

# The Alfred P. Sloan Foundation's Program to Make Municipal Governments More Responsive to Their Citizens

BY TED GREENWOOD

At the Sloan Foundation, we think of government performance measurement and reporting as a pyramid. At the base is a government measuring its own performance, using whatever measures its managers think are proper, and reporting the results only within the government. The most common mode of performance measurement today, this approach is preferable to not measuring performance at all.

Performance measurement in this form can be very useful for managing the operations of the government. It yields information on inputs, outputs, and at its best outcomes that government managers need for delivering services effectively and using resources efficiently. When outcomes are included, this mode of performance measurement can serve as the basis for what is sometimes called "management by results."

There are disadvantages in using this method. One should always be suspicious of any organization's measuring its own performance using rules that it establishes and operating under its own authority. Those doing or controlling the measurement and reporting the results have incentives to make the results come out in a way that makes them look good. There are unlimited opportunities to manipulate data to serve political or organizational interests. This includes falsifying the data, but one need not go that far. One can influence the message transmitted and how it is received simply by deciding what to measure and how to report it, when and how to change definitions, whether to discontinue some time series and begin new ones, or how to display data on a chart or graph. Moreover, any performance measurement initiated purely by and on the authority of the government, whether the city manager, the mayor, or a legislative body, can be stopped by that same authority or transformed to serve their organizational or political interests.

Performance measurement done in this mode has no informational value to the citizens. Local governments, fearing (understandably) misinterpretation and preferring not to supply ammunition to critics, usually choose not to publish or disseminate outside government the results of their performance measures. Thus citizens are not even made aware that performance measurement is happening.

The next level of the performance measurement pyramid is performance measurement done by the government but reported to the citizenry. When a local government follows the suggested criteria promulgated by the Governmental Accounting Standards Board (GASB) in the United States or the recommended principles of the CCAF-FCVI in Canada, for example, citizens are assured that regular reports will be issued about how their government is doing. Public reporting makes it more difficult, but not impossible, for governments to stop engaging in performance measurement or stop reporting the results. Public reporting makes it more difficult, but not impossible, for government managers or politicians to use performance measurement to strengthen their organizational or political position. The major additional deficiency at this level is that the measures being used are still those of interest to the government managers (or politicians) and often do not reflect the kinds of concerns that ordinary citizens care about.

At the next level of the pyramid of performance measurement is performance measurement done by the government and reported to the citizenry where the decisions about what measures to use and how to report them include input from the public. This approach encourages, but does not guarantee, that what is measured and reported serves the interests of the citizenry as well as the interests of government

managers and politicians. This approach also promotes civic engagement of the citizenry and can create new means of communication and possibly trust between the government and citizens. The practice does not fully solve the problems inherent in an organization evaluating itself, but depending on how involved the citizens are and to what extent the government is willing to listen to them and consider their views, it can mitigate them. We supported two grant programs run by the National Center for Civic Innovation that are encouraging more than forty governments to adopt this approach to performance measurement. Other governments throughout the country are also adopting or considering adopting citizen-informed performance measurement and performing, though not yet in large numbers.

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At the apex of the pyramid of performance measurement is measurement done or overseen by an independent governmental body or by a nongovernmental entity, preferably with the cooperation of the government whose performance is being measured. The United Kingdom has an independent governmental body that measures and reports on the performance of municipal governments around the country. To my knowledge, the closest counterpart in the United States or Canada is performance measurement and reporting done by government audi-

tors. The role of auditors in performance measurement is sometimes quite significant and could be much more so, although, depending on the governmental structures, political factors may severely affect the objectivity of auditors' findings.

The Sloan Foundation has funded projects in perhaps a dozen cities around the country, starting with the Fund for the City of New York in New York City, enabling nongovernment organizations, usually working with local government and citizens, to decide what should be measured, to measure it (often using government-collected data), and to report it to the public. This approach can be effective but has the disadvantage that getting money to sustain such an effort is usually difficult.

At the Sloan Foundation, we are committed to promoting performance measurement and reporting that is as close to the apex of this pyramid as is practical. We promote citizen-based performance measurement and reporting from outside the government whose performance is being measured, when that is possible, and otherwise, citizen-informed performance measurement and reporting from inside the government using arrangements that include citizens in deciding what is measured, how it is measured, and how it is reported.

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