

Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On why public managers must:

Measure Outputs

“Don’t measure inputs. Don’t measure processes. Don’t measure outputs. Measure outcomes.” You’ve heard this advice before? Indeed, in government, this is standard advice. The only thing that counts is an outcome. The only thing worth counting is an outcome.

This advice is, however, wrong. Yes, public executives do have to measure outcomes. But if they are really going to ratchet up the performance of their agencies, they also have to measure outputs.

To evaluate the performance of a public agency, its leaders certainly need outcome measures. Or, at least, they need something close to outcome measures. After all, for most public agencies, it is impossible to measure directly and unambiguously the true outcome that it is charged with achieving. Moreover, any evaluation of performance has to take into account outside influences such as the economy or the weather. This is the ubiquitous attribution problem: How much of an improvement in outcomes can be credited to the work of the agency? How much should be credited to the work of families or to the impact of sunspots? Evaluation does require outcome measures, but even when they exist, evaluation is rarely simple.

Moreover, for other important managerial purposes, outcome measures are completely useless. For example, to motivate public

employees—as well as their collaborators in the nonprofit and for-profit sectors—to focus their intelligence and energy on improving performance, most true outcomes don’t work. These outcomes will only be realized (at least in any measurable magnitude) far in the future.



For a public health agency, the desired outcome is obvious: healthier citizens. Unfortunately, neither the agency nor its employees actually produce healthy citizens. Rather they do things that contribute (mostly indirectly) to people’s health.

Moreover, for a public agency to have a significant impact on the health of citizens may take years, maybe decades. Measurable improvements may require significant changes in citizen behavior, and to inspire such changes in real humans is never easy. Evaluating the impact of the work of a public health agency—indeed of most public agencies—requires outcome measures spanning many years.

Unfortunately, such multi-year or multi-decade measures are not apt to inspire today’s work. How many people get up in the morning motivated to do something today that—if the agency’s strategy proves effective—might have a small impact on some outcome decades later? How many people who work for a public health agency will focus on today’s work because it might mean that hypertension will

be 2 percent, or 5 percent, or even 10 percent lower in 2024? Outcome measures provide little focus for month-to-month, day-to-day work. They lack the immediacy that can generate enthusiasm to tackle today's tasks.

Moreover, public employees don't directly create these outcomes. Neither do public agencies. Public agencies and their employees do, however, produce outputs. And, to motivate their people, an agency's leaders have to measure what they actually produce. They have to measure outputs.

Before an agency's leaders can engage in this output measurement, however, they have to decide what outputs to measure. This is rarely obvious. It depends upon the theory that these leaders have about the causal link between the agency's outputs and its outcomes.

What might a public health agency do to improve citizen health? For some aspects of health, this is clear. For example, immunizing children against the traditional childhood diseases is a very effective strategy. The causal link between immunization and health is very strong. Stick the needle in the child's arm, and there is a 95 percent chance that he or she will be immunized against the disease.

This, however, is very unusual. Most of the actions taken by most public agencies are only tenuously linked to the desired outcomes. Consequently, in choosing a strategy for a public agency, its leaders are making a judgment about the available causal links. Choosing a strategy is essentially the same as choosing a cause-and-effect theory.

If, in seeking to reduce the hypertension rate, the leaders of a public health agency choose to focus on direct counseling of susceptible citizens, they are—either explicitly or implicitly—assuming that this strategy is

more likely to produce the desired outcomes than other available strategies.

Then, to motivate their employees to pursue this chosen strategy with both smarts and energy, these leaders have to measure outputs. They have to measure the number of citizens counseled.

Moreover, they have to measure this output against explicit performance targets—targets for the number of people counseled by each employee team. And then, of course, they

need to invent ways to reward these teams—not with money but with esteem opportunities.

These outputs have to be related to the outcomes. This is where evaluation comes in. The leaders of the organization have created the agency's strategy based on their cause-and-effect theory that links their outputs to

improvements in the outcomes. Still, this is only a theory. And, like any theory, it needs testing. An evaluation using outcome measures is the way to test this theory.

To *motivate* improved performance, however, public executives need performance targets—production targets—combined with output measures that focus everyone's attention on producing those outputs. **B**

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