

# HOW TO MEASURE GOVERNMENT OUTCOMES

Government departments and agencies *can* meaningfully measure intangible outcomes, with this practical roadmap.

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AUGUST 2019

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Don't have time to read every word? Spend 5 minutes scanning the **headings** and **highlighted text**.

## The age of activity measures is over.

The increasing demand for greater transparency of, and accountability for, the impact from how public funds are spent requires that governments measure their outcomes, not just their activities. They need outcome measures, not activity measures or milestones, as evidence to prove success.

When Malcolm Turnbull was Prime Minister of Australia, he was interviewed by Leigh Sales on 7.30 following his final re-election. She attempted to nail down some of the results that the government would achieve over the upcoming term. When Sales asked how the public should judge the government's performance, Turnbull replied:

*"Well the public should judge us against the delivery of the commitments that we have made ... [The government's performance] will be measured against many different criteria, but the fundamental measurement, of course, is 'are the projects underway', 'are they being delivered', 'are they being delivered on-budget'."*

**Unfortunately, this is still a common mindset of government leaders for how they define success: that services and programs will be implemented.** But the results we want from our government aren't that they can prove they've spent taxpayers' money on services and programs. It's that they can prove how our way of life is improved as an outcome of those services and programs.

## Governments around the world are shifting to outcome measures.

Historically, the guidelines provided to government for public reporting focused predominantly on achievement of activities and expenditure of taxes. The [FMA and CAC Acts and former resource management act](#) are examples. But we're now seeing, worldwide, that the public expect evidence of outcomes.

In Australia we have the [Public Governance, Performance and Accountability \(PGPA\) Act](#), to implement an enhanced Commonwealth government performance framework. Similar legislation also exists around the world, such as the [Government Performance](#)

and Results Act (GPRA) in the United States, and the [Whole-of-government Framework](#) in Canada.

**Despite the fact that this shift toward outcomes frameworks has been in the making for several years now, outcome measures are still not commonplace** in government department and agency strategic plans and annual reports. In a [study of nearly 50 public sector organisations in Australia](#), 58% have measures of their strategic goals, but **only 6% have true outcome measures**.

### Why don't government departments and agencies measure outcomes successfully?

Measuring outcomes remains one of the management processes that the majority of organisations and companies struggle with most. In government, it's an even greater struggle to measure outcomes, for several practical reasons:

1. **Government outcomes tend to be intangible**, and therefore hard to meaningfully describe in concrete or quantifiable terms.
2. **Government outcomes change, often slowly, over the long-term**, and so measurable change within traditional planning cycles may not be realistic.
3. **Government outcomes can be complex**, affected by the interactions of several or many organisations, and so direct measures of them are not within the control of a single department or agency.

**These reasons should not remain excuses for not measuring outcomes. Rather, they should trigger the need for different – and better – approaches for designing the right measures**, measures that help government departments and agencies improve their outcomes, not just improve the on-time and on-budget performance of tax-funded programs. The first step is to understand why current common practices in measuring government performance fail to produce meaningful outcome measures.

# Measuring government outcomes has some unique challenges.

The outcomes that government agencies exist to create are particularly challenging to measure meaningfully, because they are inherently intangible and long-term, and are seldom directly impacted by a single department's or agency's actions.

## CHALLENGE 1: Government outcomes are intangible.

Most government agencies exist to influence social stability, justice or welfare; not to produce widgets. Inherently, social outcomes are not as tangible as outcomes of non-government organisations. But this isn't the reason that outcomes are hard to measure. If an outcome matters, we should be able to describe it clearly enough to observe, in some way, if it's happening or not. But **how most government agencies describe their outcomes is not with clear language that describes anything observable:**

*"The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australia Government foreign trade and international development policy priorities."*

**The common practice that limits our ability to meaningfully measure intangible outcomes is using vague 'weasel words' to articulate those outcomes.** If we accepted the premise that some outcomes are too broad and intangible to measure directly, then we accept the premise that there will be no evidence of such outcomes if and when they happen. If there is no evidence of an outcome when it happens, no-one will notice if it's happening or not. So why bother with all the effort to try and create that outcome in the first place?

**To succeed at finding meaningful measures of intangible outcomes, we can't start with questions like "How could we measure this?"** Rather, we need to start with questions like "How would we recognise if this was happening or not?"

