

**ISSUE 6, NOVEMBER 2004**

Welcome to the sixth issue of Nexus News, the newsletter focusing on issues facing the public sector.

This is the second of two newsletters introducing Results & Performance Based Accountability, the evaluation approach developed by Mark Friedman of the Fiscal Policy Studies Institute in New Mexico.

**PART TWO: FRIEDMAN & PERFORMANCE ACCOUNTABILITY FOR INDIVIDUAL PROGRAMS**

Friedman suggests assessing performance at two levels: the population or community-wide level and the individual program level. In our last newsletter, we looked at the population level and in this one we look at accountability for individual programs or services.

The key to effectively evaluating individual programs or activities is to assess the impact on customers or clients of that specific service as opposed to the community at large. It is important to realise that in doing so we should not attempt to hold individual programs accountable for change at the population level.

For example we don't judge the effectiveness of a coronary care unit in terms of the health status of the whole population, but rather that of the patients receiving care at that unit.

So how do we develop performance measures at this level? By answering two pairs of interlocking questions:

	QUANTITY	QUALITY
INPUT EFFORT	How much service did we deliver?	How well did we deliver it?
OUTPUT EFFECT	How much change/effect did we produce?	What quality of change/effect did we produce?

As the matrix above illustrates, these questions relate firstly to the input or effort we have applied: how much did we do and how hard did we try?

**ADDING VALUE**

At Nexus Management Consulting, we assist organisations to change for the better through providing a range of services in the following areas:

**Strategic & corporate planning**, to enable you to create and achieve your organisational aspirations.

**Program evaluation**, to ensure your goals, strategies and outcomes are on track.

**Management review & organisation development**, to help you cultivate a self-sustaining, inclusive organisational environment.

**Group facilitation**, to ensure your meetings and focus groups adhere to a relevant agenda and produce meaningful results.

**Strategic management training**, to transfer skills so that your organisation develops the internal capacity to create enduring change.

Secondly, they relate to the output or effect of our efforts: what result did we achieve and did anyone benefit from it? Typically we have good information about the least important quadrant: the quantity of service we delivered. e.g. the number of patients examined, the number of courses we ran, ministerials answered or publications produced.

But we seldom have good information or data about either the quality of the service delivered or the quality of change we produced. It is these two quadrants (upper and lower right) where we should direct our measurement efforts, according to Friedman

The top right quadrant (*'how well did we deliver it'*) will incorporate process measures such as efficiency ratios, quality management criteria, accreditation standards and so on. However the most important quadrant, and the one where Friedman would have us focus most of our efforts, is the fourth one: being clear about how customers and clients have benefited from what we have done.

Greg Masters has recently worked with the Families First expert advisory group, DADHC (Department of Ageing, Disability and Home Care) and the Community Drug Strategies team in NSW Premier's Department on developing indicators at the population level and performance measures at the program level. As a result of this work, these agencies are reforming their outcome and accountability frameworks.

#### FOR MORE DETAILS ON PERFORMANCE BASED ACCOUNTABILITY:

- Contact Greg Masters of Nexus ([gmasters@nexusmc.com.au](mailto:gmasters@nexusmc.com.au) Tel. (02) 9559 2468)
- See Friedman's websites: [www.resultsaccountability.com](http://www.resultsaccountability.com) or [www.raguide.org](http://www.raguide.org)
- Contact the NSW Institute of Public Administration Australia (IPAA) on (02) 9228 5225 if you are interested in attending workshops on Friedman's methodology. These will be delivered by Greg Masters and can be customised to your agency's needs.

#### CONTACT US

Please continue to direct your ideas and comments to [gmasters@nexusmc.com.au](mailto:gmasters@nexusmc.com.au). If you'd like to see an article covering a particular issue, please let us know.

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Established by Greg Masters in 1996, Nexus is a management consultancy based in Sydney, Australia.

It's our specialist expertise in public sector organisational dynamics that makes us unique. We get to the heart of organisational challenges, and implement actions that succeed in overcoming them.