measures that are sufficient to describe the business of an agency often means that these measures are general in scope, and they often “pick up” influences that are external to an agency – influences that affect program results, but are not controllable by the agency or agencies involved. If outcomes cannot distinguish between program and non-program effects, the measures will be harder to interpret and therefore less useful to stakeholders, including legislators. In addition, with a focus on outcomes as the markers of the success or failure of a program or policy “some basic principles of service delivery (e.g., impartiality and fairness) may not be given due consideration” (Dent et al. 2004, cited in Haque, 2007, p. 182). In the past seven years, the New Zealand government has focused more on outcomes but Gill (forthcoming) sees the current state of the system as compliance, not an embrace of the performance reporting system:

At the time of writing it is seven years since the roll out of MFO [Managing for Outcomes]. While there has been no official ‘death notice’, it is widely regarded by practitioners as ‘missing in action’. One simple indication of this is the virtual complete lack of any reference to MFO on the Treasury website after 2005, other than in a compliance context. (p. 7)

A related issue that may limit the usefulness of performance reports is the current pattern of trying to serve multiple users with one set of performance measures and one type of performance report. This approach to reporting performance results is advocated by the CCAF-FCVI in their performance reporting principles (CCAF-FCVI, 2002) and by the B.C. Government in their adaptation of the CCAF-FCVI reporting principles for B.C. ministries and Crowns. The CCAF-FCVI in a recent publication (CCAF-FCVI, 2006b) makes the case for a multi-use approach to performance reporting this way:

The information in a government’s PPRs [public performance reports] should, first and foremost, provide a sound basis on which the legislature can hold the government to account. PPRs could also allow the media and the general public to better play their important roles in ensuring government accountability. And government managers can use performance reports to, for example, manage better, develop budgets, or develop new programs. (p. 2)

Similarly Dluhy (2006), in *Enhancing the utilization of performance measures in local government: Lessons from practice*, advocates that one suite of measures, though tailored for different audiences, will suffice for a broad array of uses. He supports multi-stakeholder involvement in developing the measures so that everyone will be satisfied:

Real ‘results-oriented management’ requires widespread stakeholder involvement and the building of consensus around a small set of outcome measures. (p. 572)

He goes on to recommend:

...a community based effort where important stakeholders each have their expectations included in the group of final measures used, even if that means that 5-10 measures per service area ultimately get adopted and used. (p 573)

Many researchers, however, while noting that in principle performance measures could be used for multiple purposes<sup>8</sup>, point to both practical and conceptual problems with (a) trying to get agreement from various stakeholders who have diverse values and agendas, and (b) trying to use one suite of measures for a range of purposes, such as budgeting, program improvement, and informing legislators (see, for example, Behn, 2003; Carroll & Dewar, 2002; Halachmi, 2005b; Julnes, 2006). Spicer (2007) brings up an interesting point about the issue of conflicting values among stakeholders:

Moreover, politics presumes that, although some ways of resolving conflicts among values are more reasonable than others, there is, in the final analysis, no absolutely rational or scientific way to resolve conflicts among values. In fact, if such a way existed and could be discovered, one might argue that, strictly speaking, there would be no necessity for politics in governing a society and that the task of governing would become merely a technical matter of determining the mix of government actions or policies most likely to promote the greatest good. (p. 770)

Aside from the challenge of getting multi-stakeholder agreement on a suite of measures in the first place, in the dynamic environments typical of today’s public sector it is often necessary to modify measures (and presumably get agreement on these changes) to address changes in strategic planning (Halachmi, 2005a). It is increasingly difficult to produce timely and relevant measures in these times of rapid change, where measures can quickly become obsolete. And, as Thomas (2007) says, “...too much internal regulation, centralized control and surveillance based on elaborate reporting requirements will restrict the autonomy, flexibility, creativity and innovation which are needed in a period of rapid change” (p. 1).

General performance measures are often incomplete, particularly from a manager’s perspective. While organizations can take the time to develop and use high level performance information for internal management purposes, in many cases measures intended for public performance reports

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<sup>8</sup> Researchers have pointed out that performance measurement can be used for diverse purposes, ranging from internal management decision-making to external reporting (for example, see Behn, 2003; de Lancer Julnes, 2006; Dluhy, 2006; Julnes, 2006; Kravchuk & Schack, 1996; Streib & Poister, 2005). Some researchers have also focused on the use of performance monitoring and reporting as a way to enhance citizen involvement and trust (Behn, 2003; de Lancer Julnes, 2006; Holzer & Kolby, 2005).

become “decoupled” from the measures used for internal management purposes. This is particularly the case when the reported measures are subject to external audit (Power, 1999).

### *2.3.2 Cost-Benefit Impediments Inherent to Performance Reporting*

In British Columbia, as in many other jurisdictions, significant resources have been spent on producing public performance reports. It is possible that financial constraints may be limiting the capacity and willingness of ministries to spend additional resources trying to create performance information and reports that are useful to legislators. Behn (2002), citing Wholey (1999) points out that we still have no answer to “the question of whether and when the value of performance-based management will outweigh the cost” (p. 4), and Halachmi (2005a) has highlighted that “the sure cost of introducing and using performance measurement may exceed the potential benefits that may not even materialize” (p. 504).

Thomas (2006) notes that “the development of comprehensive and reliable performance measurement is quite expensive” (p. 3), and that the resources needed to generate, collect, report, and utilize performance measures can exceed the expected benefits. He adds: “Since performance measurement systems are costly to create and to maintain, there are practical limits on the number of dimensions of performance that can be measured on an ongoing basis (p. 11). Results of financial constraints include “the measurement of the measurable only, rather than what is truly important” and “a short-run concentration on measurement, since time-series data is expensive to maintain” (p. 48).

*Survey question: If you could change one thing about the Annual Service Plan Reports to make them more useful to you, what change would you make?  
“Re-direct effort and energy elsewhere” [2007]*

Haque (2007), in reviewing the Dent *et al* (2004) book *Questioning the New Public Management*, reiterates their point that performance measurement “may squander the valuable time and talent of senior officials just to development performance indicators, set targets, and compile statistics” (p. 182). In addition, Cavalluzzo and Ittner (2004) found that performance measurement development is hindered by several factors including “the inability of existing information systems to provide timely, reliable, and valid data *in a cost effective manner*” (p. 265, emphasis added).

B.C.’s Office of the Auditor General (2005; 2006b; 2008) and the CCAF-FCVI (2006b) have argued that providing increased resources for auditing performance measures and reports would improve the credibility of the reports, leading to more use of the reports. There is, however, little evidence that audit of performance reports increases their usage (Power, 1999; Schwartz & Mayne, 2005b). While audit organizations and some scholars have espoused the need for

performance information audit, there is evidence that such audit can actually have negative consequences (Power, 1999)<sup>9</sup>.

### 2.3.3 *Institutional Challenges for the Public Service*

*It is the strange dog that willingly carries the stick with which it is beaten.*

Douglas Hartle (1975, p. 197)

Institutional obstacles – related to the internal structure and culture of public sector agencies, and agencies' relationships with legislators – can also impact the development and use of performance information that legislators would find useful. Thomas (2005) describes these obstacles as follows:

...it is simply naive and unrealistic to expect public organizations and the people who work in them to conduct and to present unbiased and complete accounts of their own performance. Also, the nature of public sector goals (multiple, vague, shifting and even conflicting), the structure of the public sector (hierarchical, rigid and fragmented) and the written and unwritten rules of behaviour (compliance with red tape, an insistence on no mistakes, the avoidance of blame, etc.), all represent additional institutional obstacles to the adoption and use of performance measurement systems. (p. 2)

Brodtrick (1991) uses a metaphor that illustrates the cultural and institutional complexity of public sector performance:

We are often told by people in the business world that if the public sector were only run like the private sector, it would be perfect. We have all heard this, but I think it fails to understand what public sector organizations are about. I like to illustrate the difference using the analogy of a soccer game. [The private sector] sees a coach, a team captain, players with assigned positions, and established rules for scoring goals. Everybody knows at any given time what the score is – and which team is winning. In the public sector organizations, we also have a team, but there the resemblance ends. The team plays on a round field surrounded by numerous goals. There is no fixed number of players. Players leave and enter the game sporadically, and there are numerous balls of various sizes. The players kick these balls at any one or another of the different goals. Sometimes, balls are kicked in from outside the field. While the game is going on, men in green overalls move the goal posts around. And nobody knows who is winning and losing. The game is organized anarchy. (Brodtrick, 1991, p. 17)

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<sup>9</sup> An upcoming additional report from the *Legislator Uses of Performance Reports* Project will address the question of MLA support for different kinds of assurance needed to ensure the credibility of the annual *Service Plan Reports*.

In the literature that is reviewed in this paper, there is an important distinction between what “*should*” happen (a normative view of public sector management and accountability typically espoused by auditors general and audit organizations such as Canada’s CCAF-FCVI) and what actually *does* happen when public organizations, including local governments, commit to designing and implementing performance measurement systems.

The principal reasons for this are the cultural and political realities of work and management within the public sector. Analysts are increasingly recognizing the importance of taking into account the inherently political nature of performance measurement – recognizing that any set of measures, data gathering, interpreting and reporting procedures can be seen to have benefits and costs to individuals and coalitions in every organization. Not taking these into account usually means that the system does not deliver what is promised – taking them into account as performance measurement systems are developed and implemented usually means that expectations are more realistic (Behn, 2002; Thomas, 2006).

Behn’s (2002) thoughts on “public employee thinking” in *The psychological barriers to performance management: Or why isn’t everyone jumping on the performance management bandwagon?* provide some insights into possible institutional reasons for limited commitment to performance measurement and reporting: “The repercussions of any effort to measure performance are not necessarily positive for the individuals in the organization or for the organizations itself” (p. 8). He adds:

Indeed, to even worry about results – to steal time from an assiduous attention to satisfying all of the myriad rules – is irrational. After all, the performance of any organization, public or private, depends not only on internal leadership and management but also on a variety of exogenous forces; thus, any failure of performance to match expectations can be explained away by some of these unforeseen, unforeseeable, and uncontrollable forces. Failure to follow the rules is, however, a personal failing. (p. 8)

*Survey question: What is the single biggest downside risk of having Annual Service Plan Reports from ministries and Crowns?  
“Missing the targets due to factors beyond the Ministry’s control and yet the Ministry will be blamed”  
[2003]*

An important cultural barrier to embracing performance measurement and reporting is our existing accountability culture. Many analysts have pointed out that in a political system where an active Opposition, inquisitive media, and active interest groups are all interested in exposing Government shortcomings, a premium is placed on avoiding mistakes (Behn, 2002; Carroll & Dewar, 2002; Thomas, 2006). This cultural norm, which is widely recognized as a political asset, conflicts with the normative/technical view of performance reporting which advocates taking risks. For example, while proponents of public performance reporting exhort government entities to disclose risk and capacity issues in the reports (Auditor General of British Columbia, 2006b,

2008; CCAF-FCVI, 2002), the risks and benefits for this sort of openness, as public employees are well aware, can expose ministers and deputy ministers to fire from the opposition, the public, or the media. Legislators, particularly ministers, *do* want to know about risk and capacity issues, but publishing the details in *public* performance reports is itself a risky business. Carroll and Dewar (2002) point out: “Politicians and public servants have a clear disincentive to collect and report valid performance information when that information could be used to appraise and possibly criticize or punish them” (p. 418).

