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### Impacts, Issues, and Challenges Associated with Using a Performance Measurement System in New York State Counties

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IMPACTS, ISSUES, AND CHALLENGES ASSOCIATED WITH USING A  
PERFORMANCE MEASUREMENT SYSTEM IN NEW YORK STATE COUNTIES

BY

JEREMY PELLETIER

BA, State University of New York College at Oswego, 2010

CAPSTONE PROJECT

Submitted in partial fulfillment of the requirements for  
the degree of Masters in Public Administration  
in the Graduate School of  
Binghamton University  
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2012

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### **Executive Summary**

The Broome County Legislature is currently comprised of nineteen legislators representing over 200,000 citizens. The legislature is trying to find a way to maintain the same quality of services without raising taxes and is exploring the possibility of implementing a performance measurement system in order to achieve this goal. The purpose of this capstone project is to identify the impacts, issues, and challenges other New York State Counties have experienced using performance measurement.

A thorough review of the literature on different aspects of performance measurement is included in this project. It is organized according to three dominant themes in the literature: (1) performance measures versus performance measurement, (2) pre-implementation issues/challenges associated with performance measurement, and (3) benefits of performance measurement for local governments. To answer this paper's research questions posed, semi-structured interviews were conducted with seven individuals at five county governments in New York State.

Key findings include: (1) executive county leadership primarily initiated the performance measurement systems; (2) two of the five counties use a conceptual framework identified in the literature review; (3) New York State counties have benefited in a variety of ways as a result of using performance measurement; and (4) four main challenges were experienced with implementing a performance measurement system. The following two tables outlines the benefits and pre-implementation challenges associated with performance measurement.

<b>Benefits</b>	<b>Schuyler</b>	<b>Tompkins</b>	<b>Erie</b>	<b>Sullivan</b>	<b>Monroe</b>
<b>Increased Efficiency</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>Improved Overall Decision Making/Resource Allocation</b>	<b>X</b>	<b>X</b>		<b>X</b>	
<b>Better Oversight</b>		<b>X</b>	<b>X</b>	<b>X</b>	
<b>Improved Citizen Understanding of Government</b>	<b>X</b>		<b>X</b>		
<b>Increased Transparency</b>	<b>X</b>	<b>X</b>			
<b>Benefits for Department Heads</b>		<b>X</b>			

<b>Challenges</b>	<b>Schuyler</b>	<b>Tompkins</b>	<b>Erie</b>	<b>Sullivan</b>	<b>Monroe</b>
<b>Department Buy-in</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>Lack of Employee Knowledge of Performance Measurement</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>Lack of Resources and Staff</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>Developing Appropriate Performance Measures</b>	<b>X</b>		<b>X</b>	<b>X</b>	

Based on these findings, I recommend the Broome County Legislature: (1) put together a special task force comprised of members of the legislature, the County Executive, and members of the Budget Office to evaluate the pre-implementation challenges associated with performance measurement and assess whether performance measurement is a viable option for Broome County; (2) use Binghamton University students and faculty as a resource if Broome County decides to implement a performance measurement system; and (3) contact other counties to further discuss questions not included in this study.

## Table of Contents

Executive Summary .....	iv
Problem Definition.....	1
a. <i>Research Questions</i> .....	3
Literature Review.....	3
a. <i>Performance Measurement vs. Performance Measures</i> .....	3
b. <i>Pre-Implementation Issues and/or Challenges</i> .....	4
c. <i>Impacts</i> .....	6
Methodology .....	8
a. <i>Data Collection</i> .....	8
b. <i>Data Analysis</i> .....	11
Findings.....	12
Recommendations.....	19
Conclusion .....	23
References.....	25
Appendix A: Participant Information .....	28
Appendix B: Survey Questionnaire .....	29
Appendix C: IRB Approval .....	30

**List of Tables**

Table 1 .....16

Table 2 .....18



## **Problem Definition**

### **Organizational Context**

Broome County is currently facing many economic and financial problems. The county is still recovering from the loss of sales and property tax revenue as a result of the 2008 recession. Four years later, neither revenue source has returned to the level it was at before the recession. In addition, there has been slower than hoped rate of economic development in the county. Another factor adding to the problems faced by the county is personnel costs. County unions, such as Civil Service Employee Association (CSEA) and the American Federation of State, County, and Municipal Employees (AFSCME), have negotiated a 3% union employee wage increase.

