Chapter 4:

PERFORMANCE ACCOUNTABILITY
For Programs, Agencies and Service Systems

In this chapter, we address the second half of the Results-Based Accountability frame work: Performance Accountability or how managers and their partners can improv the performance of programs, agencies and service systems.

The methods in this chapter allow managers to begin using performance measure right away, without spending time filling out logic model forms or other preliminarie The basic premise is this: Most managers know how their program works. They shoul be able to identify the three to five most important measures for their program, e: plain how the program is doing on those measures, and present what can be done improve the program's performance.

Our exploration of Performance Accountability starts with an examination of the me tal models we use to think about performance measurement. Then we look at a sir ple yet complete way to categorize performance measures and a 7 Question talk action process that any manager can use to improve performance.

The change-agent vs. industrial models:

Much of the tradition of performance measurement comes from the industrial part the private sector. Industrial processes turn raw materials into finished products. T raw materials are the inputs; the finished products are the outputs. Some of the ve first work on performance measurement were the time and motion studies in the l: 19th and early 20th centuries that looked at how to improve worker productivity a industrial production.

This model makes sense for organizations that make things, but it does not transl: very well to public or private sector organizations that provide services.[69] It does i seem right to think of clients, workers, supplies and office space as inputs to the se ice sausage machine, producing outputs of cured, served or fixed clients. The impli tion that there is a mechanistic relationship between inputting staff resources a outputting customer benefits seems absurd, if not insulting to teachers, health c:

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[69]. It is important to note that performance work in the private sector, including the ind trial sector, has gone beyond the simple model noted here. The intent here is not to up private industry as a straw man, but to suggest that many public and private agen are stuck with performance models that don't serve them well.

workers, police officers and other service providers. Industrial model proponents have tried to patch up this problem by adding the word outcome to describe a more important type of output, but the conceptual problems remain. Working with people is simply more complicated than working with machines. We need a different image and a different language to describe this work. You are not a machine on the factory floor. None of the people who work with you are machines on the factory floor.

While most industrialized countries have shifted to a service and information economy, the image of our work remains a vestige of the industrial past. It is time to throw off the chains of the industrial model and begin using a mental model that is more appropriate to the provision of services. That alternative is the change-agent model. When your program works well, you and your colleagues are change-agents, not machines. In the change-agent model, the program provides services (effort) that lead to changes in the well-being of clients, families, or communities (effect).

One common situation illustrates the problems that arise when industrial model thinking is applied to change-agent services. It is the belief that the number of clients served is an output or product of the service, "We have assembled workers (input); and we are in the business of processing un-served clients (another input) into served clients (output)." This odd application of industrial performance concepts captures much of what is wrong with the way we think about service performance today. In the change-agent model, the "number of clients served" is not an end product. Serving clients is a means to a change in customer or social conditions, the true end or purpose of the work.

A closely related industrial model problem involves treating dollars spent as inputs, and clients served as outputs. In this view, dollars are the raw materials, and what the program does with those dollars are outputs. It's easy to see why this fails to meet the public's need for accountability. In this construct, the fact that an agency spent all the money it received is a type of performance accountability. This is surely a form of intellectual if not literal bankruptcy.

The shift to change-agent thinking is more important than it may sound. The concept of change agent resonates with the purposes of service delivery more than the concept of cogs and gears. We cannot expect people to embrace industrial measurement categories that carry an implicit message of disrespect. Change-agent thinking fits better with what service workers actually do. Further, performance methods derived from the change-agent model are more likely to be seen as an aid to service delivery and not an intrusion or threat.

Three simple performance measure categories:
How much did we do? How well did we do it? Is anyone better off?

Any Performance Accountability system is defined by the way performance measures are categorized, selected and used. Let's start with how we categorize performance measures.

All performance measures that have ever existed for any program in the history of the universe can be derived from thinking about the quantity and quality of effort and effect.