#### *2.3.4 Lack of Political Incentives for Legislators*

Some analysts contend that political challenges are probably the most significant reason for under-utilization of public performance reports by elected officials.

Graham Steele (2005), a legislator and member of Nova Scotia’s Public Accounts Committee, provides a frank portrayal of legislators’ views on accountability. His paper provides insights into why legislators and executives prefer to avoid having public performance measures that can potentially cause embarrassment to the government, and why there is limited use of performance reports by legislators. He notes, “Government members are all for accountability, as long as accountability can be achieved without tarnishing the government” (p. 13), and points out the following:

Accountability work is not highly valued among party leaders....Party leaders place higher value on other skills and activities. A party leader will put more value on caucus members who have a solid sense of how a particular constituency feels or thinks; or who understands and can execute on the political dimension of public policy issues; or who can raise money for the party; or who are good communicators. A legislator can do all of these things without doing a stitch of accountability work. (p. 5)

Most legislators, he argues, are engaged in forward-looking activities. In addition, “most legislators do not do a lot of preparatory reading” (Steele, 2005, p. 6).

Lindquist (1998) said the same almost ten years ago:

Legislators have few incentives to master performance reports: they have busy schedules, have limited access to research support, operate in a constraining partisan environment, receive little public recognition for questioning departments and agencies, and are not likely to influence government decisions. (p. 173)

Thomas (2006) further expands on the political implications:

For a number of reasons, governing has become a more adversarial process than in the past. In cabinet-parliamentary systems, of course, it is the job of the opposition parties to criticize government. The aggressive partisanship and the

negative theatrics featured prominently in legislatures largely prevent constructive debates about performance matters. Ministers will seek to avoid the publicity and controversy that ‘bad news’ brings – reacting defensively when something goes wrong...Public servants are interested in performance, but they also recognize the informal rules of the current accountability and rewards systems which operate in government. Ministers want error-free government. (p. 12)...Poor reports can damage ministerial reputations and negatively affect the position and resources of departments and programs. In short, there are risks involved with the collection and the publication of performance information. These realities of the practice of performance measurement can be contrasted with the image of a rational and objective process presented in the official reports. (p. 12-13)

Analogous arguments are made by others (see, for example Aucoin & Jarvis, 2005; Behn, 2002; Carroll & Dewar, 2002; Dent et al., 2004; Halligan, 2007; C. Hood & Peters, 2004; Julnes, 2006). In an upcoming book, Gill (forthcoming) argues that under-utilization by legislators is very possibly a political demand-side problem rather than a supply-side issue.

This section has set the backdrop for this multi-year research project. In the following sections, the usefulness of public performance reports will be explored for one jurisdiction (British Columbia), at the provincial level. Legislator uses of performance reports will be the principal focus.

Because this project began before B.C. legislators had received their first legislatively-mandated performance reports in 2003, it is possible to construct a baseline of expectations (the “promise” of performance reporting) and compare that over time to the actual uses that legislators report. This empirical study complements the findings and conclusions in the literature and offers a unique look at the way the principal intended users of performance reports actually use them.

### **Section Three: Methodology for the *Legislator Uses of Performance Reports* Project**

A key component of the *Legislator Uses of Performance Reports* Project was anonymous surveys of British Columbia MLAs. Before the first performance reports were tabled in June 2003 under the Liberal Government, a survey was prepared to measure legislator perceptions of how much they expected to use the performance reports, for fifteen different purposes.

The list of prospective uses was put together from a review of the literature, and discussions with public servants and members of the government who were involved in institutionalizing performance reporting in British Columbia. Figure 1 below shows the format and wording of the questions on the 2003 survey that focus on rating the *expected* usefulness of the reports for each purpose. That same set of questions was included in the 2005 and 2007 surveys, with minor changes to reflect the focus on *actual* uses of the performance reports.

### Figure 1: Format for the Survey Questions on Expected Uses of Performance Reports

The following are *possible uses for the Service Plan Reports* that will be published annually by ministries and Crown corporations. The first reports that reflect the current Government's priorities will be published this Summer (2003).

For **each type** of use, *to what extent do you, given your roles and responsibilities in the BC Legislature, expect to use the service plan reports in that way.*

Using a scale of 1 to 5, where 1 is "Will not use the reports at all" and 5 is "Will use the reports to a great extent" please indicate, by circling the most appropriate number, the extent you expect to use the reports in that way.

1	2	3	4	5	N/A	
Will not use at all	Will use a little bit	Will use some	Will use a lot	Will use to a great extent	Not applicable	
<b>Possible Uses of Service Plan Reports:</b>			<b>In my roles and responsibilities in the BC Legislature</b>			
1. Use the reports to hold the Government accountable to the citizens of British Columbia.	1	2	3	4	5	N/A
2. Use the reports to hold ministers and Crown Boards of Directors accountable.	1	1	3	4	5	N/A
3. Use the reports to hold deputy ministers and Crown CEOs accountable.	1	2	3	4	5	N/A
4. Improve communications between elected and administrative officials.	1	2	3	4	5	N/A
5. Improve my understanding of ministries and Crowns.	1	2	3	4	5	N/A
6. Show constituents what ministries and Crowns are doing.	1	2	3	4	5	N/A
7. Provide deputy ministers and CEOs with information for better managing their organizations.	1	2	3	4	5	N/A
8. Identify performance problems in ministries and Crowns.	1	2	3	4	5	N/A
9. Use the reports to improve the quality of government services.	1	2	3	4	5	N/A
10. Assess the efficiency and effectiveness of ministries and Crowns.	1	2	3	4	5	N/A
11. Develop or revise policies and programs.	1	2	3	4	5	N/A
12. Make decisions about the continuation of policies and programs.	1	2	3	4	5	N/A
13. Use the reports to allocate budgetary resources among ministries.	1	2	3	4	5	N/A
14. Use the reports to reduce the costs of programs and services.	1	2	3	4	5	N/A
15. Use the reports to support Executive Council decisions.	1	2	3	4	5	N/A

In British Columbia, the annual performance reports are called *Service Plan Reports* – that terminology is used in the *Budget Transparency and Accountability Act* (BTAA) that was passed in 2000 by the New Democratic Party, and later amended by the Liberal Government when it came to power in the spring of 2001. All three surveys (2003, 2005 and 2007) refer to *Service Plan Reports* to make the terms consistent with BC Government usage<sup>10</sup>.

For all three surveys, MLAs on the Government (Liberal) side of the Legislature were alerted at a Caucus meeting (held on at least a weekly basis when the Legislature is in session) that the survey packages were being distributed to the Members' mailboxes. Each survey package consisted of a cover letter that was signed by a Minister who was endorsing the value of participating in this project, the survey itself, and a self-addressed stamped envelope to the researchers at the University of Victoria<sup>11</sup>. Similar survey packages were made available to Opposition Members, although in 2003 and 2005 there were only two Opposition Members. In 2007, the 33 Opposition Members received a cover letter from an MLA who was willing to endorse the project, a copy of the survey, and a self-addressed stamped envelope to return the completed surveys to the University of Victoria.

Follow-up to increase response rates was required for all three surveys. Email reminders were sent to all MLAs, and in the 2005 and 2007 surveys, a second distribution of survey packages was undertaken for Government Members of the Legislature. The surveys were all conducted when the Legislature was in session (Spring session in 2003, Spring session in 2005, and Fall session in 2007). The timing made it more likely that survey packages would reach each MLA and they would be willing to take the time to complete the survey.

**Table 1** summarizes the response rates for the three surveys, displaying the responses to the 2003 baseline survey, and the 2005 and 2007 surveys.

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<sup>10</sup> The 3-year strategic planning documents prepared by ministries and Crowns are called *Service Plans*.

<sup>11</sup> For the 2003 survey, the Minister of Finance endorsed the survey to his colleagues. He left the government in 2004 and his replacement endorsed the 2005 survey. The 2007 survey was endorsed by the same Cabinet Minister who had endorsed the 2005 survey – although he was no longer the Minister of Finance at that point, his continuing interest in the project made him a good candidate for endorsing the third survey. He has since become Minister of Finance again (2008). For Opposition Members, the 2007 surveys were endorsed by an Opposition MLA. (In 2003 and 2005 there were only two Opposition Members, and there was no endorsement letter).

**Table 1: Survey Response Rates for the 2003, 2005, and 2007 Legislator Surveys of MLAs**

MLA Category	2003 Sample (MLAs who completed the survey)		2005 Sample (MLAs who completed the survey)		2007 Sample (MLAs who completed the survey)	
	N	Column Percent	N	Column Percent	N	Column Percent
Liberal Member of the Cabinet (Minister)	6	16.7%	7	25.9%	5	16.7%
Non-Cabinet MLA (not a Minister)	25	69.4%	18	66.7%	(Liberal) 6	20.0%
					(NDP) 17	56.7%
Did not specify Cabinet Status	5	13.9%	2	7.4%	(Did not specify MLA category) 2	6.7%
Total number of respondents	36	100%	27	100%	30	100.1% (due to rounding)
Total number of MLAs in Legislature	79		79		79	
Sample percentage of total		45.6%		34.2%		38.0%

**Table 1** shows that for the 2003 baseline survey, 36 (45.6 percent) of all MLAs in the Legislature responded to the survey. Of the 36, six (16.7 percent) were Cabinet Ministers<sup>12</sup>. In 2005, a total of 27 MLAs completed the survey (34.2 percent of the Legislature), of whom 25 were willing to identify themselves as either Cabinet Ministers (n=7 or 25.9 percent) or backbenchers (n=18 or 66.7 percent). In 2007, a total of 30 MLAs (13 Liberals and 17 NDP) completed the survey for an overall response rate of 38 percent.

In 2007, on the Government side, five respondents indicated they were Cabinet Ministers and six were back benchers. Two did not identify their status. The percentages of Cabinet and backbencher respondents are actually quite close to the percentages in the Liberal Caucus. Twenty-two of the 46 members of the Caucus were in the Cabinet (i.e., 43.4 percent were ministers) compared to 45.5 percent (5 of 11) in the sample.

Given the importance of ensuring anonymity, the only population characteristic that was solicited in 2003 and 2005 was Cabinet/backbencher status. In 2003, responding Cabinet members were proportionally under-represented, and in 2005, although a higher number of Cabinet members responded they were still less proportionally under-represented.

One option for treating samples that are disproportionate is to weight the subsamples so that in the analysis, their “numbers” more closely approximate their proportions in the population (total proportions in the Legislature). That would mean, for example, weighting the Cabinet subsamples in 2003 and 2005 upwards in relation to the backbencher subsamples. In a separate analysis of the 2003 survey responses, the cabinet and backbencher subsamples were weighted and the findings compared (weighted and unweighted) for key questions in the 2003 survey. The differences were minor, suggesting that using the unweighted subsamples was preferable.