## CHALLENGE 2: Government outcomes are long-term.

If it's true that government agencies exist to influence social stability, justice and welfare, then it can't be ignored that such things change over longer timeframes. **Most government outcomes can't be measured as frequently as sales quotas or revenue growth or tonnes of coal exported:**

*"Contribute to the improvement of the extent, condition and connectivity of Australia's unique biodiversity and natural resources, consistent with national and international obligations, through protection of habitats and mitigation of threats to threatened species and ecological communities."*

**The common practice that limits our ability to meaningfully measure long-term outcomes is limiting our measures to our corporate planning horizons.** And this usually means that we measure only the strategic initiatives within those planning horizons. The above outcome isn't measured directly, and only its Delivery Strategies have measures (and most are activity measures or milestones):

*"Number of projects/contracts.*

*Project designs and contracts reflect the objectives of the Reef 2050 Plan and Reef Trust.*

*Project outcomes are fed into modelling and monitoring programs to inform reporting on Reef health."*

**To succeed at finding meaningful measures of long-term outcomes, we can't default to monitoring strategies and initiatives.** If we do, we'll struggle to ever learn which types of activity have the best impact on the outcome. In contrast, when we measure both the outcome and the results of our strategies and initiatives, we can test which work best, and then [develop useful lead indicators](#) to monitor more regularly to project changes in the outcome measure.

## CHALLENGE 3: Government outcomes are systemically complex.

The role of government is more to influence than to directly control social outcomes. Government organisations often rely on collaboration with other public, private and nonprofit sector organisations for an outcome to be achieved. **Government departments and agencies can struggle to isolate their contribution toward outcomes they can only partially influence**, or 'facilitate':

*"Facilitate jobs growth through policies and programs that promote fair, productive and safe workplaces, and facilitate the growth of small business."*

**The common practice that limits our ability to measure systemically complex outcomes is defining accountability as 'hitting targets'**. We know that the actions of a single department or agency cannot completely control if or how well a systemically complex outcome will happen. No one will accept being judged by a target they don't have control of achieving. So, it's no wonder that the above outcome is measured by such an operational measure as this:

*"Percentage of claims processed within 16 weeks of receipt of an effective claim."*

**To succeed at finding meaningful measures of systemically complex outcomes, we can't waste time trying to isolate our own department's or agency's impact** on those outcomes. Rather, we need to build and test a causal map of how we *influence* that outcome, and measure both the outcome and its drivers that we do control.

## The clues to find meaningful outcome measures...

Essentially, the common practices for putting performance measures into corporate plans aren't producing meaningful performance measures. And because outcome measures are even more challenging to develop, **we need to take a serious look at these common practices, why they don't (and won't ever) work, and what to do instead.**

# Outcomes can't be measured meaningfully in the usual ways.

A fundamental change in the approach to measurement is essential before outcomes can be meaningfully measured. Good outcome measures need a robust design process, rather than brainstorming or benchmarking or outsourcing their selection to a big consultancy firm.

**There are five important shifts to reach a point where we have meaningful outcome measures.** These shifts are as much a series of mindset shifts as they are techniques for replacing the common practices that aren't working.

## SHIFT 1: Measure to learn and improve, not to judge and compare.

**The culture in most societies is still too strongly driven by judgment of failure and success.** Unfortunately, regulatory bodies like the [Productivity Commission](#) call for comparative performance. It's very desirable to learn from other agencies that do similar things, but it's the comparison of process design that is meaningful, and not comparison of outcome measures. In a culture where judgement and fear of failure is still prominent, comparing performance drives the wrong behaviours which drive results in the opposite direction we want.

The ranking of schools, for example, based on the results their students get in standardised tests isn't done with bad intentions. But it's done badly. Schools will only encourage the smart kids to sit for the standardised tests, for fear of poor results reducing their funding or making parents choose other schools. And this dynamic works against the ultimate intention of schools in society. [Measuring school outcomes](#) can be done more sensibly to serve their ultimate purpose, without the need for comparison and ranking.

Jerry Muller, in his book *The Tyranny of Metrics*, concludes that **using measures to judge or compare almost always erodes performance**. In this [interview with Jerry Muller](#), he explained:



*"I use the term 'tyranny' because when metrics are misused in the way they are in what I call metric fixation, it can lead to a sense of demoralization. The metrics come to feel oppressive, confining, distorting..."*

### SHIFT 2: Write outcomes with clear words, not weasel words.

One of the main reasons that government outcomes and objectives are such a challenge to measure is the excessive use of 'weasel words'. Weasel words feature in the vast majority of objectives or goals in corporate plans:

*adaptable, advancement, capability, connectivity, development, effective, efficient, engagement, facilitate, flexible, key, leverage, productive, quality, reliable, responsive, robust, sustainable, well-being*

**The curious thing is that when objectives or goals are written like this, people honestly don't understand what they mean.** Executive teams, who collaborated to write their strategic goals, have time and again argued amongst themselves about the true meaning of those goals. Subordinates and employees almost always complain how they don't know what to measure in their team, because they don't understand what the strategic goals mean, and therefore how they best contribute. **And everyone is afraid to ask, for fear of looking stupid.**