The distinction between quantity and quality is familiar: how much we did versus how well we did it. Some people think that quantity can be measured and quality can't be measured. The quality of a program and its services **can** be measured and throughout this chapter we will present measures for both quantity and quality.
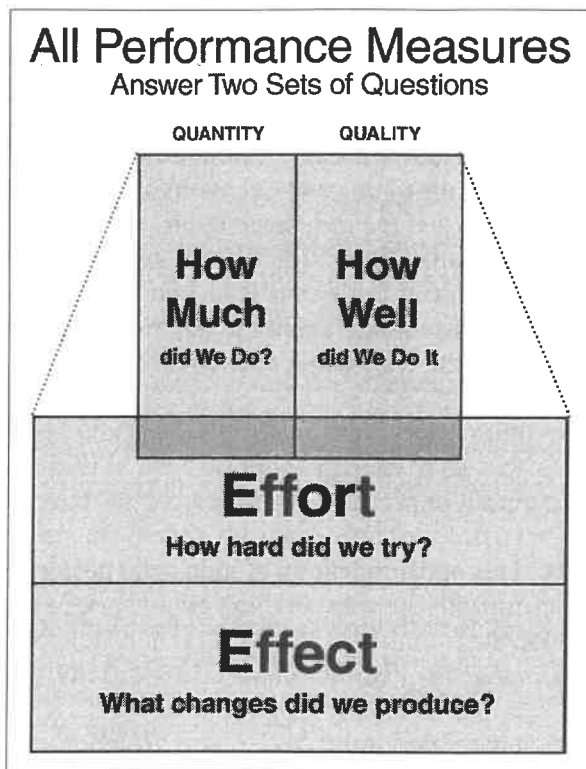

Figure 4.1

The distinction between effort and effect is simply the difference between how hard we tried and whether we made a difference in the lives of our customers.

Figure 4.1 shows how these two different perspectives are combined to produce the following categories:

Quantity of effort: How much service was provided?

Quality of effort: How well was the service provided?

Quantity of effect: How many customers are better off?

Quality of effect: What percent of customers are better off and how are they better off?

Figure 4.2 shows how these combinations lead to the three universal performance measurement categories: *How much did we do? How well did we do it? Is anyone better off?*

Let's consider some different programs and how their measures fit into these categories. In each case, the measures for the given program are examples and not a complete list. The programs are chosen to show how these categories can be applied broadly across the public and private/nonprofit sectors.

It's easiest to start with **education**, because everyone has experience with the education system. Measures for *How much did we do?* include the number of students served, number of teachers, hours of instruction and dollars spent. Measures for *How well did we do it?*

Performance Measurement Categories

	Quantity	Quality
Effort	How much did we do?	How well did we do it?
Effect	Is anyone better off? #	Is anyone better off? %

Figure 4.2

include the student-teacher ratio, the retention rate for highly qualified teachers, and the percent of school buildings in need of significant repair.

We can teach students with highly qualified teachers at a low ratio in a nice building, and we still haven't answered the most important question: *Is anyone better off?* How are the students doing? In the lower left quadrant we look first at the number of students who graduated from high school. But what does it mean to say 300 students graduated from high school last year? Does the number 300 tell us anything? Not much. What we really want to know is the percent. Was it 50% or 80%? We could push ourselves a lot harder in education by asking "What percent of 9th graders graduated on time four years later and entered college or employment following graduation?" That would be a

Education

Number of students	Student-teacher ratio
Number of high school graduates	Percent of high school graduates

Figure 4.3

tough measure of the effect we have on students' lives. Other education measures in the lower right quadrant include the percent of students with good attendance and the percent of students who are proficient in reading, writing, math and science.

Consider a typical **health plan or practice**. Measures for *How much did we do?* include the number of patients treated, number of appointments and hours of treatment. Measures for *How well did we do it?* include average time in the waiting room, and the retention rates for nursing and clerical staff. *Is anyone better off?* measures in the lower left quadrant include the number of incidents of preventable disease. But the more important measure is the rate of preventable disease, shown in the lower right quadrant. In both
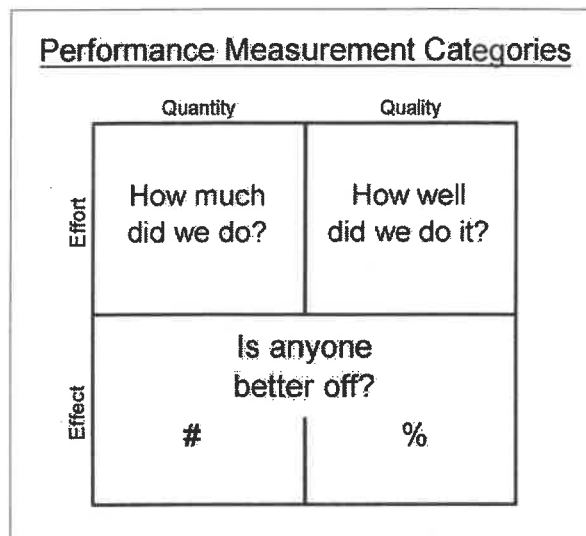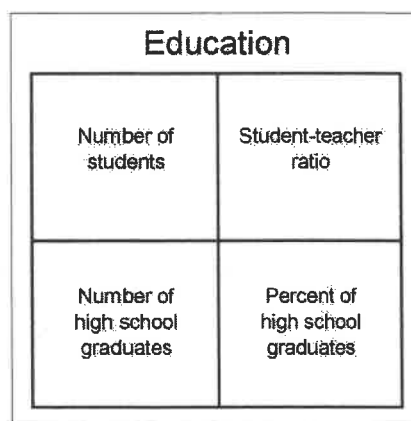
cases, these measures are for people in the health plan or practice, not the whole community. The rate of preventable disease in the whole community is Population Accountability. Measures in the lower quadrants also include the number and percent of children in the practice who are fully immunized?[70]