Given the sizes of the samples and the overall size of the B.C. Legislature, all the findings reported in this discussion will be unweighted. When comparisons of the views of backbenchers and Cabinet members are made, it is appropriate to keep in mind that the samples are small and do not necessarily represent the views of all their colleagues. On the other hand, this is the first study that has attempted to systematically measure legislators’ uses of performance reports over time, so its findings begin to fill a gap in our understanding of how performance reports are viewed by their principal intended users.

#### **Section Four: Number of Ministry Annual Service Plan Reports Read or Reviewed by MLAs**

In the three surveys, a question was included that asked MLAs to indicate how many of the Ministry *Service Plan Reports* they planned to read or review (in the 2003 survey), or had read or reviewed for that year (in 2005 and 2007 surveys). **Table 2** reports the findings for the 2003, 2005, and 2007 surveys. In 2003, nearly one fifth (19.4%) of MLAs indicated that they planned

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<sup>12</sup> In 2003 and in 2005, we sent surveys to the two NDP Members of the Legislature. To ensure their anonymity, we did not ask MLAs to indicate if they were Members of the Opposition. Among the backbenchers (non-Cabinet MLAs) who responded in 2003 and 2005, it is possible we had up to two NDP MLAs.

to read or review **all** of the *Service Plan Reports*. The rest intended to read **some** of them (75 percent of MLAs) or at least one of them (5.6 percent). By 2005, the percentages had shifted – no one had read all of the most recent *Service Plan Reports*, but proportionately more MLAs (91.3 percent) indicated that they had read **some** of them. For the 2007 survey, among the Liberal Members there are two who indicated that they had read all of the most recent *Service Plan Reports* (15.4 percent of Liberal respondents). Among the NDP, no one indicated that they had read all the reports. More of the NDP (76.5 percent) than Liberals (53.8 percent) said they had read or reviewed some of the reports. One person on each side of the Legislature reported that they had not read any of the reports.

**Table 2: Number of Ministry *Service Plan Reports* Read or Reviewed in 2003 and 2005**

Number of Reports Read or Reviewed	2003 Expected (n=36)	2005 Actual (n=23)	2007 Actual (n=30)
All of them	19.4%	0.0%	6.7%
Some of them	75.0%	91.3%	66.7%
At least one of them	5.6%	8.7%	20.0%
None of them	0.0%	0.0%	6.7%
Total	100%	100%	100%

**Overall**, nearly all of the MLAs surveyed said that they had read or reviewed **some or at least one** of the ministry *Service Plan Reports*. By itself this finding suggests that MLAs are taking the time to read or review at least some of the reports.

**In Sections Five through Nine of this report**, we will present the key findings related to the uses to which MLAs put the annual *Service Plan Reports*. To facilitate understanding the main trends, the findings will be reported using bar graphs. The main focus will be on legislator responses to the 15 use-related statements that were included in each of the three surveys. The

only change in the format of the questions over time was to change the wording of the statements to reflect *actual* uses in 2005 and 2007, instead of *expected* uses in 2003.

The fifteen use-related statements can be analyzed individually, or in clusters of related uses. Calculating average levels of reported use assumes that the five point scale has equal intervals. However, there is debate among methodologists whether differences in these Likert items should be considered ordinal rather than interval, so reliance on comparisons among individual survey statements will be minimized in this report. Instead, indices will be constructed that combine individual uses into clusters.

If the clusters are reliable, they are more readily compared. To test whether the 15 use statements can be treated as clusters, Cronbach's Alphas were calculated for predicted clusters of uses, across all the survey respondents. Cronbach's Alpha is an indicator of the reliability of each cluster – the higher the values on a scale from 0 to 1, the more reliable the index is deemed to be. The Cronbach's Alpha coefficients for the five clusters are all acceptably strong, supporting the use of clusters in the analysis which follows<sup>13</sup>.

In Section Five, the initial findings for each of the 15 use-related statements will be reported for the Liberal MLAs (for 2003, 2005 and 2007) to indicate the overall use patterns, then the rest of the findings will be reported using the five clusters of uses. Because there were only two Opposition members sitting in 2003 and 2005, out of the total 79 government seats, no attempt was made to ask MLAs if they were members of the Opposition. This assured MLAs of their anonymity.

### **Section Five: Annual *Service Plan Report* Uses for All Government (Liberal) MLAs**

The 2003 survey captured MLAs' expectations about the ways that they could use the annual *Service Plan Reports* that were being prepared in the spring of 2003 by ministries and Crown corporations. The Government had made increased accountability a major commitment in the 2001 election campaign and one of the first pieces of legislation to be amended was the *Budget Transparency and Accountability Act* (2001), to strengthen legislation that had been passed in 2000 by the previous NDP Government.

By 2005, when the second survey was distributed, there had been two rounds of annual *Service Plan Reports*. By 2007, there had been four rounds of reporting. With each survey, MLAs would have had more experience with the actual reporting cycle, and would also have had more opportunity to review and use the reports. Trends in their assessments of the usefulness of the

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<sup>13</sup> The 15 statements can be viewed as five clusters of *Service Plan Report* uses: *accountability* uses (first three use statements, Cronbach's Alpha = .857); *communication* uses (second four use statements, Cronbach's Alpha = .752); *improving efficiency and effectiveness* uses (next three statements, Cronbach's Alpha = .897); *making policy decisions* uses (next two statements, Cronbach's Alpha = .843); and *making budget decisions* (final three use statements, Cronbach's Alpha = .931).

reports, particularly from expectations to actual uses, can be an indicator of how well their expectations match their experience.

**Figure 2** displays the average scores of specific uses on the five point scale shown in Figure 1, for all Liberal MLAs. For each use statement, three averages have been calculated, for 2003, 2005, and 2007<sup>14</sup>.

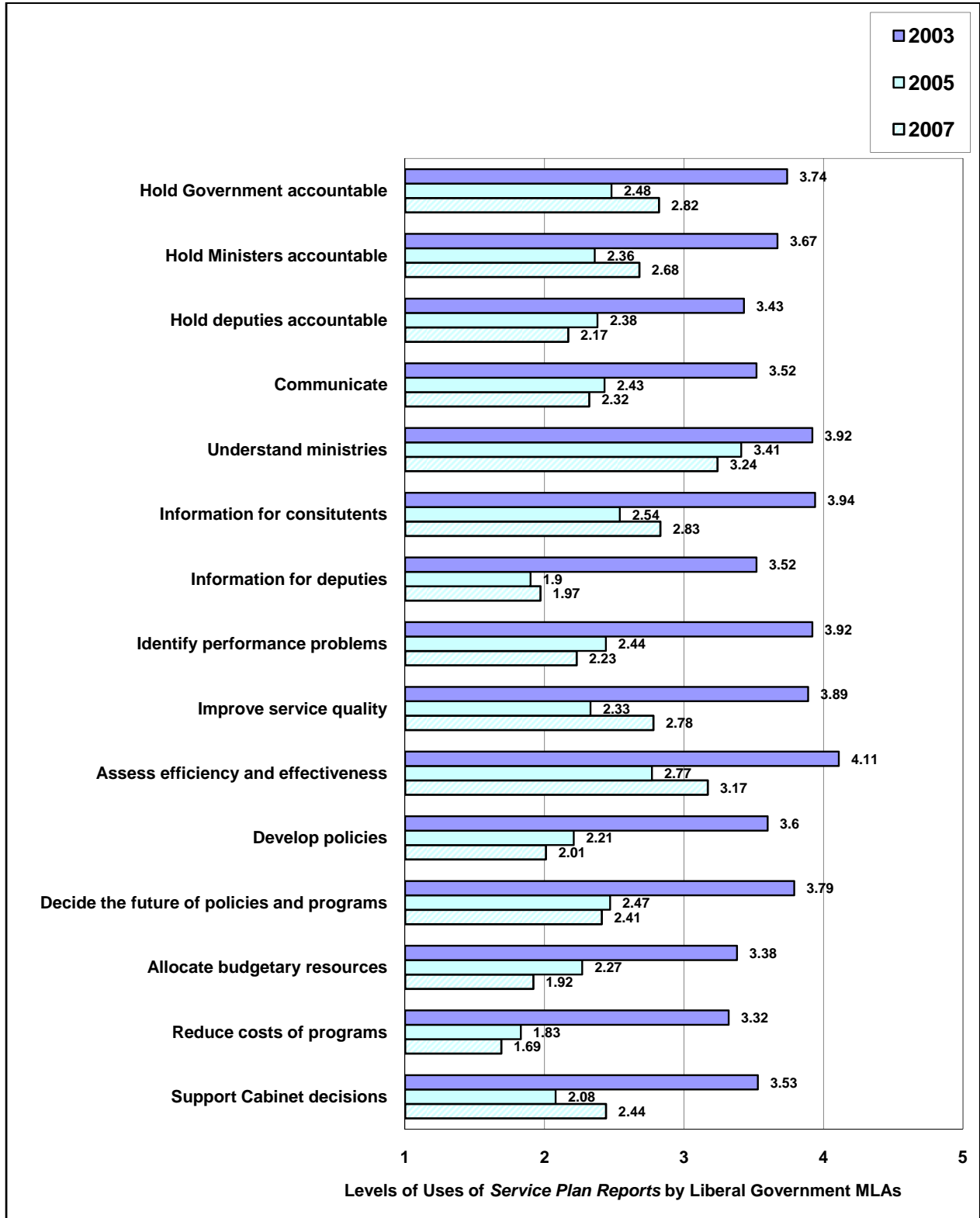
There is a general drop for all 15 uses from the 2003 expectations to the 2005 actual uses. The magnitude of that initial drop varies. For some uses (“Used the reports to improve my understanding of ministries and Crowns”) there was relatively little decline. For others, (“Used the reports to reduce the costs of programs and services”) there was a substantial drop to approximately half of what was expected. For most of the uses, the drops from 2003 expectations to 2005 were substantial.

Comparing 2005 and 2007, the picture is mixed. For some uses there were slight increases from 2005 to 2007. Across the 15 use statements, seven were somewhat higher in 2007 than in 2005. Another six were somewhat lower and two were virtually tied.

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<sup>14</sup> As noted earlier, the 2003 and 2005 surveys may include responses from up to two Opposition members, but for anonymity reasons Opposition members were not asked to identify themselves in those first two surveys. By the time the 2007 survey occurred, there were 33 Opposition members and respondents were asked to identify whether they were Liberals or NDP.

