

НАПРЯМ 4. ПУБЛІЧНЕ УПРАВЛІННЯ ТА АДМІНІСТРУВАННЯ

Furculița Tatiana
PhD Student,
State University of Moldova

DOI: <https://doi.org/10.36059/978-966-397-296-1-7>

PERFORMANCE MEASUREMENT IN PUBLIC ADMINISTRATION

In the public administration, performance measurement started to be done from the moment when the ideas managers penetrated the system. However, the idea gained a new breath under the influence of the new public management and the government reinvention movement. Osborne and Gaebler's idea, „what se it is measured and done” [2, p. 146] was extremely influential for promoting the idea of performance measurement.

The performance study can be done at three different levels [1, p. 81]:

- 1) individual performances;
- 2) the performance measurement system as a whole;
- 3) the relationship between the performance measurement system and the environment in which it operates.

Performance indicators can be built on the following aspects:

- Financial considerations;
- Customer satisfaction;
- Internal operations;
- Employee satisfaction;
- Community satisfaction.

The way performance measures are constructed differs from case to case, both in terms of method of data collection as well as sources. For financial performance, indicators are most often used taken directly from the accounting. Customer, employee or community satisfaction can

be measured better through opinion polls and/or focus groups, but various can also be used documentary sources (number of complaints, media analysis, etc.).

For internal operations we can use any of the known research methods, depending on the nature of these operations, the data on which we already have, the goal we are pursuing. It is very important that in the construction of performance measures and in the actual measurement to we consider three important aspects [3, p. 72]:

- The measure must be good, i.e. measure exactly what we set out to do, not something else;
- The measurement must be correct, which requires that the instrument by which we measure have as high fidelity as possible;
- The measurement must be carried out in good time, so that it exists at the management's disposal constantly updated; it must not be forgotten that these measures will be used together, which assumes that we have data for several indicators that are collected in as many periods as possible close to time.

The performance itself represents only a step, related to the fulfillment or not of the objectives performance. It is also important to judge it in a comparative manner, a procedure known as the name of benchmarking. We can compare performance to previous years or to our competitors. In the case of public institutions, where we have no competition, we can refer to similar institutions but from other localities or in other areas.

Performance measures are most effectively used through systems of performance measurement, which observes, reports and uses these measures to evaluate overall performance and to improve system operation. A performance measurement system generally includes four components [6, p. 16]:

1. *Management system.* The management component aims to communicate the strategic framework in which the organization's activity is carried out: mission, strategy, goals, objectives and targets which must be reached. Management is responsible for how they are designed and implemented the programs, services and operations, but also the standards and for the use of the measurement system of performance.

2. *Informational data.* The collection and processing of data is of great importance. Data may be collected based on accountants, but also through different methods of social research. It is important that the data be collected periodically, with a rhythmicity dictated by the needs of the organization. The raw data must be converted in the form of performance indicators (most often in the form of averages, percentages, reports or rates of change).

3. *The analysis.* The analysis aims to give an additional meaning to the performance indicators (otherwise, the figures in itself may mean nothing). The most common form of analysis is comparison chosen compared to previous results. Comparisons with the proposed targets, between different ones, can also be useful units of the organization, or towards other organizations.

4. *Actions.* A performance measurement system has no value if the information it provides they are not used to improve the functioning of the entire organization. According to these data (but not only) different decisions must be made regarding the activities carried out. It is also possible decides to modify the performance measurement system (and by adding, abandoning or changing some indicators) and performing complex evaluations of some programs.

In designing a performance measurement system we have two axioms [4, p. 799]:

- everything related to the organization's goals must be measured;
- the measures must be simple and cheap.

The two axioms seem to contradict each other. The first tells us that to have a system effective performance measurement we must take into account all elements of performance relevant, while the second emphasizes the importance of quick and low-cost measurement, which which is not possible in all cases. The performance measurement system must not become a too burdensome task, both financially and time-wise. If it something like that happens, its efficiency will be greatly reduced.

The problem arises when measuring some performances is not possible because of money or time. In this case, a distortion of the organization's activity may occur. By measuring of only some indicators, the organization (its members) focuses only on their fulfillment, neglecting other aspects. For example, if he emphasizes the

speed with which the officials of some institutions public solves the demands of the population, we might reach a higher speed, but to the detriment quality. That's why we need to measure this aspect as well.

The fulfillment of the two axioms can be linked to the quality of the organization's members. If we have an organization where McGregor's theory X can be applied (according to which employees they don't like to work), we must first of all respect the first axiom, because any system partial measurement of performance will lead to distortions [5, p. 588]. Where it would fit better theory Y (employees like to work), we can also work quite well with measurement systems partial. The performance measurement system must be linked to the organization, but also to the environment external.

Conclusions. Performance measurement is an extremely complicated process, requiring time, money and knowledge. In the design of a performance measurement system, knowledge from the fields must be applied extremely varied from the social sciences, from public administration to sociology, from the sciences economics to psychology, but also mathematics or information technology. For every organization there is a different set of performance measures, a set that must be changed over time depending on intra- and extra-organizational changes.

Moreover, the performance measurement system must be a natural part from the organization. Imposing such a system against the organizational climate will yield results contrary to what was expected.

References:

1. Andy Neely, Mike Gregory, Ken Platts, *Performance measurement system design*, *International Journal of Operations&Production Management*, vol. 15, № 4, 1995, p. 81.
2. David Osborne, Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*, Addison Wesley, 1992, p. 146.
3. Kaplan R. S., D. P. Norton, The balanced scorecard – measures that drive performance, *Harvard Business Review*, vol. 70, January – February 1992, p. 72.
4. Paul Rouse, Martin Putterill, An integral framework for performance measurement, *Management Decision*, № 41/8, p. 799.
5. Robert D. Behn, Why measure performance? Different purposes require different measures, *Public Administration Review*, 2003, № 5, vol. 63, p. 588.
6. Theodore H. Poister, *Measuring Performance in Public and Nonprofit Organizations*, Jossey Bass, 2003, p. 16.