Consider a typical **drug and alcohol treatment program**. Measures for *How much did we do?* include the number of persons treated. Measures for *How well did we do it?* include the percent of staff with advanced training or certification. However, what you really want to know is the number and more importantly the percent of your clients who

Health Plan or Practice

Number of patients treated	Average time in the waiting room
Incidence of preventable disease (in practice)	Rate of preventable disease (in practice)

Figure 4.4

are off of alcohol and drugs - at program exit, and 12 months later if you can get that data. This is what is really important, the change in peoples' lives you produce.

Drug/Alcohol Treatment

Number of persons treated	Percent of staff with training certification
<u>Number</u> of clients off of alcohol & drugs - at exit - 12 months after exit	<u>Percent</u> of clients off of alcohol & drugs - at exit - 12 months after exit

Figure 4.5

The categories work well for programs outside of education, health and social services. Consider a **fire department**. Measures for *How much did we do?* include the number of responses to an alarm. Measures for *How well did we do it?* include the average response time. We know 3 minutes is better than 3 hours. But is anyone better off? Here is a measure that fire departments around the world are using: number and

percent of fires kept to the room of origin. This measure applies to the fires where the department was called on to respond. This contrasts with such measures as total fire deaths, injuries or property damage in a geographic catchment area that are population indicators for which a range of partners beyond the fire department share responsibility.

Consider a Department of Transportation's work on **road maintenance**. Measures for *How much did we do?* include the number of miles of road maintained. Measures for *How well did we do it?* include the cost of maintenance per mile and the

Fire Department

Number of responses	Response time
Number of fires kept to the room of origin	Percent of fires kept to the room of origin

Figure 4.6

[70.] Of course, medical practices, like all businesses have measures in the lower quadrants concerning financial success like profit and return on investment. See the performance measurement examples for General Motors and the discussion of financial measures below.

Transportation

Number of miles of road maintained	Percent of maintenance on schedule
Number of road miles rated in good condition	Percent of road miles rated in good condition

Figure 4.7

percent of maintenance on schedule. However, the bottom line for the customers who ride on those roads are measures like the percent of road miles rated in good condition.[71] This contrasts with highway safety measures, such as rate of fatalities, that are population indicators to which the Department of Transportation contributes.

Consider a Department of Environment's work on **water quality**. Measures for *How much did we do?* include the number of stream sites or stream miles monitored. Measures for *How well did we do it?* include the number of sites monitored per month per worker. But what you really want to know is the effectiveness of the monitoring program as measured by such data as the percent of cited offenders who fully comply with cleanup orders.

These performance measurement categories work for **business** too. Consider the following General Motors examples taken from an article in *USA Today* that featured interviews with the chief executive officers of the biggest US car companies.[72] I went through this article and marked every instance where one of these guys (no gals yet) used data to talk about the performance of his company. Not a single one talked about production hours, or how much steel it took to make a car. One of them talked about a classic efficiency measure, employees per vehicle produced, because it took his company more people on average to make a car than his competitors, and he was worried about that. All three talked about some version of the lower right quadrant, market share, profit per share, and car value after two years as a percent of purchase price, because they were concerned with the better-offness of two different groups: stock holders and customers. One of the auto executives went out of his way to point out that the lower left quadrant measure of the number of cars

Water Quality

Number of stream sites monitored	Average sites monitored per month
Number of cited offenders who fully comply	Percent of cited offenders who fully comply

Figure 4.8

General Motors

Production hours	Employees per vehicle produced
Number of cars sold	Market share
	Profit per share
Amount of profit	Car value after 2 years

Figure 4.9

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71.   The Department of Transportation in Alaska, for example, uses a 5 part scale to rate the condition of roads.

72.   *USAToday*, September 28, 1998.