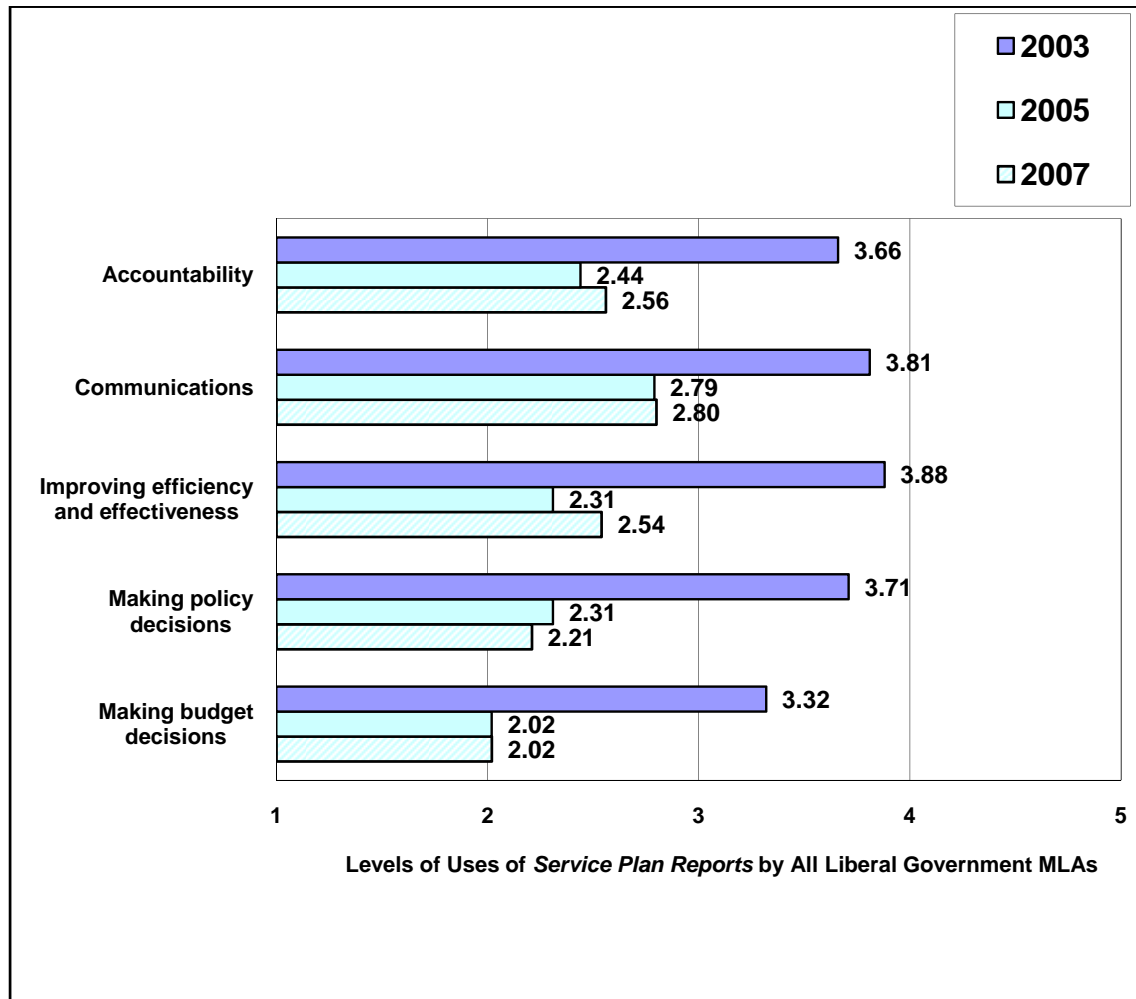
**Figure 2: Average Scores on the Usefulness of the *Service Plan Reports* for Liberal Government MLAs for the Fifteen Use Statements**



A more reliable way to display and compare levels of use is to combine the individual use statements into indices. The results of Cronbach’s Alpha calculations suggest that the 15 items can be grouped into five clusters. By doing this, the reliability of the clusters improves.

**Figure 3** displays the results of combining the use statements into five clusters, for all Government (Liberal) MLAs. The labels for each cluster are intended to reflect the key uses that are included in the clusters and the averages are displayed at the end of each bar.

**Figure 3: Clusters of Uses for Government (Liberal) MLAs in 2003, 2005 and 2007**



One way to look at the differences between expected uses and actual uses in to calculate the percentage drops from 2003 to 2005, and from 2003 to 2007, for each cluster. **Table 4** displays those differences. For two of the clusters of uses (making policy decisions and making budget decisions), the drops are greater than 50 percent for both the 2005 and 2007 surveys. For the accountability and efficiency/effectiveness clusters, the initial drops in 2005 are reversed to some

extent in 2007. The communications cluster has the smallest decrease overall and is virtually unchanged for the 2005 to 2007 period<sup>15</sup>.

**Table 4: Percentage Decreases in *Service Plan Report* Uses for Liberal MLAs from 2003 to 2005 and 2007**

<b>Year of Survey</b>	<b>Accountability Uses</b>	<b>Communication Uses</b>	<b>Efficiency and Effectiveness Uses</b>	<b>Policy Uses</b>	<b>Budgeting Uses</b>
<b>2005</b>	-45.8%	-36.3%	-54.5%	-51.7%	-56.0%
<b>2007</b>	-41.4%	-35.9%	-47.9%	-55.4%	-56.0%
<b>Overall Average Change from 2003</b>	-43.6%	-36.1%	-51.2%	-53.6%	-56.0%

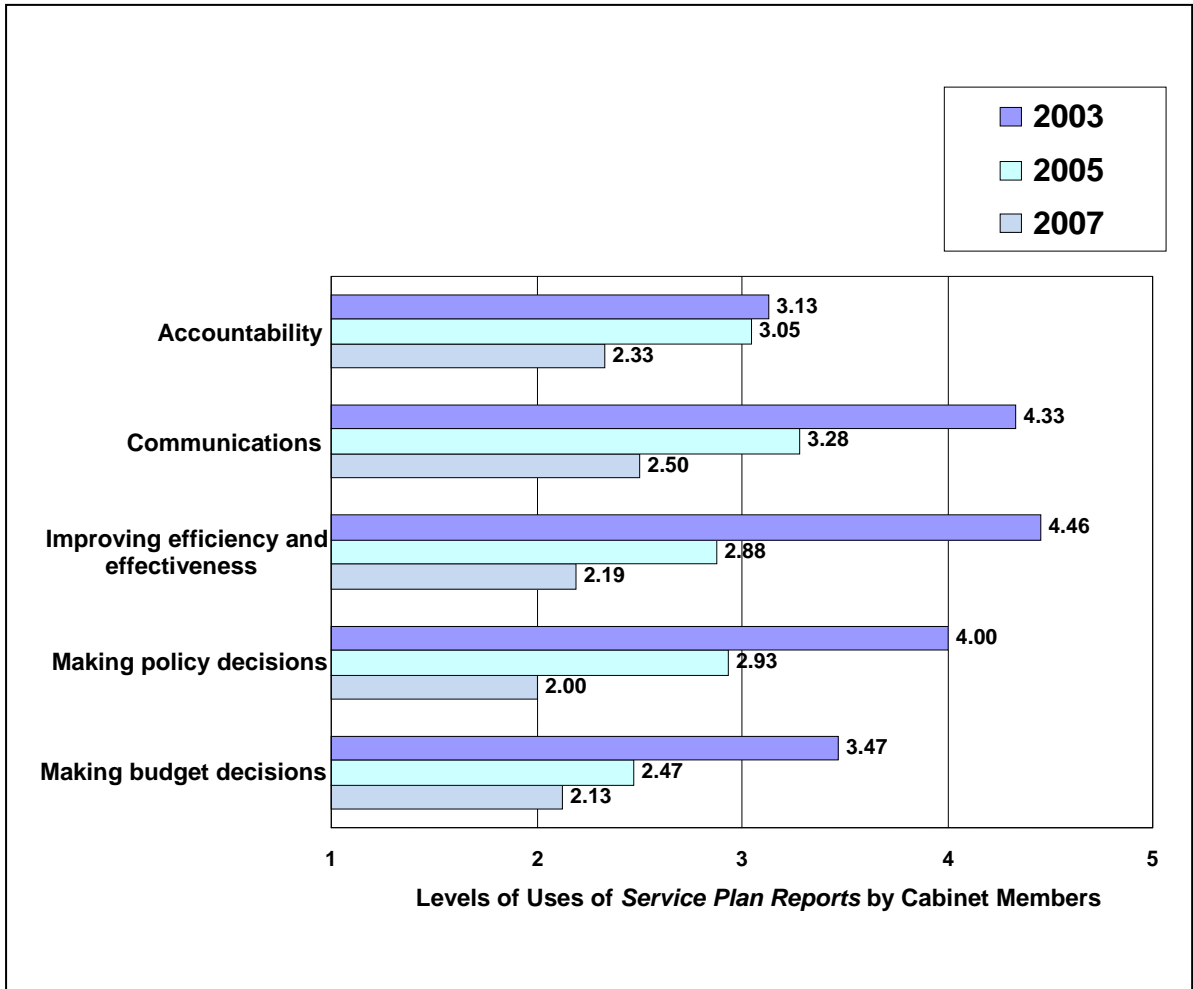
### **Section Six: Annual *Service Plan Report* Uses for Cabinet Ministers**

In each survey, respondents were asked to indicate whether they were a member of the Executive Council (the Cabinet). Because Cabinet Ministers have direct responsibility for government agencies (ministries and Crowns), it is reasonable to expect that their *Service Plan Report* usage patterns would differ from MLAs as a group. In this section of the report, we describe the clusters of uses reported by Cabinet Ministers over time.

**Figure 4** displays the cluster averages for Cabinet Ministers for 2003, 2005 and 2007. Unlike the cluster pattern for Liberal MLAs as a group (Figure 3), Cabinet Ministers levels of use drop across all three surveys. Their initial expectations for four of the five clusters (communications, improving efficiency and effectiveness, making policy decisions, and making budget decisions) are higher than for Liberal MLAs as a group. By 2007, the drops in usage levels tend to be somewhat larger than for Liberal MLAs as a whole. Three of the clusters (communications, efficiency and effectiveness, and policy uses) dropped more than for Liberal MLAs as a group.

<sup>15</sup> All the differences between the 2003 baseline and the 2005 and 2007 actual use levels are statistically significant at the .05 level. Given the sample sizes and the self-selected samples of MLAs in the analyses in this report, significance levels are at best a rough guide when looking at the differences in means among the clusters of uses over time.

**Figure 4: Clusters of Uses for Cabinet Ministers in 2003, 2005 and 2007**



**Table 5** displays the percentage drops for Cabinet ministers from 2003 to 2005, and from 2003 to 2007. In the table, three of the clusters have overall average drops (averaging the 2005 and 2007 drops) of greater than 50 percent (communication uses, efficiency and effectiveness uses, and policy uses)<sup>16</sup>.

<sup>16</sup> In 2005, the drop in efficiency and effectiveness uses is significant at the .05 level. In 2007, the drops in communication uses, efficiency and effectiveness uses, and policy uses are all significant at the .05 level.