How can an organisation achieve its outcomes if no one understands what they mean? How can an organisation measure its outcomes if no one knows how to recognise if and when those outcomes are achieved? **The only solution is unlearn the habit of using weasel words, and learn to write outcomes in plain language (clear enough that a 10-year-old would understand it).**

## SHIFT 3: Use measures that quantify evidence, not milestones and actions.

**A consequence of it being so hard to measure outcomes is defaulting to operational activity measures instead.** Operational milestones and actions are commonly written in the 'performance' column of government corporate plans:

*"Consolidated financial statements are provided to Auditor-General by 30 November of each year."*

*"Advice is provided to the Minister and external stakeholders in relation to public hospital funding policy."*

*"The number of clinical guidelines, clinical practice tools and resources that were developed and promoted for use within the sector."*

*"Maintain and improve the health of the Basin in accordance with Murray–Darling Basin Agreement and associated agreements."*

**Milestones are not performance measures; they are indicators of progress of projects.** Project management is about making sure planned activities are carried out. In contrast, performance management is about making sure the results (including outcomes) that should be improved by our activities are, in fact, being improved. They're not the same thing.

**Actions are not performance measures; they are the 'how' for achieving results, not evidence of the results themselves.** And until specific actions are proven, through valid analysis, to be powerful predictors of outcomes, they remain untested hypotheses about how to achieve the outcomes.

**The only type of performance measure that will tell us if outcomes are being achieved or not are measures that quantify the direct evidence of those outcomes.** When outcomes are written clearly, they become measurable. And when they are written measurably, they are quantifiable.

## SHIFT 4: Cascade outcomes via cause-effect, not action plans.

**When government corporate plans are compiled mostly of operational-level strategies, actions, measures and targets, what is cascaded is action, not results.** This makes it difficult for department and agency staff to focus on anything more than business-as-usual action. And the opportunity is missed to build a model of the drivers of the outcomes, and therefore the lead indicators of outcome measures.

**Strategic initiatives are best designed after it's clear what and where the most important causal results are** in the chain of cause-effect from organisational processes up to the outcomes. This requires a results-orientation everywhere in the organisation, not just an activity-orientation. It's not too hard to strengthen the results-orientation by allowing people to think, to use their local knowledge, and to create their own goals and measures that have a 'line of sight' to the department's or agency's outcomes.

The best process to build the cause-effect alignment of operational results up to the outcomes, is a results-oriented cascading of the corporate strategy before settling on operational actions and targets. **Successful strategy execution depends on every level in the organisation knowing the results they directly influence, and how those results drive the achievement of the outcomes.** Action plans come after that clarity.

## SHIFT 5: Focus accountability on continually improving, not hitting targets.

**Much of the fear of outcome measures is the belief that we don't have control over those outcomes, but we will be held accountable for their targets.** It's much easier to accept accountability for what we are confident we can achieve. And in government, with outcomes that are intangible, long-term, and systemically complex, it's easier to focus accountability on activity targets. Targets are thus set for operational milestone and activity completion rates.

*"The number of days within which 50% of cases will be processed (days). Target: Claims 30, PIRs 10."*

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*“At least 90% of child care payments to all services are accurate.”*

*“90 per cent of country attributable aid spent in the Indo-Pacific.”*

Operational targets like these belong in operational plans. But they'll stay in corporate plans while ever government leaders face the fear of the unreasonable accountability for hitting outcomes targets. **It's impossible to guarantee hitting a target for an outcome that is long-term and affected by a complex system of factors.** No one has that much control.

The only way that government leaders will feel confident in accepting accountability for outcome measures is when the definition of accountability shifts from 'hitting targets' to 'continuous improvement'. Outcomes will more likely be measured – and achieved – when **government leaders are accountable for monitoring outcome measures, interpreting them validly, and initiating action when needed to improve them.**

# The roadmap to meaningfully measure government outcomes.

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When we measure outcomes meaningfully, we can test and learn which drivers have the greatest leverage to improve those outcomes over time. Outcome measures, coupled with measures of their drivers, help our organisation make the difference it exists to make, by helping us choose the actions that work best.

## STEP 1: Start with a fresh understanding of why we need to measure.

The most constructive reason to measure outcomes is to learn how to continually improve the organisation's performance. Not to compare and judge. This also means we need to redefine accountability to focus on improving performance to reach for targets, not on success or failure of hitting targets.