Moreover, the county must comply with both state and federal mandates, many of which are not funded. Also in the summer of 2011 New York State passed a property tax cap, which places a cap on how much county governments can increase property taxes. This is particularly important because the highest source of revenue for Broome County is property taxes. More recently, Broome County has been dealing with the negatives effects of the September 2011 flood. Flood damages have forced the county to take out loans to cover the costs of reconstruction and other post-flood related activities.

### **Problem Statement**

The County Executive and members of the legislature have demonstrated an interest in increasing the efficiency and effectiveness of county government. However, Broome County currently does not measure or evaluate the performance of its departmental programs and services. There are no measurable objectives in county departments for legislators, department heads, or the County Executive to use to evaluate the efficiency and

effectiveness of programs and services. Without a measurement system, county legislators often depend on personal observations, anecdotal feedback, and intuition. Furthermore, without measuring performance, gradual decreases in the quality and efficiency of services can go unnoticed until a major problem occurs, bringing unfavorable attention (Ammons, 2008).

Measuring the performance of county programs is also important because it will allow legislators to effectively communicate to citizens the success of county programs. They will also be able identify poorly performing programs and services, as well as, how to improve them. Additionally, legislators will have a rationale for making cuts to poorly performing programs. Furthermore, measuring the effectiveness of county programs and services will allow legislators to focus more on department outcomes. Performance measurement may be used by legislators when making evaluative decisions during budget deliberations, reviewing sunset provisions, and debating proposed legislation. Another benefit of performance measurement is that legislators can justify increases in taxes to provide certain services by showing citizens actual positive outcomes of those services. Finally, being able to evaluate programs based on effectiveness and efficiency allows legislators to determine if a given service would be best provided by contracting out to the private sector (Parker, 1993).

The fact that many counties still do not use performance measurement suggests there is a lack of connection between public administration research on performance measurement and practice. Many local government administrators are facing similar financial struggles due to the recession and are looking into alternatives to find cost savings within their budgets. Out of the sixty-two counties in New York, fifty-eight of them saw a decrease in

sales tax revenue from 2008 to 2009. All sixty-two counties currently have less sales tax revenue than they did before 2008. The loss of sales tax revenue has forced public officials to look at their budget to reduce costs (Office of the New York State Comptroller, 2010). Even though so many counties are struggling to provide quality services without increasing taxes, only eleven counties around New York State have implemented some type of performance measurement system to evaluate their programs and services (Benincasa & Benjamin, 2010).

Overall, the purpose of this capstone project is to study other county governments in New York that have already implemented a performance measurement system. The goal of this study is to determine the issues, impacts, and challenges other New York State counties have experienced using performance measurement. Moreover, this project will attempt to bridge the gap between the literature on performance measurement and local government practice.

### **Research Questions**

1. What, if any, has been the impact of using performance measurement in other New York State counties?
2. What challenges or issues were faced by other New York State Counties during implementing a performance measurement system?

### **Literature Review**

The extent to which local governments have utilized performance measures across the country is unclear (Poister & Streib, 1999). What is clear, though, is that the usage of performance measures in local government has grown, along with the literature on the topic. The review of the literature is organized according to three common themes: the difference

between performance measures and performance measurement, pre-implementation issues and/or challenges associated with performance measurement, and the benefits of performance measurement for local governments.

### **Performance Measures vs. Performance Measurement**

Distinguishing between performance measures and performance measurements is important. A performance measure quantitatively tells us something important about the services and the processes that produce those services (Artley and Stroh, 2001). More specifically, a performance measure shows whether an agency or department is achieving its objectives and if progress is being made toward organizational goals (State of Washington Office of Financial Management, 2009). Performance measurement, on the other hand, is the collection, analysis, and reporting of performance data for government services. It is used to track resources and work produced as well as to determine both the efficiency and effectiveness of services and programs (Probst, 2009; Fairfax County, 2007; ICMA, 2004). Regular measurement of results or outcomes of programs and services is a newly added piece to the definition of performance measurement (Hatry, 2007).

### **Pre-Implementation Issues and/or Challenges**

Many local governments have experienced several challenges while implementing their performance measurement system. Gaining executive and legislative support of performance measures is critical (Poister & Streib, 1999; Hatry, 2007; Steinberg 2009; Ho, 2003; Cavanagh, Roth, Shalaby, & Steinberg, 1997; Melkers & Willoughby; Ho, 2005). Another common challenge is identifying what measures should be used. A solution to this problem frequently adopted by local governments is the use of a conceptual framework. Using a framework allows both managers and employees to organize and generate ideas

about what should be measured (Artley & Stroh, 2001). Investigating the framework that is used most often by other counties in New York State could help Broome County determine which framework will fit them, if they so choose to implement a performance measurement system.