Baseball

Number of hits	Batting average
Number of games played	Attendance per game
Number of games won	Percent of games won
Number of years in postseason	Percent of years in postseason

Figure 4.10

sold was not very important by itself. What's important, he stated, was profit per share, a lower right quadrant measure.[73]

Just for the fun of it, let's consider **sports**. Baseball is shown in Figure 4.10. You can play a lot of baseball games (*How much did we do?*) and have a high team batting average (*How well did we do it?*). But none of that matters if you don't have a good winning percentage and make postseason play (*Is anyone better off?*). No matter what the sport, it's always the same. Trying hard is not good enough. You have to win.

Notice that there is often a simple mathematical relationship between the quadrants. In the baseball example, the percent of games won (lower right) equals the number of games won (lower left) divided by the number of games played (upper left). In the drug and alcohol treatment example, the percent who quit alcohol and drugs (lower right) equals the number who quit (lower left) divided by the number treated (upper left).

Finally, it is possible to apply these ideas to individual or personal performance. Consider dieting. The number of days on a diet (*How much did we do?*) is not as important as the percent of days on a diet (*How well did we do it?*). And the most important measure is the percent of desired weight loss (*Is anyone better off?*).[74]

There is another important relationship between the quadrants. How well we provide a service (upper right quadrant) has a direct effect on whether, and to what extent, anyone is better off (lower right quadrant). The student teacher ratio has something to do with student achievement. Percent of days on a diet has something to do with percent of desired weight loss. This cause and effect relationship between the upper right and lower right quadrants is one of the most important connections between performance measures. It allows us to pose hypotheses about which aspects of service design and practice produce the best customer results. These hypotheses can be stated in terms of connected upper right and lower right quadrant measures and can be tested using traditional research and evaluation methods. For

Dieting

| Number of days on diet | Percent of days on diet |
| Amount of weight loss | Percent of desired weight loss |

Figure 4.11

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73. This is a good illustration of why the lower left quadrant is less important than the lower right quadrant.

74. See "The Little Book of Results-based Dieting" on amazon.com. See also page 141.

this reason, the four quadrants have proved to be a useful tool in the design of evaluation studies.[75]

Finally, there is the well-known tension between quantity and quality. It is possible to produce better customer results by reducing the number of people served. If you spend all your money on just a few customers, your rate of success will almost certainly go up. But other measures will move in the opposite direction. If too much money is spent on too few clients, the unit cost per customer will skyrocket. Conversely, trying to serve too many customers with too few dollars will drive down the *Is anyone better off?* measures. Quantity versus quality is a balancing act for which there is no formula. Choosing the right measures to track can help managers achieve this balance and advocate for the resources they need to deliver high quality services.

Why in the world would you want to sort performance measures into these categories?

Answer: the four quadrants are not equally important. The upper left quadrant, where we count how many people we served and how much activity we performed, is the least important quadrant.[76]
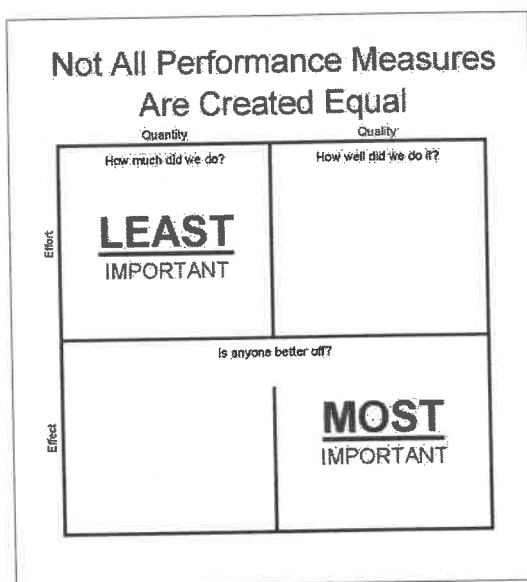

Figure 4.12

Some people spend their entire careers living in the upper left quadrant counting cases and activity. Somehow we've got to push the discussion to the lower right quadrant measures of whether our customers are better off. And also of great importance is whether we are doing a good job delivering the services we've promised, as measured in the upper right quadrant.

You can think about these quadrants as if they were a physical sorting bin. By sorting measures for your program into these categories you can avoid getting stuck in the upper left quadrant and concentrate on the lower right quadrant measures that tell if your program is working.

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75. See the discussion of evaluation and how programs contribute to community change in Chapter 7.

76. Not unimportant, just least important.

All Performance Measures in the History of the Universe fit into the RBA four quadrants.

