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PERFORMANCE AND PERFORMANCE MANAGEMENT

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The concept of performance is used daily in every field of human endeavour. Children must "perform" at school, adults must perform at work, and athletes are expected to excel on the playing field. And who hasn't heard the argument that nonperforming organizations, particularly in the context of globalization, are condemned to disappear. As for public sector organizations, many observers argue they are in the midst of a performance crisis. It is not at all unusual to hear them described as ineffective, inefficient, bureaucratic, slow to adapt and adjust to its environment, and wasteful. So it is hardly surprising that the OECD notes that "over the past two decades, improving public sector performance has taken on a new urgency in OECD member countries" (OECD, 2005, p. 56).

The concept of performance can be defined in a variety of ways. From one point of view, the focus is on sought-after ends (i.e., the thing performed), as indicated in the definition provided by the OECD: "the yield or results of activities carried out in relation to the purposes being pursued" (OECD, 2005, p. 57). The *Oxford Dictionary*, however, offers a definition that puts the emphasis more on means: "the accomplishment, execution, carrying out, working out of anything ordered or undertaken; the doing of any action or work; working, action." When we talk of performance we are thus, according to these definitions, considering both the sought-after ends and the proper means for achieving them. More concretely, talking about organizational performance is to consider the organization's ultimate purpose (generate profit, capture market share, etc.) and the way it goes about attaining it (production methods; formal structure; human, material, informational and other resource management practices, etc.).

The term "organizational performance criterion" refers to a type of result that an organization, through its activities, seeks to attain. Criteria are related to results or indicators but are often defined in more general terms. Indeed, results and indicators rely on systematic data collection as a way to measure performance against criteria. The choice of a criterion or criteria to define organization performance tends to arise out of what an organization values, while selection of indicators reflects a concern with measuring what has been produced (results) in order to compare it with what was originally sought after (the goal).

In traditional public administration, "performance was driven by ensuring compliance with set rules and regulations, controlling inputs, and adhering to the public sector ethos" (OECD 2005, p. 57). This approach was often criticized as being primarily, or even solely focused on processes (or means) rather than on results (or ends).

Within contemporary governments, the range of performance criteria has broadened, often under pressure from the general public and elected officials. Today one of the most commonly encountered performance criteria is that of *economy*, defined by Quebec's auditor general as "the acquisition, at the lowest cost and at the appropriate time, of financial, human and physical resources in appropriate quantity and quality" (RSQ, c V-5.01).[1] Effectiveness, another frequently mentioned criterion, tends to be defined as the attainment of predetermined goals or the production of sought-after effects. Efficiency refers to the relationship between output yield and the inputs required to create them (Gortner, Mahler, Bell Nicholson, 1987, p. 89). In this sense, efficiency is related to the criterion of productivity. Product or service quality is another criterion often used in assessing organizational performance. Profitability, a key criterion for evaluating business performance, is also used by some government agencies, particularly commercial government corporations. Budget balancing, i.e., the relationship between actual and projected spending, is another performance criterion that has taken on greater importance in modern governments. Spending less than projected or achieving a balanced budget is seen as performing well from a budgetary perspective, although OECD member countries have shown "a strong trend of routinely including nonfinancial performance information in budget documentation" (OECD, 2005, p. 64).

Various management tools and practices are available to take action with respect to performance criteria, depending on the criteria in question and the circumstances. These include management functions (Favol, 1916; Gulick and Urwick, 1937), scientific management (Taylor, 1911) and its more contemporary version scientific reengineering (Champy and Hammer, 1993), human motivation (Maslow, 1954) or mobilization (Kernaghan, Marson, and Borins, 2001), implementation of measures or systems to improve decision-making (March and Simon, 1993) or to manage risk, PPBS,[2] and programs for skills development, quality of worklife, innovation, and employment equity.

Last of all, it is useful to note the growing importance acquired in recent decades by performance evaluation tools, which "can incorporate program reviews, cost effectiveness evaluation, ad hoc sectoral reviews, and spending review" (OECD, 2005, p. 58).

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[1] This is one of the three main criteria applied by Québec's auditor general in analyzing the performance of ministries and government agencies. In addition to *economy*, the *Auditor General Act defines efficiency* as "the conversion, in the best ratio, of resources into goods and services" and effectiveness as "the achievement, to the best degree, of the objectives or other intended effects of a program, an organization, or an activity" (RSQ, c. V-5.01).

[2] The Planning, Programming Budgeting System was developed in the private sector and introduced into the U.S. administration in the 1960's. Although the system met with mixed success in the U.S. government, the systemization of planning, programming, and budgeting (and evaluation) is characteristic of modern government.

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