Artley and Stroh (2001) identify four frameworks governments use: the balanced scorecard, the “critical few” framework, the performance dashboard, and the Malcolm Baldrige national quality award criteria framework. Each framework is first used to organize the performance measurement system, and it is also a way for departments to link performance criteria to the services and programs they provide.

The balanced scorecard framework provides government leaders with an overall assessment of their municipality. It is based on three processes including financial, customer, and internal business. Local leaders adopt a learning or growth perspective during the process. Overall, this type of framework allows government leaders to identify improvements in services, as well as, whether those improvements are achieved at the expense of another service. However, selecting too many measures can overwhelm managers, making them lose focus on those measures that are most important to the success of the municipality. To address this concern, the “critical few” framework develops performance measures based on specific business perspectives. A performance dashboard is another framework, which captures both financial and non-financial measures. These measures act as indicators for successful strategy development. Each measure on the “dashboard” represents a perspective to give an overall indicator of performance (Artley & Stroh, 2001). In the Malcolm Baldrige national quality award criteria framework, the focus is on three business factors including approach, deployment, and results. The framework is based on a 1000-point scale, and the award criteria are divided into seven perspectives. Six

of the perspectives relate to the approach and deployment factors. The other perspective focuses on the results factor.

Besides choosing a framework that works best for their organization, governments must develop performance measures that satisfy certain criteria. Based on the criteria provided in the literature performance measures must be practical, cost effective, reliable, consistent, relevant, understandable, and timely (Poister & Streib, 1999; Steinberg, 2009; Artley & Stroh, 2001; State of Washington Office of Financial Management, 2009; National Performance Management Advisory Commission, 2010; Ho, 2005; Bernstein, 2002). Impractical measures make data collection almost impossible and very time consuming (Poister & Streib, 1999). If measures are too complex, employees often find them very confusing to understand and use (Poister & Streib, 1999). Comparability is another important consideration because it allows for benchmarking in order to see improvement or decline over a period of time (Poister & Streib, 1999).

A final issue that must be addressed in the pre-implementation stage is gaining the support from all government employees. Training and compensation are two common ways to gain widespread support of implementing performance measures (Tucker & Willoughby, 2002; Cavanaugh et. al. 1997). Creating a strong communication network is also critical between the executive, legislators, department heads, and employees regarding performance measures (Melkers & Willoughby, 2005; Beckett-Camarata, 2009; and Wang, 2008).

### **Impacts of Performance Measurement on Local Governments**

According to past research, using performance measures that satisfy the aforementioned criteria can benefit local governments in many ways. First, the use of performance measures has improved overall decision making and resource allocation

(Poister & Streib, 1999; Steinberg, 2009; ICMA, 2009; Bernstein, 2002; Cavanaugh et. al. 1997; Melkers & Willoughby, 2005; and Beckett-Camarata, 2009). Second, local leaders indicated that they changed the focus of government programs and priorities due to performance measurement (Poister & Streib, 1999; Bernstein, 2002; Melkers & Willoughby, 2005). Third, performance measures have reduced the cost of government services (Poister & Streib, 1999; Bernstein, 2002; and Melkers & Willoughby, 2005). This could be attributed to the fourth impact, which is increased program and service effectiveness and efficiency (Steinber, 2009; Ho, 2003; Bernstein, 2002; The National Performance Management Advisory Commission, 2010). Finally, performance measurement can increase in government accountability to citizens (Ho, 2003; ICMA, 2009; Melkers & Willoughby, 2005; The State of Washington Office of Financial Management, 2009).

In addition to these benefits that research demonstrates consistently result from performance measurement, scholars have also reported four other benefits of performance measures which occur less consistently. The inconsistency of these four benefits may be due to the fact that scholars are sampling different municipalities around the country instead of the same group over a period of time. Performance measures have sometimes improved the service quality (Ho, 2005 & Steinberg, 2009), which was seen in the City of Baltimore with the reduction of trash build up in front of residences (Steinberg, 2009). Also using performance measures in some cases made employee performance appraisals more objective (Poister & Streib, 1999; Cavanagh et. al, 1997). Another impact seen in some localities is that performance measures have improved elected officials' oversight (ICMA, 2009). Finally, a few studies have found that the use of performance measures have increased citizen satisfaction with government (Bernstein, 2002; Beckett-Camarata, 2009).