Cost, Staff, Resources

TQM

Efficiency, Admin overhead, Unit cost
Staffing ratios, Staff turnover
Staff morale, Access, Waiting time,
Waiting lists, Worker safety

Quantity

Quality

Effort

Process
Input

Customer Satisfaction
(quality service delivery
& customer benefit)

Effort

Product
Output
Impact

Cost / Benefit ratio
Return on investment

Client results or client outcomes

Benefit value

Effectiveness
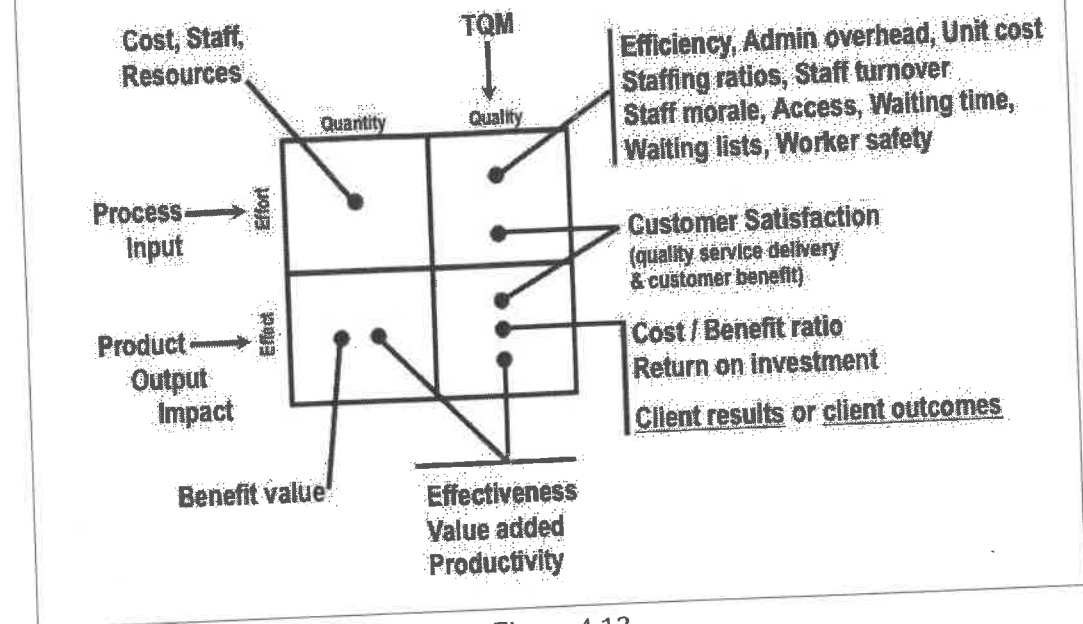Value added
Productivity

Figure 4.13

Measures for *Is anyone better off?* allow us to address an age-old dilemma in the government and non-profit sectors: the absence of a financial bottom line. Profit is the engine that drives performance improvement in the for-profit sector. Some government programs, like child support enforcement or tax collection, have financial bottom lines. But the vast majority do not. This absence of a bottom line is what makes public and non-profit management so difficult. The answer to this dilemma can be found in the lower right quadrant. *Is anyone better off? measures are the equivalent of profit for government and non-profit agencies.*

All performance measures in the history of the universe

At the beginning of this chapter, I stated that the three simple categories *How much did we do? How well did we do it?* and *Is anyone better off?* could account for all performance measures in the history of the universe. Here is a chart to back that up.

Most of us grew up with the terms "efficiency" and "effectiveness" as the terms of art in this field. You would think, considering the age and venerability of these two terms that they would account for all performance measures. But they don't.

Efficiency is just one type of performance measure in the upper right quadrant. We want to deliver services efficiently. We sometimes use unit cost or administrative overhead rates to gauge efficiency. But there are many other measures in the upper right quadrant in addition to efficiency including workload ratios, staff turnover rates[77], access, waiting time, customer satisfaction[78] and worker safety. These measures also tell how well service was delivered, in addition to efficiency.

In the lower quadrants, we account for all the terms that have been used to measure effect. Customer satisfaction appears here as well, since customer satisfaction can also tell you if your customers are better off. Other well-known measures in the lower quadrants include: product, impact, benefit value, effectiveness, value added, productivity, cost / benefit ratio, return on investment, and the most important of all performance measures, customer results or customer outcomes. As a shorthand, we will begin referring to the entire set of lower right quadrant measures as "customer results."[79]

Every term in the history of performance measurement seems to fit into one of the quadrants. If this is true, then it means that we can get rid of much of the jargon in this field and begin using three simple, plain language categories to label all performance measures: *How much did we do? How well did we do it? Is anyone better off?* A growing number of public and private sector agencies have adopted these three categories as their official categories for performance measurement.