**TECHNIQUE: Use the PuMP Diagnostic to help people explore what good measurement practice involves.**

## STEP 2: Measure the outcomes and strategic goals first.

Because of the problem that most managers and employees don't really understand strategy the way it's typically written (weasel words), it's vitally important that government leaders first make sure the outcomes and strategic goals are clearly articulated and have measures that are direct evidence of those outcomes and goals.

**TECHNIQUE: Test the measurability of outcomes and goals, and clarify them.**

**TECHNIQUE: Design evidence-based measures of outcomes and goals.**



## STEP 4: Encourage and hold the space for ownership and buy-in.

The only way that people can truly take ownership for anything is by taking part in creating it. This is especially true of getting ownership of goals and performance measures. Strategy design and execution processes need to provide space for the parts of the organisation develop their own goals and measures. Don't let others do it for them. Give them the tools and skills to create their own goals and measures, aligned to the corporate outcomes.

**TECHNIQUE: Use an engaging process to build buy-in for measuring the drivers of outcomes throughout the organisation.**

## STEP 5: Use measures to drive continuous improvement toward targets.

To monitor the effect of influencing outcomes, focus on positive change in the outcome measures over time, and not on absolute numbers nor on comparisons to what other organisations are achieving. Influence is a process that takes time.



**TECHNIQUE: Use XmR charts to visualise real change in performance measures over time, relative to improvement targets.**

**TECHNIQUE: Create performance dashboards that encourage discussion and action.**

## STEP 6: Reflect and learn, and go back to Step 1.

It takes several years for an organisation to master the measurement, monitoring and improvement of its outcomes and drivers. This means it will take several iterations through the first five steps above. Each iteration, however, will make worthwhile improvements to how outcomes are measured and improved.

**TECHNIQUE: Master outcome measurement by allowing time to pilot test, practice and then fully roll-out the measurement approach.**

## Invest in the approach, skills and implementation.

Too many people don't yet appreciate that measurement needs a methodology or proper approach. Current common practices don't work. And the level of skill that leaders, managers and strategy or performance professionals currently have in how to measure performance is surprisingly low. **Management, leadership and strategy training largely fails to teach good measurement practice.**

It's therefore understandable that so many government departments and agencies have poor measures. **More useful measures of outcomes and their drivers will only come about when the measurement approach, skills and implementation are given the chance to improve.** And none of the essential steps of measuring what matters should be ignored.

One approach that includes all the essential steps is called PuMP. It's a true performance measurement methodology, created and developed in Australia, and used world-wide. Each step deals with the most common struggles leaders, world-wide, face in measuring what matters. Even if it's not PuMP, the methodology that is chosen to develop outcome and performance measures needs to include some version of all the following steps:



# WHITE PAPER: How to Measure Government Outcomes



*The PuMP Blueprint*

For government leaders, developing and using meaningful outcome measures is the only way that their departments and agencies can pursue high performance and demonstrate the return that businesses and citizens get for their taxes. **While it might take several years to master, creating meaningful outcome measures can become immediately easier by making sure the measurement approach directly deals with the unique challenges of government outcomes, in a practical and engaging way.**

## Links to references and resources

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## Getting more help

- Learn about PuMP**, the practical and engaging approach to measuring performance: <https://staceybarr.com/about/pump>
- Download a free digital copy of *Practical Performance Measurement***, Stacey Barr's first book, by signing up to her weekly email newsletter: <https://www.staceybarr.com/signup/governmentoutcomes/>
- Contact Stacey Barr to arrange a chat** about improving or creating your department's or agency's outcome measures: [info@staceybarr.com](mailto:info@staceybarr.com)
- Develop performance measurement skills** via the PuMP Blueprint Workshop:  
Public: <http://www.staceybarr.com/products/pumpblueprintworkshop/>  
In-house: <https://www.staceybarr.com/products/pumpblueprintinhouseworkshop/>

## About Stacey Barr

Stacey Barr is a globally recognised specialist in organisational performance measurement. She discovered that the struggles with measuring business performance are, surprisingly, universal. The biggest include hard-to-measure goals, trivial or meaningless measures, and no buy-in from people to measure and improve what matters. The root cause is a set of bad habits that have become common practice.

Stacey created PuMP®, a uniquely methodical and practical performance measurement approach. PuMP replaces the bad KPI habits with techniques that end the common KPI struggles. PuMP makes measuring performance faster, easier, engaging, and meaningful.

Stacey is author of [Practical Performance Measurement](#) and [Prove It!](#), publisher of the [Measure Up](#) blog, and her content appears on [Harvard Business Review's website](#) and in their acclaimed ManageMentor Program.



Discover more about Stacey and practical performance measurement at [www.staceybarr.com](http://www.staceybarr.com).

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