Performance measurement if done correctly has the potential to greatly help Broome County legislators, who are part-time, get a better sense of how well county programs and services are performing based on reliable data. Overall, there are many studies concerning pre-implementation issues with performance measures, as well as their benefits for local governments. However, only one unpublished study was found concerning performance measurement in New York State, conducted by Dr. Thomas Sinclair, Dr. Pamela Mischen, and Tim O'Hearn. Moreover, another gap in the literature is that it is unclear who initiated the performance measurement system and how long the municipalities have used the system. In addition, counties that have used performance measurement longer could potentially be a valuable resource for Broome County and provide insights into frequent issues, challenges, and impacts associated with using performance measurement at this level of government. Due to these gaps in the literature, I interviewed a legislator and/or a county employee who was knowledgeable about their county's performance measurement system in five New York State counties to answer my research questions.

## **Methodology**

### **Data Collection**

In order to gain an in-depth understanding of the issues, challenges, and impacts associated with using a performance measurement system, interviews were conducted with seven individuals from five counties in New York State. The methodology section will describe the study participants and the reasoning behind their selection. I will also detail the data collection procedure. This research study like most has limitations, but actions were taken to reduce the influence they had on the study. The last section discusses the type of



analysis used to turn the data gathered into usable information to make recommendations to Broome County.

### **Participants**

I interviewed officials from the following counties: Tompkins, Schuyler, Erie, Monroe, and Sullivan Counties. All counties included in this study had implemented a performance measurement system, were considered to be an upstate county, and were within 200 miles of Broome County. Counties already using performance measurement were able to provide better information because of their experience with performance measurement. Moreover, counties around Broome County are more likely to have encountered similar financial or economic struggles. A report by Janis Benincasa and Gerald Benjamin (2010) was used to identify the eleven counties that use a performance measurement system in New York State. Aspects such as population or budget size were not taken into account because the use of performance measurement was found in small, medium, and large sized counties with varying total budgets. I intended to interview two individuals from each of the five counties: (1) a legislator who sits on the county's finance or budget committee and (2) a member of the budget office or some other county employee knowledgeable about the county's performance measurement system. However, only seven individuals ultimately agreed to participate in the study.

The reasoning for selecting members of the budget office is because of their extensive knowledge and expertise of the county's performance measurement system. Moreover, scholars who have conducted past studies in the same topic area have also included these individuals. Legislators on the county's budget or finance committee also have extensive knowledge about the county's budget. Another reason for including

legislators in the study was because these individuals hear presentations from department heads and make budgetary decisions. Department heads were not included because their knowledge is specific to their department's performance measurements instead of the county's overall performance measurement system.

### **Procedures**

Seven semi-structured phone interviews were conducted from March 16, 2012, to March 31, 2012. The interview instrument included general questions about the county's performance measurement system and whether the county utilized scholars' suggested conceptual frameworks. In addition, the participants were asked to describe any challenges faced during the implementation phase as well as the impact of the performance measurement system. Each participant was also asked if they would be willing to assist Broome County in the future in the event the county has additional questions. Detailed notes from each interview were taken, including several quotes. A copy of the interview questionnaire can be found in Appendix A. At the beginning of the interview, I explained that their name and position would be kept confidential. I also discussed with them that I would only report the results by county name. Most of the interviews took about thirty minutes.

There are many benefits to using interviews as a data collection method. Open-ended interview questions allow participants to expand upon their answers. Also, I was able to probe and ask follow-up questions. This allowed me to gain a more in-depth understanding of each county's performance measurement system. Also, interviews provide an opportunity for participants to ask their own questions if they are unsure about the questions asked.

**Limitations**

Even though there were several benefits of using interviews as the data collection method, there are also limitations with this approach. Since data collection was set for a two week period, it was not possible to conduct more than ten interviews in the five counties. In order to increase the likelihood of high quality answers from the county officials, the researcher's internship supervisor initially contacted the legislative clerks from the five counties to explain that they would be contacted for research purposes. Even with the legislative clerk's assistance to contact other county officials, still only seven county officials could be interviewed. This was due to recent turnover in the legislature in both Erie and Sullivan County. With many new legislators in these two counties it was not possible to interview them because they had insufficient knowledge of their county's performance measurement system. Another limitation of the study was the threat of social desirability bias because participants may be reluctant to discuss challenges that they faced while implementing their performance measurement system. To reduce the likelihood of social desirability bias, participants were told that their answers would be confidential and that I would only refer to the results by county name.