This chart also helps explain all the convoluted schemes for categorizing performance measures that have emerged over the past 50 years. The problem is created when efficiency and effectiveness are viewed as performance measurement categories **of equal importance**.[80] These schemes then try to fill in the many missing pieces by creating other measurement categories of equal importance. This often leads to the creation of ten or more such categories. The answer, it turns out, is not to create more

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77.   A good way to measure turnover is the percent of employees who have been with you one year or more. If only 10% meet this test, then you are in trouble. If 90% meet this test then you have a pretty stable workforce.

78.   Customer satisfaction is discussed in more detail in the next section.

79.   Some people correctly point out that customer results should have two components that parallel the difference between results and indicators at the population level, i.e. a plain language statement of client well-being (customers are self sufficient) and a measurement that describes this condition of well-being (% of customers who get jobs). In practice, these two ideas are collapsed into a single term, "customer results." Experience suggests that when these two elements are separated in Performance Accountability, as they must be at the population level, the process loses its common sense feel and becomes unnecessarily complicated. The distinction between a measure's lay definition and technical definition, discussed on page 171, provides for a useful version of this separation.

80.   The psychology behind this comes again from the way we talk. The words efficiency and effectiveness are always said together, so they must have equal standing.

categories equal to efficiency, but to identify the category within which efficiency fits, namely *How well did we do it?*. To my knowledge this has not been done before.[81]

Customer satisfaction

Customer satisfaction is one type of measure that applies, without exception, to all services.

There are two kinds of customer satisfaction measures, one in the upper right quadrant and one in the lower right quadrant. Here are two customer satisfaction survey questions that illustrate the difference:

> "Were you treated with respect in the waiting room?" yields a *How well did we do it?* measure.

> "Has your child's behavior improved since we started working with you?" yields an *Is anyone better off?* measure.

A few years ago, I met with the director of a small rural community mental health center and a few of his colleagues. And after just a few minutes of conversation he said to me, "We don't have any data. We can't do this." So I asked him, "Do you think you could take a 10% sample of your customers each month and ask them two questions?"

He thought for a minute. "10%, two questions. Yes, I think we could do that." So, together, we fashioned two questions, one in the upper right quadrant, one in the lower right quadrant. The upper right quadrant question was five words long: (1) **"Did we treat you well?"** This question addresses matters of courtesy, timeliness and cultural competence. The second question was also simple: (2) **"Did we help you with your problems?"** This question addresses whether we made a difference in the customer's life or the life of a family member.

We had created **the world's simplest, and yet complete, customer satisfaction survey**. And he could begin implementing that survey the very next day. This story illustrates another important point. If you, as manager, are not handed the data you need to run your program, you have an obligation to create it. Here was a manager who was willing to create the data he needed while waiting for the perfect computer system to land in his back yard.[82]

Think about how you currently measure customer satisfaction. Most customer satisfaction questionnaires are too long, written at too high a reading level and mix up the two types of customer satisfaction questions as if there's no difference between them.

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81. If you think this has been done before, then please send your withering analysis to the Fiscal Policy Studies Institute attention: Withering Analysis Division.
82. See the more detailed discussion about creating data in Chapter 7.

Try to keep your customer satisfaction surveys short, write the questions in the simplest possible language, and make sure you have covered both types of customer satisfaction questions.

Customer satisfaction surveys can provide three different kinds of useful information. The two questions above provide the basic numbers on whether customer satisfaction is getting better or worse. Then you can ask about the story behind the numbers. Question (3) **"Why did you rate us this way?"** And they can provide specific suggestions. Question (4) **"How can we do better?"** You may be surprised at how many of these suggestions are no-cost or low-cost ideas that can be readily implemented, such as a simple set of guidelines for employees who directly serve customers: 1. Smile and say hello. 2. Call the customer by name. 3. Ask how you can help. 4. Tell them how long they will have to wait. 5. Apologize when things go wrong.[83]

Before we leave the subject, it is important to note that there are special challenges that go with interpreting customer satisfaction data. Response rates are often too low to make the survey data meaningful. Sometimes, customers respond to the survey only when they have a complaint, skewing the survey results toward dissatisfaction. Sometimes customers are afraid that a complaint will get the employee in trouble and give an undeserved positive response, skewing the survey results in the other direction. For these reasons, customer satisfaction data should never be presented without an analysis that helps the reader interpret the data. Customer satisfaction data should also be paired with measures of factual observable customer benefits.