**Table 5: Percentage Decreases in *Service Plan Report* Uses for Cabinet Ministers from 2003 to 2005 and 2007**

<b>Year of Survey</b>	<b>Accountability Uses</b>	<b>Communication Uses</b>	<b>Efficiency and Effectiveness Uses</b>	<b>Policy Uses</b>	<b>Budgeting Uses</b>
<b>2005</b>	-3.8%	-46.1%	-48.0%	-35.7%	-40.5%
<b>2007</b>	-37.6%	-55.4%	-65.6%	66.7%	-54.2%
<b>Overall Change from 2003</b>	-20.7%	-50.8%	-56.8%	-51.2%	-47.4%

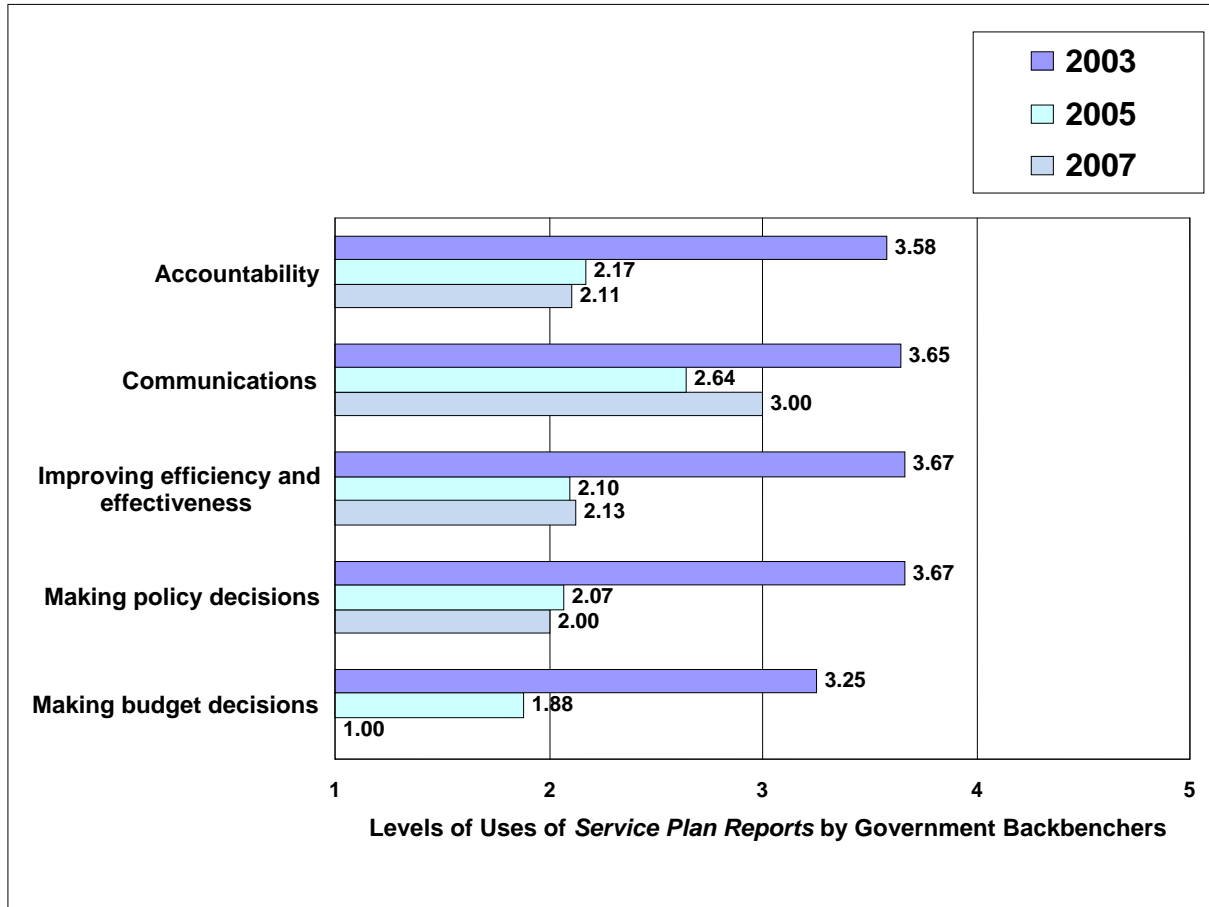
**Section Seven: Annual *Service Plan Report* Uses for Liberal Backbenchers**

Backbenchers have different roles and responsibilities than their colleagues in the Cabinet. Since the *Service Plan Reports* are focused on the performance of ministries and Crowns, they may be of more use to Cabinet Ministers than to backbenchers. On the other hand, backbenchers sit on committees (Caucus and Standing Committees) and may have uses for the reports in those roles.

**Figure 5** shows that compared to their Cabinet colleagues, backbenchers did not have as high expectations in 2003. All five cluster averages are somewhat lower in 2003 for backbenchers, compared to Cabinet Ministers.

The overall pattern in Figure 5 is similar to the Cabinet uses displayed in Figure 4. There is a pronounced decrease in usage levels from 2003 to 2005 for all five clusters. Unlike Cabinet Ministers, whose ratings of accountability uses tended to be more stable over time, the averages for this cluster drop sharply for backbenchers in 2005 and are marginally lower again in 2007. Of note in Figure 5 is the fact that no backbencher respondents in 2007 indicated any usefulness of the *Service Plan Reports* for budgeting decisions – that may be a reflection of their role in the budgeting process.

**Figure 5: Clusters of Uses for Liberal Backbenchers in 2003, 2005 and 2007**



**Table 6** shows that for backbenchers, there have been several marked decreases in uses compared to expectations in 2003<sup>17</sup>. Most notably, the decrease in budgeting uses had reached 100% by 2007. When Table 6 for backbenchers is compared to Table 5 for Cabinet Ministers, several things stand out. First, the overall average (2005 and 2007 decreases averaged) backbencher decreases in usefulness of the annual *Service Plan Reports* tend to be larger than for Cabinet Ministers<sup>18</sup>. The exception to that generalization is communications uses: backbenchers tended to see the reports being more useful than do their Cabinet counterparts.

<sup>17</sup> In Table 6, all the differences between 2003 and 2005 are statistically significant at the .05 level. Among the 2003-2007 differences, the only one that is not significant is the communications cluster uses.

<sup>18</sup> Comparisons of the Cabinet Ministers (n=5) and the backbenchers (n=6) who responded to the 2007 survey, exclude two Government respondents who did not identify themselves as either Cabinet or backbenchers. Those two persons have been included in all analyses of Government MLAs as a group. A closer examination of their responses to the 15 use statements indicates that they tended to rate the usefulness of the *Service Plan Reports* more positively than did their colleagues. One rough indication of the differences between these two MLAs and the other 11 Liberals who completed the 2007 survey is that six of the differences in average ratings (out of 15) are significantly different. All those differences were in the direction of more positive ratings of the usefulness of the reports by these two MLAs. Including their responses tends to boost the average ratings in 2007 for Government MLAs, and make the overall Government ratings more positive than either the Cabinet or backbencher ratings.

**Table 6: Percentage Decreases in *Service Plan Report* Uses for Backbenchers  
from 2003 to 2005 and 2007**

<b>Year of Survey</b>	<b>Accountability Uses</b>	<b>Communication Uses</b>	<b>Efficiency and Effectiveness Uses</b>	<b>Policy Uses</b>	<b>Budgeting Uses</b>
<b>2005</b>	-54.7%	-38.1%	-58.8%	-59.9%	-64.4%
<b>2007</b>	-57.0	-24.5%	-57.7%	-62.5%	-100.0%
<b>Overall Change from 2003</b>	-55.8%	-31.3%	-58.2%	-61.2%	-82.2%

**Section Eight: Comparisons of Uses of Annual *Service Plan Reports* for Government and Opposition MLAs in 2007**

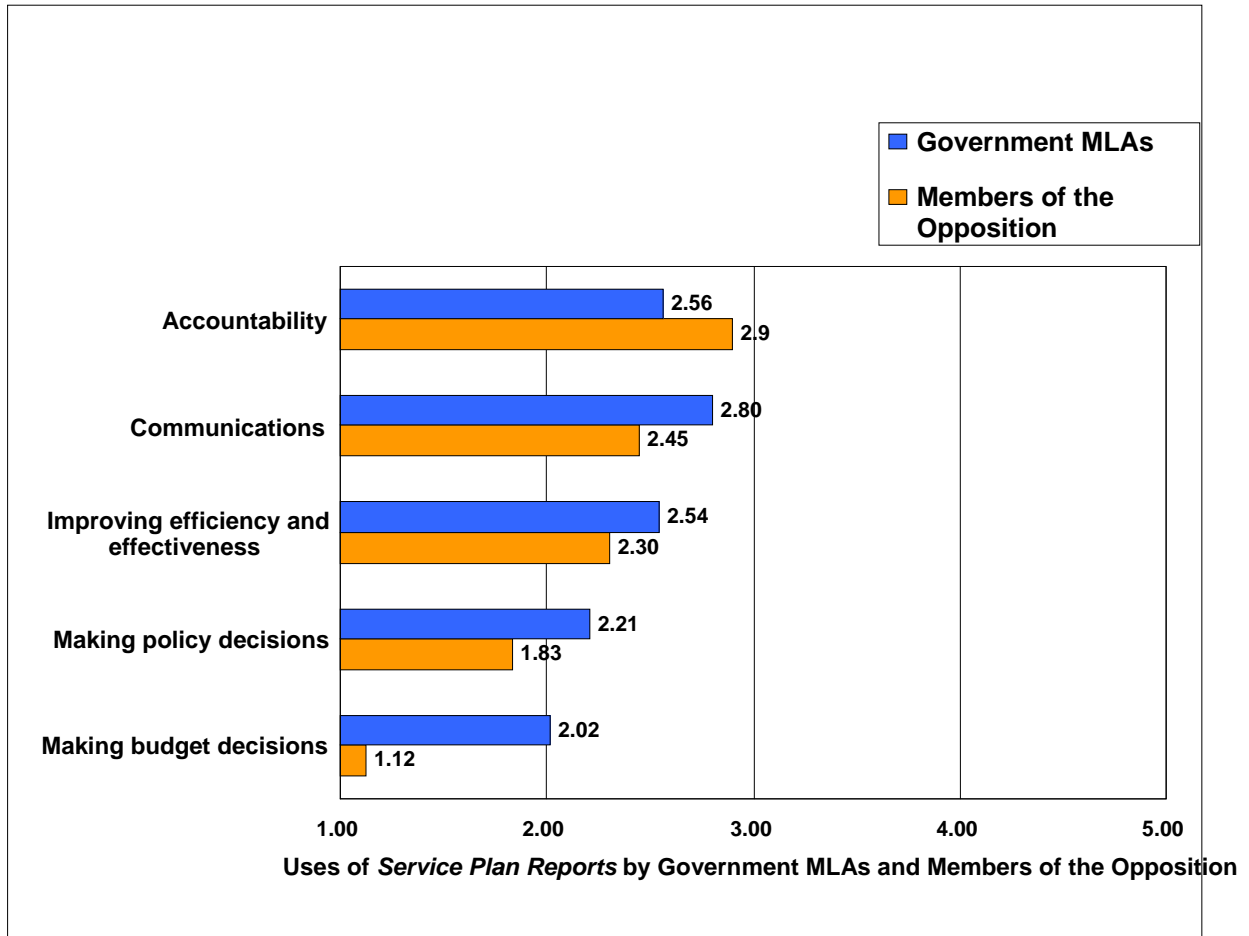
The 2007 survey of MLAs was different from the previous two in that the NDP had won 33 seats in the spring 2005 election. The dynamics in the Legislature changed with the much larger Opposition contingent scrutinizing the Government’s policies and programs. The *Service Plan Reports* might be expected to play a role in the deliberations of the Legislature and in the governance process more generally. The reports were intended to be accountability documents, and having an increased Opposition might be expected to affect their usefulness.