**Data Analysis**

After the interviews were complete, the qualitative data I collected was reviewed and analyzed using a thematic coding technique. This technique provides meaningful structure and insightful information. It allowed for the identification of similar themes among the participants, as well as the differences. I focused my interviews around the key elements that I identified in my literature review. The themes I developed include impacts, issues, and

challenges of using performance measurement. From these themes I was able to identify critical information to answer the two research questions posed in this study.

### **Findings**

I identified four findings as a result of the data analysis. First, in most counties it was the executive leadership that initiated the performance measurement system. Second, only two counties use a conceptual framework discussed in the literature review. Third, New York State counties have benefitted as a result of using performance measurement. Fourth, there are four major implementation challenges New York State counties encountered.

#### **Finding 1: In most counties, executive leadership initiated the performance measurement system.**

Interviewees from Tompkins, Erie, and Sullivan County said their county's executive leadership initiated the county's performance measurement system. The Monroe County official was unsure who initiated the performance measurement at his county, because he was not there at the time. Another interviewee from Schuyler County discussed that the initiative originated with a member of the county legislature. My results suggest that performance measurement originates in a top down structure. My findings are also consistent with research that emphasizes the need of gaining both legislative and executive support of performance measurement (Poister & Streib, 1999; Hatry, 2007; Steinberg 2009; Ho, 2003; Cavanagh, Roth, Shalaby, & Steinberg, 1997; Melkers & Willoughby; Ho, 2005). As you will see in the other findings, these two government bodies are not the only individuals that must support the use of performance measurement.

**Finding 2: Four of the five counties had some sort of organizing framework for performance measurement system but only two of these counties used conceptual framework identified in the literature review.**

Just two counties utilized one of the conceptual frameworks described in the literature review. Tompkins County uses a performance dashboard, according to one interviewee. The dashboard software was written in-house using visual basic in Microsoft Access, which is then exported into Microsoft Excel. At the moment, Erie County uses a balanced scorecard, which is another conceptual framework identified in the literature, but there are questions whether the new County Executive will continue to use it. In Schuyler County, a standard template is used in each department to organize their performance measurement system. Each year departments update information about their programs and services and reevaluate the current performance measures to determine if they are still relevant. Sullivan County uses a county-wide strategic plan, which links to each department's performance measures. The individual interviewed from Monroe County was unsure how the county organizes their performance measurement system.

As part of their performance measurement system, each county uses a variety of performance measures. Common types of performance measures include outcome, output, unit cost, service quality, and efficiency. Sullivan County also uses a customer satisfaction measure for programs and services dealing directly with citizens.

**Finding 3: New York State counties have benefited in a variety of ways as a result of using performance measurement.**

Six of the seven individuals interviewed identified several different benefits that have resulted from a performance measurement system. The most common benefits discussed include increased efficiency, improved overall decision making/resource allocation, and better oversight. Also, there were some benefits that just a few interviewees mentioned. All of the benefits can be seen in Table 1. They are listed according to the number of county's who discussed them.

*Table 1: Benefits from using performance measurement*

<b>Benefits</b>	<b>Schuyler</b>	<b>Tompkins</b>	<b>Erie</b>	<b>Sullivan</b>	<b>Monroe</b>
Increased Efficiency	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
Improved Overall Decision Making/Resource Allocation	<b>X</b>	<b>X</b>		<b>X</b>	
Better Oversight		<b>X</b>	<b>X</b>	<b>X</b>	
Improved Citizen Understanding of Government	<b>X</b>		<b>X</b>		
Increased Transparency	<b>X</b>	<b>X</b>			
Benefits for Department Heads		<b>X</b>			

**Increased efficiency.** Four of the five counties interviewed said that the efficiency of county programs and services increased. For example a Schuyler County interviewee said that using performance measurement “has allowed the county to focus on ways to become more efficient, such as sharing and consolidating services.” He went on to say “performance measurement provides a mechanism to make these two types of evaluations.” Additionally, a Tompkins County interviewee said that the county performance measurement system “has

allowed more people to learn other jobs in their department, which means they can be moved around to make things faster and become more efficient.”

**Improved overall decision-making and resource allocation.** Three counties also reported that decision making and resource allocation processes had been improved. An interviewee from Schuyler County said “the County’s performance measurement system allows me to make more comprehensive decisions because I can compare programs and determine what one gives the county the best service and eliminate others that don’t.” A second Schuyler County official commented that performance measurement “provides justification for making the unpopular decisions such as cutting staff. It also helps to justify hiring more staff.” Furthermore, another interviewee from Sullivan County commented, “performance measurement has lead to better allocation of resources.” She continued by saying, “the county uses performance data to establish trends to see if programs are having a positive impact.”