Another problem occurs in the non-competitive public and non-profit sectors, where customers sometimes don't know what a good service is.[84] Customers in a social services office, for example, might think long waits and rude treatment are normal and therefore acceptable. Customers of a drug treatment center might not like the tough program requirements, even though the pro-

> **The World's Simplest and yet Complete Customer Satisfaction Survey**
>
> 1. **Did we treat you well?**
>   (numerical rating)
> 2. **Did we help you with your problems?**
>   (numerical rating)
> 3. **Why did you rate us this way?**
>   (open narrative)
> 4. **How can we do better?**
>   (open narrative)

Figure 4.14

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83. Here's another simple no-cost improvement. Don't you hate it when you are waiting to be served while the employees talk to each other, arrange stock or clean the counter? My father ran a pharmacy for many years and taught me a simple rule. There is **nothing** more important for an employee to do than wait on a customer. Wouldn't it be great if all the businesses you patronize adopted that rule?

84. "Secret shopper" surveys, where people pose as customers and rate the service, are commonly used in the retail industry and provide good approximations of customer satisfaction without these problems.

gram succeeds in getting people off drugs. Parents who know and like the school principal may let that cloud their view of how the school is actually performing for their children. For many programs, customer education may be an important component of an agency's work on customer satisfaction.

Performance measures for administrative services[85]

Administrative services include budget, finance, information systems, human resources, building management, public relations, legal counsel, audit and other functions that provide the infrastructure of an organization. Administrative units routinely count how much they do, such as the number of invoices processed, and how well they do it such as the percent of invoices paid in 30 days. But *Is anyone better off?* measures are often much harder to find.

The primary customers of administrative services are other staff of the organization or "internal customers." It follows that the quality of administrative services can be judged by how well they help internal staff do their jobs. This can sometimes be directly measured. For example, the percent of time the computer system is working properly during peak business hours is a direct measure of how well the information systems division is supporting its users. Such direct measures are relatively rare. This makes measures of customer satisfaction particularly important for administrative services. When you can't think of any other way to determine if your customers are better off, ask them. The most important question to be asked for administrative services is "Are we providing the support you need to do a good job?" Helping other employees succeed is the first and most important purpose of administrative services.[86]

There is another important benefit for administrative services that comes from conducting customer satisfaction surveys. Such surveys, if they are done well and taken seriously, can help build better relationships between the administrative and service delivery staff in the organization. When I worked in government, there was often a wide gulf and sometimes open hostility between these two parts of the department. Organizations work better when administrative and program people get along, and customer satisfaction surveys can help.

Another challenge concerns how to conduct these surveys. In one organization, the administrative units sent out separate questionnaires on different schedules. Man-

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85. For more examples of performance measures for administrative services see Appendix F, and also raguide.org Question 3.11: "How do we identify performance measures for administrative functions?"

86. Administrative units typically have two purposes: control and support. Human Resources, for example, enforces the personnel rules but also supports managers in hiring and managing staff. Administrative staff tend to err on the side of control. Those who supervise administrative units need to help staff achieve a balance between these sometimes conflicting roles.

agers complained that they were constantly being asked to fill out surveys, and they didn't take the surveys seriously. Consider doing a single survey covering all administrative areas, so people get only one questionnaire. Or schedule surveys so people know what to expect. This will help get a better response and better information.

The matter of control

Concern about lack of control is the sub-text of all discussions of performance measurement. If people are not talking about this then they are thinking about it. It is the number one excuse why people don't measure performance.

As you go from the upper left quadrant to the lower right quadrant, you have progressively less and less data. It is much easier to get data about how many people you served than it is to get data about whether anyone is better off. But, you also have progressively less and less control over how good you look on that data. The classic example is the recidivism rate for corrections programs, the percent of people who commit another crime after being released from jail or prison. Some corrections officials object to being measured on these rates because the rates have a lot more to do with things that happened outside the facility than anything that happened inside the facility.

These officials are saying, in effect, "I don't control the measure and therefore it's not a valid measure of my program." Have you ever said this? Have you ever thought it privately to yourself? Think of one thing in your personal or professional life that you control 100%. Someone in my workshops once thought he had 100% control of his pet goldfish. But I had

little kids, and we had goldfish. We woke up one morning to find the fish belly up in the tank. The truth is that there is nothing in our lives that we control 100%. If control is the over-riding criteria for performance measures, then there are no performance measures. Congratulations. You're off the hook.