As we have seen, on the Government side of the Legislature, the usefulness of the *Service Plan Reports* in 2007 tended to level out compared to the 2005 survey averages. A key question is how the Opposition perceived the usefulness of the annual *Service Plan Reports*. This Section describes Opposition responses to the 2007 survey and compares Government and Opposition findings.

**Figure 6** displays the Government and Opposition averages for the five clusters of uses. Overall, Members of the Opposition used the annual *Service Plan Reports* somewhat less than did the Government MLAs. The only exception to that was accountability uses – NDP respondents rated the reports more useful for that cluster than did Liberal MLAs.

The difference between the Government and Opposition averages for “Making budget decisions” is statistically significant. Opposition Members are less likely to see the annual *Service Plan Reports* being useful for their roles and responsibilities vis á vis the budget process. This is not unexpected, given that only Government members are in a position to make budgetary decisions. That is the only cluster difference that is statistically significant.

**Figure 6: Comparing Government (Liberal) and Opposition Uses of the *Service Plan Reports* in 2007**



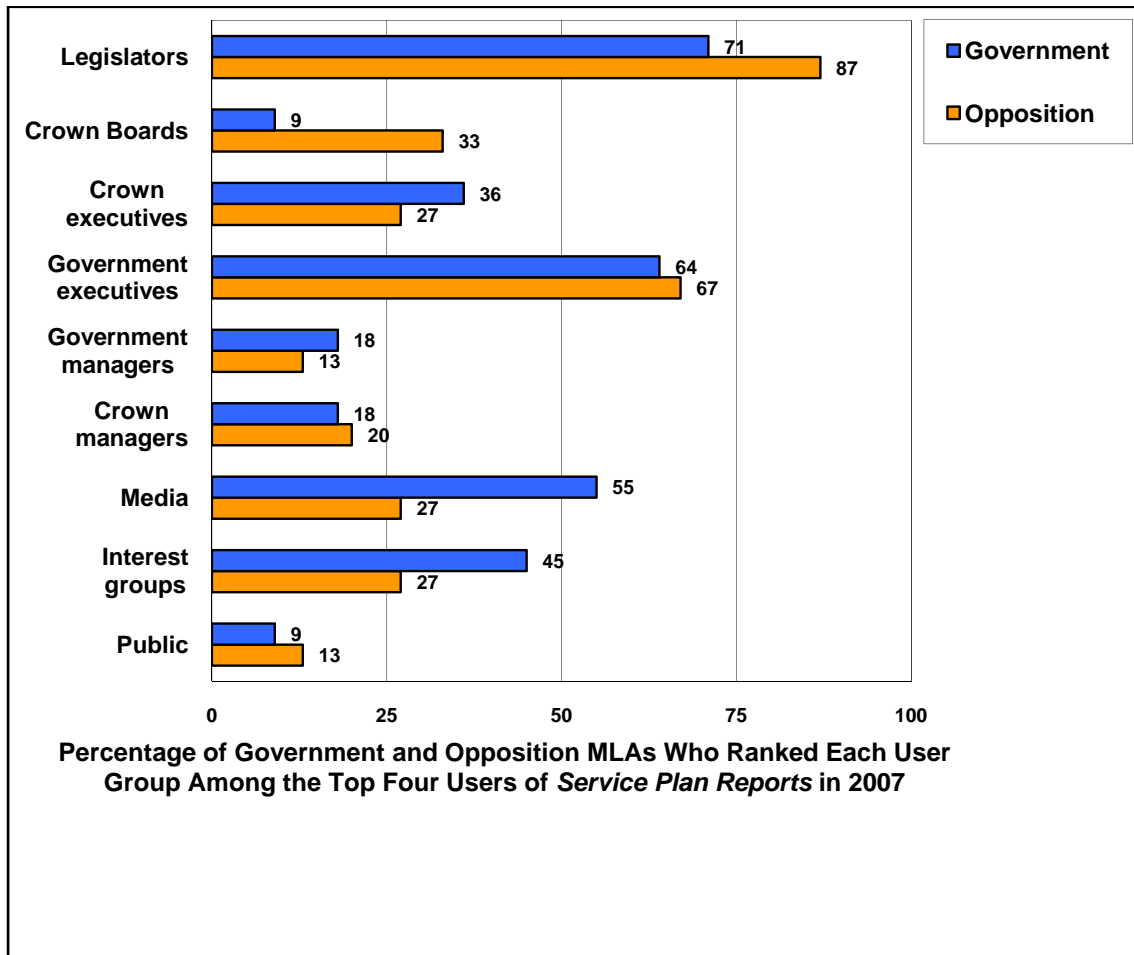
In the 2007 survey, MLAs were asked to rank the most important user groups for the *Service Plan Reports*. A list of potential user groups was included in the survey and each respondent was asked to pick the top four users from the list. By aggregating the responses to this question, it is possible to obtain an overall ranking of the user groups. When Government and Opposition Members’ rankings are compared, we can see the differences across the Legislative aisle.

**Figure 7** displays the percentages of respondents who picked each of the users among their top four. The bars compare Liberal MLAs and NDP MLA percentages. Both Government and Opposition MLAs saw “legislators” as top users. There are several other similarities in the rankings. Both sides of the Legislature picked “government executives” as being among the top users (64 percent for the Government and 67 percent for the Opposition). It is not clear, of course, how the annual *Service Plan Reports* are expected to be used by government executives – there is considerable debate around the usefulness of public performance reports for internal performance management.

Interestingly, both Government and Opposition MLAs agree that the public is the *least* likely to be among the top four users of the reports. Despite the general emphasis on the importance of public reporting for accountability to the public, MLAs do not seem to believe the public uses the annual *Service Plan Reports*.

There are differences between the Government and Opposition responses. Government MLAs tended to rank the media more highly as a user (55 percent of Government MLAs picked the media among their top four users, versus 27 percent of the Opposition). Likewise, interest groups were ranked more highly by Government MLAs (45 percent picked them as being among the top four users) than by Opposition MLAs (picked by 27 percent). An interesting difference is the perception of the usefulness of the reports for Crown Boards. Very few Government MLAs picked Crown Boards among the top four users (9 percent), yet among NDP MLAs, 33 percent picked Crown Boards among their top four users.

**Figure 7: Percentage of Liberal and NDP MLAs Ranking User Groups Among the Top Four Users (2007)**



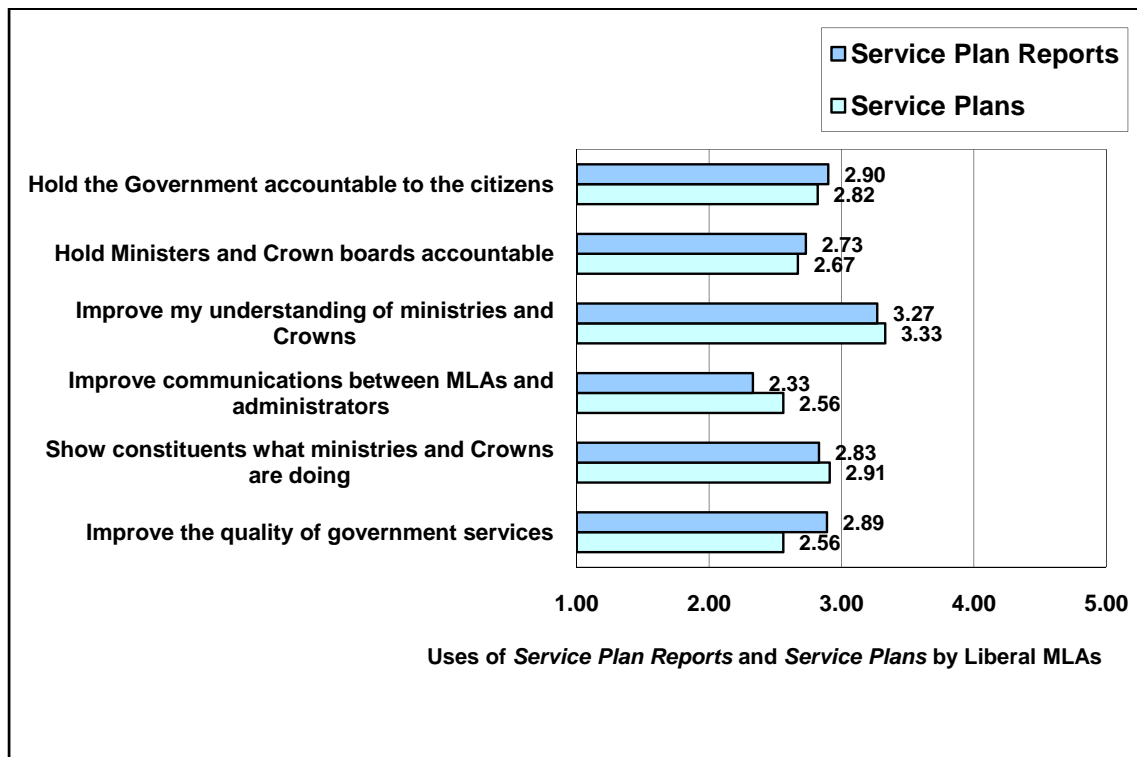
**Section Nine: Comparisons of Uses of Annual *Service Plan Reports* and *Service Plans* for Government and Opposition MLAs in 2007**

To this point in this report, we have focused on ways that MLAs use the annual *Service Plan Reports* that are produced in the summer of each year. These *Reports* are retrospective, that is, they compare last year’s achievements with last year’s intentions. One criticism of the cycle of performance reporting more generally is that elected officials are more interested in future policy and legislation initiatives than in dissecting last year’s results (Behn, 2002; Pollitt, 2006; Steele, 2005; Thomas, 2006). Furthermore, because achieving outcomes is usually a multi-year process, being able to describe what is being planned for the next year may have more short-term appeal to MLAs who want to deliver for their constituents.

In the 2007 survey, all MLAs were asked to rate the usefulness of the 2007 *Service Plans*. In this section we compare the reported usefulness of the annual *Service Plan Reports* and the *Service Plans*, for both Government MLAs and for Opposition MLAs. Figure 8 displays a comparison of the average ratings that Liberal Government MLAs gave the annual *Service Plan Reports* and the *Service Plans*. In the Figure, we compare six specific uses (out of the 15 possible uses) that seemed common to the two types of performance reports.