**Better oversight.** Additionally, three of the five counties mentioned that performance measurement has made it easier for legislators to oversee county programs and services. This is especially important because county legislators in all five counties are part-time. This makes it difficult for them to know about the day-to-day activities of county programs and services. For instance, one interviewee from Erie County reported that legislators use the performance information to see what tasks are performed by each department, along with what each department actually does. Another interviewee from Sullivan County indicated that the county legislature recently underwent a major turnover where two-thirds of the incumbents lost. She reported that “newly elected officials have relied on the performance measurement data to see what the county does.”

**Miscellaneous benefits.** Three other impacts mentioned less frequently by interviewees include: improved citizen understanding of government, increased transparency, and benefits for department heads. Two counties reported that performance measurement has improved citizen understanding of government. One interviewee from Schuyler County said that using performance measurement “allows citizens to get a better idea about the complexity of government and where their money is being spent.” Similarly, another individual from Erie County explained, “many citizens have said they like to read about what departments do and it provides them with useful information to answer their questions.”

Another benefit of performance measurement mentioned by two counties is increased transparency. One interviewee from Schuyler County discussed how his county provides an online performance-based budget, which allows for an average person to review what the county does and how well they do it. Another interviewee from Tompkins County said he uses their county’s performance dashboard to answer questions from the public as well as to show them what each department does.

Not only does performance measurement help decision makers, but two individuals from one county described how performance measurement also helps department heads. In Tompkins County one individual said “Department heads feel more comfortable in front of the legislature because they have facts and figures about their programs.” In addition, the second interviewee from Tompkins County reported that “department heads are able to better manage because of the performance measurement information.”



**Finding 4: Four main challenges were experienced by four of the five counties while implementing a performance measurement system.**

Six of the seven individuals interviewed identified several different challenges they experienced. The four major challenges include department buy-in, lack of employee knowledge about performance measurement, development of appropriate performance measures, and lack of resources and staff. All of the challenges can be seen in Table 2. They are listed according to the how many counties experienced these challenges.

*Table 2: Challenges implementing a performance measurement system*

Challenges	Schuyler	Tompkins	Erie	Sullivan	Monroe
Department Buy-in	X	X	X	X	
Lack of Employee Knowledge of Performance Measurement	X	X	X	X	
Lack of Resources and Staff	X	X	X	X	
Developing Appropriate Performance Measures	X		X	X	

**Department buy-in.** A major challenge discussed by individuals in four counties was getting department buy-in for the performance measurement system. According to a Schuyler County official, “department heads did not see the usefulness and importance of a performance measurement system.” Also a Tompkins County official said, “department heads had never done this before, so they did not see the importance of using performance measurement.” He went on to say, “department heads saw performance measurement as a threatening gesture from the legislature.” A third interviewee from Sullivan County described how her county struggled with developing performance measures because it is a relatively unknown in the public sector. All county officials were also asked what they

would have done differently during the implementation phase. A majority of the interviewees said they would have brought in department heads earlier into the implementation process in order to present their intentions in a non-threatening manner. This challenge, as well as the other three challenges can be found listed in Table 2, according to the number of county officials who discussed them.

**Lack of employee knowledge of performance measurement.** Another key challenge which was discussed by four counties was employee's lack of experience using performance measurement. An interviewee from Erie County said "the biggest challenge for the county was training employees about performance measurement." In Sullivan County, the interviewee discussed how the county needed to spend time and resources educating employees about what performance measurement is as well as how to collect and use the data. Employee training on performance measurement was also conducted in Schuyler County, but only key individuals were trained due to costs.

**Development of appropriate performance measures.** Even after training employees was addressed, three out of the five counties said their counties still struggled with developing appropriate performance measures. For instance, one county official from Schuyler County said, "employees struggled to develop performance measures that were comparable." An interviewee from the same county also discussed how developing attainable measures was a challenge for many employees. Additionally, another Erie County employee revealed that departments initially developed very detailed performance measures, but found they were too complex to understand. County departments then had to develop simpler performance measures so that all employees could understand them.

**Lack of resources and staff.** The final challenge was a lack of resources and staff, which was discussed by four out of the five counties interviewed. All interviewees described how their county has been forced to make staff reductions in recent years. Three counties explained that maintaining a performance measurement system is time consuming. According to one of these interviewees from Schuyler County, “it takes time to determine what performance measures are best or most suited for each service or program.” He went on to say how the county used graduate students from the Binghamton University MPA program to conduct budget assessments to get the implementation process started. Another interviewee from Sullivan County reported “a great deal of time and effort is needed to collect some types of data and the county has seen a reduction in employees so there are less people doing more work.” Furthermore, due to staff reductions in Tompkins County, the individual initially hired to implement the county’s performance measurement system now has two jobs. He said “without sufficient staff, he [the individual hired] can’t work on the performance measurement system.” He also discussed how he uses graduate students from Cornell University to help him maintain the performance measurement system.