Somehow we've got to get used to this paradox: As we go from the least important measures (upper left quadrant) to the most important measures (lower right quadrant), we go from having the most control to having the least control. This is another reason why people spend their whole careers in the upper left quadrant. Fear, pure and simple. It can be scary to look at whether anyone is better off. But then you ask people, "Why did you go into this profession in the

Figure 4.15

first place? Why did you become a teacher, a social worker, a public health nurse, a police officer?" The answers are all in the lower right quadrant. They wanted to make peoples' lives better. Yet often all we measure is how many people we served?

Funders can be part of this problem. When you fill out your monthly or quarterly report back to your funders, they always ask for the number of people served. Funders
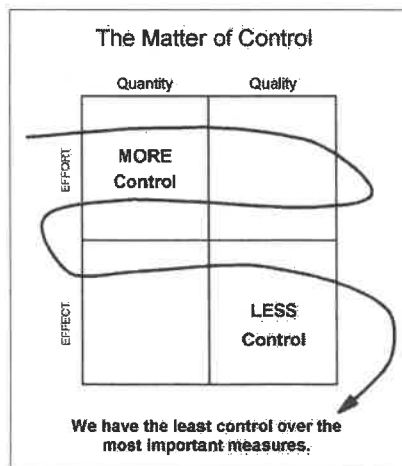
often don't know how to ask if customers are better off. If you are good at answering this question, you will be much more successful at fund raising because people give you money to make a difference in your customers' lives.

What is the response to the "lack of control" objection? Simple. **Get over it.** No one controls all the factors that affect their performance. Performance in the supposedly clearer environment of business is just as complicated. Business sales are affected by many factors, including demographic changes, market forces and weather, to name a few. A salesperson who complained that they shouldn't be held accountable for sales because of these outside forces would be promptly fired.

Think of all the factors that affect whether your customers are better off. Do you control these factors? Of course not. Should you still be accountable for whether your customers are better off? Definitely yes.

Summary of performance measures

The following chart provides a summary of the various types of measures found in each quadrant. It will be helpful to have this chart handy when choosing performance measures for your program or agency.

How much did we do?	How well did we do it?
# Customers served (by customer characteristic)	**% Common measures** Workload ratio, staff turnover rate, staff morale, percent of staff fully trained, worker safety, unit cost, customer satisfaction: *Did we treat you well?*
# Activities (by type of activity)	**% Activity-specific measures** Percent of actions timely and correct, percent clients completing activity, percent of actions meeting standards

Is Anyone Better Off?	
# Skills / Knowledge	**% Skills / Knowledge**
# Attitude / Opinion	**% Attitude / Opinion** Including customer satisfaction: *Did we help you with your problems?*
# Behavior	**% Behavior**
# Circumstance	**% Circumstance**

Figure 4.16

The upper left quadrant measures typically include the number of customers and activities. These can be broken out by customer characteristic or type of activity.

The upper right quadrant measures include a set of Common Measures that apply to many different programs, such as turnover rate and unit cost. There are also "Activity Specific" measures in this quadrant. For each activity in the upper left quadrant, there are one or more measures in the upper right quadrant that tell how well that particular activity is performed. For example, if the activity is the number of telephone calls answered, then the activity specific measure might be the percent answered on the 1st or 2nd ring. If the activity is the number of hospital discharge plans produced, then the activity specific measure might be the percent produced on time and with family participation.

The lower quadrant measures almost always come in pairs of number and percentage. For example, the number and percent who graduated high school or the number and percent who got off of alcohol and drugs. The lower quadrant measures almost always have to do with one of four dimensions of better-offness: skills / knowledge, attitude / opinion, behavior and circumstance. Think of these categories as rocks to look under when trying to find performance measures.

Skills and knowledge measures include achievement test scores for students, and percent of participants in parent training who show improved skills.

Attitude and opinion measures include percent of students with high personal ambitions and percent of customers who believe the service helped them with their problems.

Behavior measures include percent of students with good school attendance and percent of public housing residents who pay their rent on time.

Circumstance (or condition) measures include percent of customers who are employed in jobs above the minimum wage, percent of customers in stable housing and percent of road-miles in good condition

All programs have multiple measures in the lower right quadrant. Some of these measures will be more important than others. Try to identify as many measures as possible before winnowing them down to the most important measures. The method described in Appendix G can help you identify measures and winnow them down to the 3 to 5 most important headline measures and a Data Development Agenda.

Using performance measures to improve performance: the 7 Questions

Now that we have established the three types of performance measures, we are ready to address the talk to action thinking process for Performance Accountability. This is very similar to the population process presented in Chapter 3, with two important differences. Performance Accountability begins with the program's customers, while Population Accountability begins with a population in a geographic area. And the method