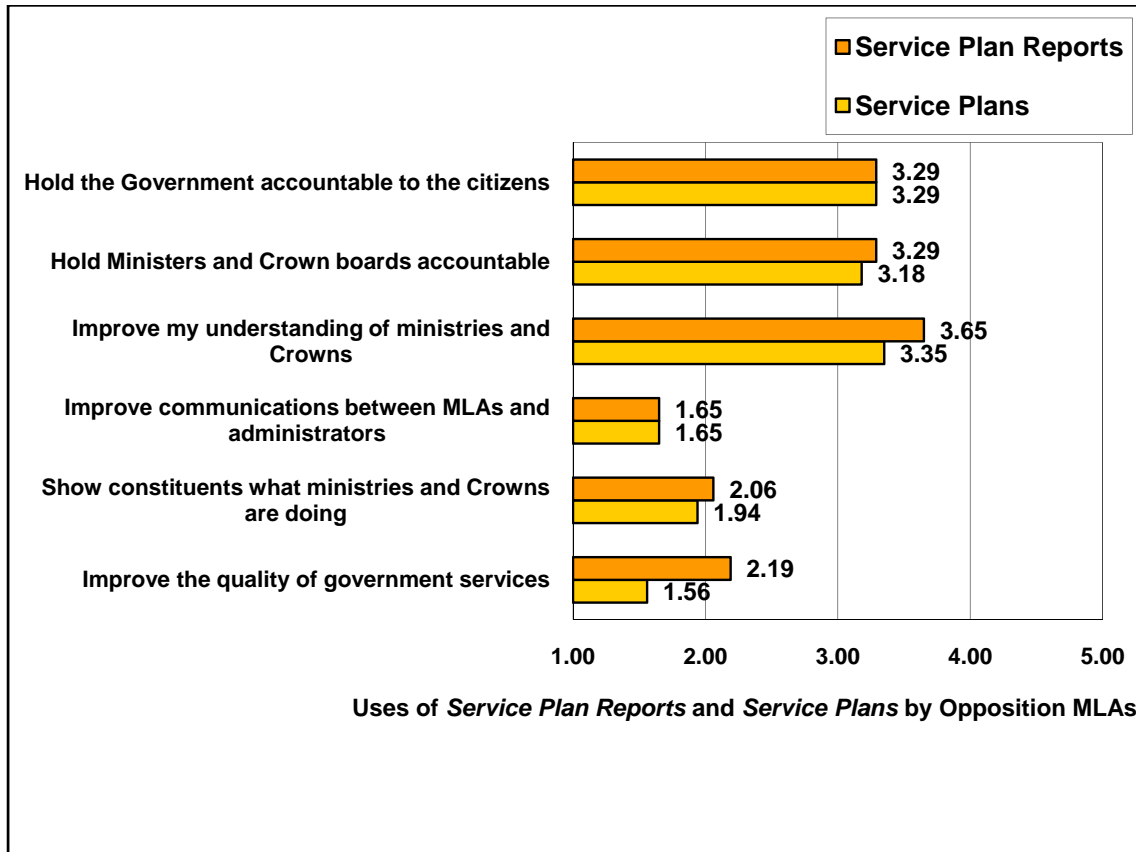
**Figure 8** shows that for (Liberal) Government MLAs, there are only small apparent differences between the usefulness of the annual *Service Plan Reports* and the *Service Plans*. None of the differences in Figure 8 is statistically significant.

**Figure 8: Comparison of the Usefulness of Annual *Service Plan Reports* and *Service Plans* for Government (Liberal) MLAs in 2007**



If we look at Members of the Opposition, **Figure 9** displays the comparisons of their assessments of the usefulness of annual *Service Plan Reports* and *Service Plans* in 2007.

**Figure 9: Comparison of the Usefulness of Annual *Service Plan Reports* and *Service Plans* for Opposition (NDP) MLAs in 2007**

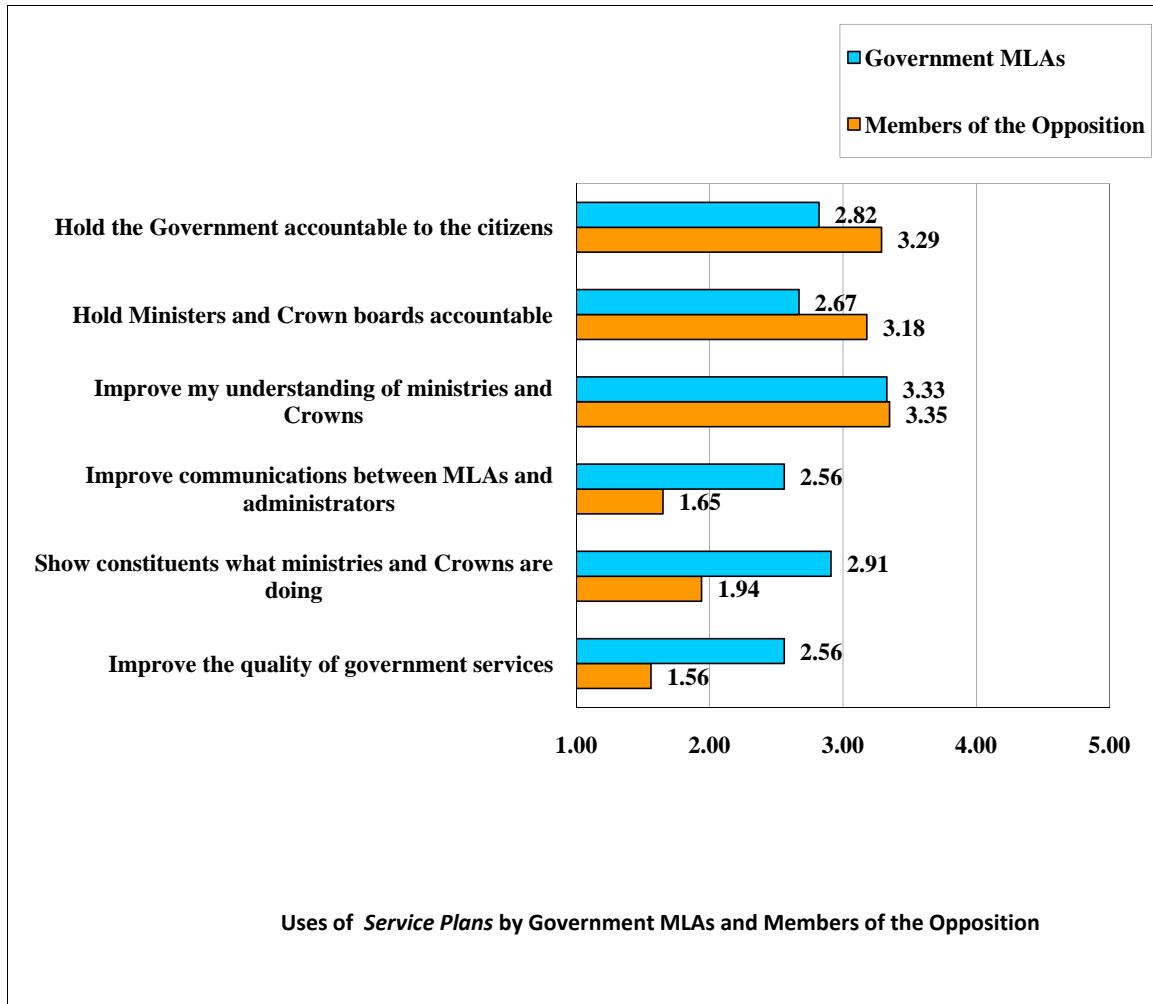


Overall, the Opposition ratings for the annual *Service Plan Reports* and the *Service Plans* are quite similar, and there are no statistically significant differences. The only evident difference is for *Improving the quality of government services* for which the annual *Service Plan Reports* are more useful.

When the Government and Opposition ratings of the *Service Plans* are compared in **Figure 10**, we can see differences. For two of the six uses, *Hold the Government accountable to citizens*, and *Hold Ministers and Crown boards accountable*, members of the Opposition rate *Service Plans* being more useful than do Government MLAs. This is consistent with Opposition MLAs rating the cluster of accountability uses of the *Service Plan Reports* higher than did their Government colleagues. For three of the uses (*Improve communications between MLAs and administrators*, *Show constituents what ministries and Crowns are doing*, and *Improve the quality of government services*), Government Members rated these higher. The highest rating

among the six uses and the one that is virtually tied is *Improve my understanding of ministries and Crowns*<sup>19</sup>.

**Figure 10: Comparing the Usefulness of *Service Plans* for Government and Opposition MLAs in 2007**



Overall, there are some pronounced differences between the two sides of the Legislature on the usefulness of *Service Plans*, with Government MLAs tending to rate three categories as more useful: *Improve communications between MLAs and administrators*; *Show constituents what ministries and Crowns are doing*; and *Improve the quality of government services*.

<sup>19</sup> In Figure 10, it is noteworthy that the difference in average ratings for *Improving communications between MLAs and administrators* is significant at the .05 level.

## Section Ten: Discussion

### Expectations versus Actual Uses

British Columbia is similar to other jurisdictions in the Organisation for Economic Co-operation and Development (OECD) that have embraced performance measurement and public performance reporting as a means to improve both accountability and internal decision-making (Barzelay, 1997).

Overall, the key finding from three anonymous surveys of B.C. MLAs from 2003 to 2007 is the pronounced gap between initial expectations for the usefulness of the annual *Service Plan Reports*, and subsequent assessments of the actual usefulness of the reports. For Liberal Government MLAs overall, the changes from the 2003 survey of expected uses to the 2007 surveys of actual uses, ranged from a decline of 35.9% for communication uses to a 56.0% decline for budgeting uses. When results for backbenchers and Cabinet members are separated, only one exception to the significant declines is evident: for communications uses of the annual *Service Plan Reports*, the decline for backbenchers was only 24.5% (from a mean of 3.65 to a mean of 3.0).

Among the five clusters of uses, for Cabinet ministers accountability uses dropped the least, and for non-Cabinet MLAs communication uses dropped least. What dropped the most were uses focused on improving efficiency and effectiveness, making policy decisions, and making budgeting decisions.

In 2007, the Members of the Opposition reported generally less use of the annual *Service Plan Reports* than that did Government MLAs. The one exception was the accountability cluster of uses – Opposition MLAs reported somewhat higher use levels.

### Obstacles to the Use of Performance Reports

One way to address the gap between expected and actual uses is to ask whether initial expectations were realistic. Performance reporting is part of broader efforts to reform governments to make them more accountable, efficient and effective. (Borins, 1995; CCAF-FCVI, 1999, 2003, 2007a, 2007b; de Lancer Julnes & Holzer, 2001; Epstein, 1992; GAO, 2005; Gore, 1993; Kaplan & Norton, 2001; Osborne & Gaebler, 1992; Joseph S. Wholey, 2001).