### **Recommendations**

Based on my findings, I have four recommendations for the Broome County Legislature. First, assemble a special task force comprised of members of the legislature, the county executive, and members of the budget office to evaluate the pre-implementation challenges discussed to determine if the county should implement a performance measurement system. Second, Broome County should implement a pilot performance measurement program if it decides to implement a performance measurement system. Third, Broome County should look to utilize Binghamton University students and faculty if it

decides to implement a performance measurement system. Fourth, Broome County should contact other counties to ask additional questions not discussed in this study.

**Recommendation 1: Assemble a special task force comprised of members of the legislature, the county executive, members of the budget office, and department heads to evaluate the pre-implementation challenges and whether performance measurement is a viable option for Broome County.**

During these meetings, officials need to decide whether to implement a performance measurement system. If the task force decides to adopt a performance measurement system, it also must decide on what type of conceptual framework will suit the county best. As seen in the findings, some counties use conceptual frameworks discussed in the literature and others do not. But, four of the five counties do at least use some type of organizing framework. These meetings should be facilitated by someone outside Broome County because of administrative politics that may influence these meetings.

The members of the task force were selected for several reasons. Including members of the legislature and the county executive is necessary because gaining support from both bodies is a critical issue as seen in the literature and in finding four. Also the budget office staff needs to be on board because they will most likely be managing the performance measurement system. Also as noted in the findings, many individuals discussed how department heads saw performance measurement as a way for decision makers to cut their budgets. Including them in the process early will hopefully help them understand the intentions behind using performance measurement. Moreover, it could turn them into advocates of performance measurement if it is framed in a way to show people the good work that each department does.

The task force should prioritize the challenges discussed in terms of their impediment to implementing a performance measurement system. Moreover, the task force must also identify

other possible challenges not mentioned in the study. Even though several counties faced similar challenges, each county is still unique, which means Broome County could face an issue not seen in the other five counties.

**Recommendation 2: Broome County should implement a pilot performance measurement program if it decides to implement a performance measurement system.**

Once the pre-implementation challenges are addressed Broome County should consider developing pilot programs in departments that are either willing to develop performance measures or already using them because of state and federal requirements. These department heads can then advocate for the use of performance measurement to other department heads. Having department heads become advocates could somewhat alleviate the challenge of getting department buy-in.

Developing a performance measurement system is a learning process. Initial performance measures developed by individuals included in the pilot program may not be perfect, as seen in both Schuyler and Erie County. Initial performance measures may be too detailed and complex not allowing employees to understand them and use the performance data and might need to be changed.

**Recommendation 3: The Broome County Legislature should use Binghamton University students and faculty as a resource if it decides to implement a performance measurement system.**

Staffing was identified in finding four as a major challenge in four out of five counties. Broome County's budget office is comprised of only three individuals, which means that maintaining a performance measurement system will be a large undertaking for such a small department. Additionally, several individuals interviewed discussed the challenge of maintaining a performance measurement system with limited staff. Due to this,

Broome County should consider using students and faculty from Binghamton University to work on their performance measurement system. Not only will Binghamton University students be able to fill the staffing gaps at Broome County, these individuals will also gain valuable experience while working at Broome County.

The students from Binghamton University can take many roles while assisting Broome County, depending on their backgrounds and the needs of Broome County. Individuals in the MPA program could conduct budget assessments of each department, conduct cost-benefit analyses, or assist departments in developing appropriate performance measures. Also marketing students could develop advertising strategies so that Broome County can market their performance measurement system and provide citizens with information about what each department actually does. Additionally, Broome County should contact both Tompkins and Schuyler County to see how they use students to assist in maintaining their performance measurement system.

**Recommendation 4: Contact other counties to discuss other aspects relating to performance measurement.**

There are many benefits gained by information sharing and working together. This is why Broome County should contact the five counties included in this study to discuss further aspects related to performance measurement. Some questions could include what steps other counties took to implement a performance measurement system, whether an outside consultant was used, what types of training workshops were used, what type of performance measurement software was used, and whether the county would be willing to share the conceptual framework they used. The actual framework used would be a very useful tool which Broome County could adapt to fit their performance measurement needs.