**Technical challenges** can slow down or even derail government efforts to design and implement performance measurement systems. Resolving ongoing challenges can also take more **resources**

*Survey question: Do you have any other comments about the Annual Service Plan Reports?*

*"I thought that they would be useful, but have never used them. I have suggested people look at them, but I don't think anyone has.*

*Explaining policy: they aren't useful. Finding out what is happening NEW in a ministry, they aren't useful."* [2005]

**and time** than had been anticipated. Designing and implementing a performance measurement system is not ever “done”, but rather is always a work in progress.

Taking a technical view of performance measurement and reporting tends to underestimate the organizational challenges – the **people problems** that affect the design and implementation of measurement and reporting systems. Increasingly, the literature on performance measurement and reporting recognizes the inherent political pressures on selecting measures, gathering data that reflect what people and work units do, interpreting that information, and reporting it. The challenges of measuring and reporting performance tend to be greater than a technical perspective alone, recognizes.

Where performance results are reported publicly, the risks to the bureaucracy and to politicians of being seen by the Opposition, the media, interest groups or other stakeholders as not achieving intended results, puts a lot of pressure on the whole process to minimize political risks.

To make the prospect of major reforms like government-wide performance measurement and reporting systems attractive, there is a tendency to emphasize the benefits, assume that the change can be fully implemented as planned, and to underestimate the organization-related costs. This bias, which is understandable as any government undertakes a new initiative, becomes the benchmark against which future results are compared. In many situations, the “promise” is not matched by the “performance” and stakeholders begin to ask whether the whole effort was worth it<sup>20</sup>. For the issue of under-utilization of performance reports, it is difficult to untangle whether it is a supply-side problem or a demand-side problem (Gill, forthcoming).

### **Accountability and Communication Uses as the Realistic Scenario**

Expectations may not have been realistic in the B.C. Government, when the service planning and service plan reporting process was implemented in 2002 and 2003. The promise of performance measurement and reporting may have reflected a scenario that does not factor in the realities of complex public sector organizations.

In the figures and tables that have been presented in this report, the actual use levels in 2005 and 2007 are low. Recalling that the five point scale to describe the 15 possible use types ranges from “have not used at all” (a value of 1 on the scale) to “have used to a great extent” (a value of 5 on the scale), many of the averages in 2005 and 2007 are closest to “have used a little bit” (a value of 2 on the scale). For Cabinet Members in 2007, four of the five clusters of uses are closest to “have used a little bit”, and for backbenchers in 2007, three cluster averages are closest to “have used a little bit” and one is “have not used at all”. For the Opposition in 2007, four of the five clusters of uses are closest to “have used a little” but two are below that level.

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<sup>20</sup> The history of government reform includes examples of major performance-related initiatives that have not delivered what was promised of them, and were eventually abandoned. Two of the more well-known budgeting and performance measurement-related movements that rose and fell were programmed planned budgeting (PPB) in the 1960s in the USA and in the 1970s in Canada, and zero-based budgeting (one of the “successors” to PPB systems), that also did not endure. Feller (2002) and Perrin (1998) have summarized the history of performance measurement related initiatives in the past 40 years that have been tried and have not survived.

Among the possible uses for the annual *Service Plan Reports*, there are two clusters that fared relatively well over time. For the Cabinet Members who participated in the survey, accountability-related uses (*Holding Government accountable, Holding ministers and Crown boards accountable, and Hold deputy ministers and Crown executives accountable*) fared relatively well. Over the three surveys, this cluster of uses decreased the least. Among Members of the Opposition, this cluster of uses was rated the highest.

For backbenchers, communication-related uses were relatively robust over time. If we look at the types of uses that each of these clusters represents, communication uses are primarily about improving understanding – improving the knowledge base of MLAs.

Accountability uses represent the broad commitment that the Government has made to being accountable through mandating performance measurement and public reporting.

The other clusters of uses (*Improving efficiency and effectiveness, Making policy decisions, and Making budget decisions*) are more focused on planning and assessment activities and generally, these clusters tended to drop the most among MLAs. Thus, the survey results suggest that the annual *Service Plan Reports* are seen by MLAs as being relatively more useful (over time) for background knowledge or for explanatory purposes than for actual policy or program decision-making.

### **Who are the Top User Groups for the Annual Service Plan Reports?**

We included a question in 2007 that asked MLAs to pick the top four user groups for the *Service Plan Reports*. MLAs picked themselves as the group most likely to use the reports. Both sides of the Legislature picked government executives as important users (perhaps because their involvement in preparing the reports). Both Government and Opposition MLAs ranked the public as least likely to be a user of the reports. The biggest difference was around the importance of the media; 55 percent of Government MLAs said the media would be among the top users, compared to only 27 percent of the Opposition.

### **Are the Service Plans Used More than the Annual Service Plan Reports?**

We also included a question in the 2007 survey about uses of the *Service Plans* that are published each February as part of the budget cycle. When uses of the *Service Plan Reports* are compared to uses of the *Service Plans*, there are no big differences among Government MLAs or among Opposition MLAs. But there are significant differences between Government and Opposition MLAs around their uses of the *Service Plans* – Opposition MLAs use them more for accountability purposes and Government Members use them more for communication and for improving service quality.

## **What do Legislators Suggest to Improve the Reports?**

Although the main focus of the surveys was on legislator uses of the reports, the surveys did include several open-ended questions that provide suggestions for improving the usefulness of the reports.

One theme that emerged from Government MLA (Liberal) comments was to make them simpler – to make them easier to read, shorter, more like a report card so that they are more accessible to the public. This theme suggests that the reports need to be succinct and compelling. This finding contrasts with the views of Opposition MLAs in 2007. When asked how to make the reports more useful, they tended to suggest more detail and more scope. That would serve their needs as critics of the Government.

The fact that the two sides of the Legislature had different views of how to make the reports more useful underscores the challenges in making changes to increase legislator uses. Increasing usefulness needs to navigate opposing views of what are appropriate changes to the reports.

Another theme that may address diverging legislator suggestions for increasing usefulness was to layer the reports – having a short, simple version that is widely available, backed up by longer and more detailed versions for different audiences, perhaps even with appendices. These themes are echoed in the literature that makes the point that different audiences require different reports (Behn, 2003; Carroll & Dewar, 2002; Halachmi, 2005b; Julnes, 2006). What is implied is that one style of reporting does not work well for all audiences. The information needs that legislators have will differ even among themselves, and those needs will be different from the public, and other stakeholders. This finding suggests that in contrast to the performance reporting principles that have been adopted in B.C. (CCAF-FCVI, 2002), different reporting styles and formats will be appropriate, if the goal is to enhance their usefulness. In addition, the CCAF (2006b) has suggested:

Given the essentially verbal orientation of legislators and the vast number of other documents they receive, government should consider providing more face-to-face briefings and holding question-and-answer sessions to support the information presented in PPRs [public performance reports]. (p. 30)

Pollitt, too, suggests a strategy to address the verbal orientation of legislators:

It seems that politicians gain information mainly from talking to senior officials, other politicians and other influentials – not by reading reports. Logically, therefore, the evaluation and performance management community should be aiming at getting their findings into the mouths of these advisers, not into reports that will merely decorate the politicians' bookshelves. If there have to be written reports (and these are crucial for accountability and audit trails) they need to be very short indeed. (p. 50)

With the recent (2008) changes in the format and content of the annual *Service Plan Reports* – the reduction in the maximum number of measures from twelve to six for each ministry, for example – the reports will be pitched at a higher level than was true prior to this change<sup>21</sup>. In effect, these changes tend to support a view that the reports are a primarily a communications tool and a high level commitment to being accountable, and not an aid to policy and budget decision-making.

Assuming finite resources for performance planning and reporting, simplifying the service planning and reporting cycle could make it possible to better address the internal performance management needs of agencies. However, the literature on performance measurement and reporting points out that when performance results are reported externally, and particularly when they are subjected to external audits, public organizations tend to decouple the external performance measurement and reporting process from the rest of the work that they do (Power, 1999, 2003). Concerns with the risks of reporting results that somehow might reflect badly on the agency mean that external performance reports become quite bland and sanitized and tend not to be used for internal performance management (Pollitt, 2006; Power, 1999, 2003)<sup>22</sup>.

If the goal of measuring results is to get them used, it may be that the key need for measures is internal to the organizations themselves. To facilitate internal performance measurement, and management using performance results, there may be a case for formally acknowledging that external reporting will need to focus on accountability and communications uses, in brief and user-friendly documents. With that approach, it could be possible to redirect a proportion of the resources to build internal performance management capacity.

## Conclusions

This project has tracked legislator uses of the *Service Plan Reports* in the B.C. government from 2003 through 2007. Three anonymous surveys (2003, 2005 and 2007) asked MLAs to what extent they found the Service Plan Reports useful for 15 different purposes. These 15 uses cluster into five themes:

- accountability uses;

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<sup>21</sup> The province's Deputy Ministers' Policy Secretariat, a division of the Premier's Office, co-ordinates the templates and parameters of the *Service Plans* and annual *Service Plan Reports*, and provides guidelines to the ministries.

<sup>22</sup> A related issue is the challenge of making targeted outcomes the focus of *Service Plans* and annual *Service Plan Reports*. Generally, there has been limited success in getting organizations to buy into the idea that they will be held accountable for outcomes, given that a ministry is typically only partially responsible for the outcomes. One theme in our qualitative findings was the recognition by MLAs (Cabinet Ministers in particular) of the challenge of measuring and being held accountable for outcomes. Understandably, there is resistance to making outcomes the ministry performance measures, particularly if there are real consequences to not achieving those targets. In New Zealand, where the government has been committed to performance measurement and performance management for 20 years, the switch seven years ago to a focus on outcomes has resulted in significant resistance. Derek Gill, who has studied the New Zealand case, suggests that organizations are "complying" with the need to designate and measure outcomes, but that the performance management process has stalled (Gill, forthcoming).

- information uses;
- improving efficiency and effectiveness uses,
- policy decision-making uses; and
- budget decision-making uses.

The key finding is that there was a substantial drop in the levels of use of the annual *Service Plan Reports*, over time. In 2003, when MLAs had not yet seen their first *Service Plan Report*, expectations were high, particularly among Cabinet Ministers. By 2005, both Cabinet and non-Cabinet MLAs reported less use of the *Service Plan Reports* than they had expected. By 2007, both Government and Opposition members reported low levels of uses of the reports.

Overall, the findings come down to several practical possibilities for change. **First**, the limited uses of the annual *Service Plan Reports* suggest that it may be time to focus the reporting process so that they are more useful for communicating with constituents and other stakeholders. Government MLAs suggested that short, simple reports are important to them and should be the centerpiece of the process. Longer, layered reports are an option, resources permitting, for different audiences.

**Second**, the literature suggests that public performance reports have very limited utility as a decision-making resource for managing performance within public organizations. The process of reporting externally is risky, and in our Canadian federal and provincial governance system, there are significant incentives to *not* report shortcomings, or at least to mitigate negative exposure as much as possible. Managers need performance information that they can use and trust to adjust the work they do and, as need be, learn from their mistakes. In the 2007 survey, there were several suggestions that the resources that go into the current system be re-assigned. One way to do that would be to support internal performance management more, and recognize that public reporting is different from managing performance.

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