Broome County officials also should consider participating in performance measurement networks such as the International City/County Management Association (ICMA) and the Rutgers Performance Measurement Group. In addition, members of the Broome County performance measurement task force should discuss the creation of a New York State based network with the five other counties included in this study. This network could allow for better information sharing and collaboration between counties using performance measurement to discuss matters relating to performance measurement.

### **Conclusion**

The Broome County legislature's ability to maintain the high quality of services and programs is not possible anymore because of the lack of mandate relief, a property tax cap, and the devastating effects of the 2011 flood. Broome County has already made across the board cuts in personnel as well as other budget items to reduce spending, but still the county is struggling. Performance measurement may help the reduce some of the fiscal pressures the county is facing. But before a performance measurement system can be successfully implemented, Broome County needs to address the challenges discussed in this capstone. The recommendations set forth in this capstone project constitute a strong foundation on which the Broome County legislature can build a more efficient government.

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Appendix A

Participant Information

<b>County Name</b>	<b>Population</b>	<b>Proximity to Broome County</b>	<b>Years Using Performance Measurement</b>
Erie	919,040	200 miles	23 years
Monroe	744,344	140 miles	Over 10 years
Sullivan	77,547	88 miles	4 years
Schuyler	18,343	69 miles	6 years
Tompkins	101,564	57 miles	3 years

Appendix B

Interview Instrument

1. Why did the county implement a performance measurement system?
2. Who initiated the county's performance measurement system?
3. How many years has the county used a performance measurement system?
4. Who is responsible for managing and maintaining the county's performance measurement system?
5. Is the county's performance measurement system county-wide, if so what types of performance measures are most often used?
6. In the implementation phase of the county's performance measurement system, did the county use a conceptual framework to organize the system?
7. Could you describe any challenges that the county encountered implementing its performance measurement system?
8. Describe the impact of the county's performance measurement system?
9. What lessons did you learn from implementing a performance measurement system?
10. Looking back on implementing the county's performance measurement system, what, if anything would you have done differently?
11. Would you be willing to provide assistance to Broome County in implementing a performance measurement system?

Appendix C

Human Subjects Research Approval Letter

Date: March 8, 2012  
To: Jeremy Pelletier, CCPA  
From: Anne M. Casella, CIP Administrator  
Human Subjects Research Review Committee

Subject: Human Subjects Research Approval  
Protocol Number: 1936-12  
Protocol title: *Impacts, Issues, and Challenges of Using a Performance Measurement System in New York State Counties*. Your project identified above was reviewed by the HSRRC and has received an Exempt approval pursuant to the Department of Health and Human Services (DHHS) regulations, 45 CFR 46.101(b)(2).

An exempt status signifies that you will not be required to submit a Continuing Review application as long as your project involving human subjects remains unchanged. If your project undergoes any changes these changes must be reported to our office prior to implementation, using the form listed below:

[http://humansubjects.binghamton.edu/2009\\_Forms/012\\_Modification%20Form.rtf](http://humansubjects.binghamton.edu/2009_Forms/012_Modification%20Form.rtf)

Principal Investigators or any individual involved in the research must report any problems involving the conduct of the study or subject participation. Any problems involving recruitment and consent processes or any deviations from the approved protocol should be reported in writing within five (5) business days as outlined in Binghamton University, Human Subjects Research Review Office, Policy and Procedures IX.F.1 Unanticipated Problems/adverse events/complaints. We also require that the following form be submitted: <http://humansubjects.binghamton.edu/Forms/Forms/Adverse%20Event%20Form.rtf>

University policy requires you to maintain as a part of your records, any documents pertaining to the use of human subjects in your research. This includes any information or materials conveyed to, and received from, the subjects, as well as any executed consent forms, data and analysis results. These records must be maintained for at least six years after project completion or termination. If this is a funded project, you should be aware that these records are subject to inspection and review by authorized representative of the University, State and Federal governments.

Please notify this office when your project is complete by completing and forwarding to our office the following form:

<http://humansubjects.binghamton.edu/Forms/Forms/Protocol%20Closure%20Form.rtf>

Upon notification we will close the above referenced file. Any reactivation of the project will require a new application. This documentation is being provided to you via email. A hard copy will not be mailed unless you request us to do so.

Thank you for your cooperation, I wish you success in your research, and please do not hesitate to contact our office if you have any questions or require further assistance.

cc: file

Kristina Lambricht

***Diane Bulizak, Secretary***

*Human Subjects Research Review Office*

*Biotechnology Building, Room 2205*

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