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IDENTIFYING BARRIERS TO THE APPLICATION OF STANDARDIZED PERFORMANCE INDICATORS IN LOCAL GOVERNMENT

Andrés Navarro Galera, David Ortiz Rodríguez and Antonio M. López Hernández

Abstract

Local governments in many countries are implementing administrative reforms within the framework of New Public Management (NPM) in order to improve the quality and productivity of public services. The use of performance indicators and benchmarking facilitates evaluation of efficiency regarding the provision of such services and favours the acquisition of better practices. The problems that may arise in the introduction of performance indicators in local government mainly concern the consensual design and standardization of indicators for various entities, the method to be used for calculations and the selection of analytical criteria to be applied to the values obtained. In this article, we identify obstacles that may be encountered in achieving a standardized definition of performance indicators within local government and, on the basis of learning from the practical experience of several large city councils in Spain, formulate strategies to resolve these problems, taking note of the viability and real efficacy of the solutions adopted.

Key words

Barriers in application, benchmarking, local administration, performance indicators
INTRODUCTION

In recent years, public bodies in numerous countries have carried out reforms under the paradigm of New Public Management (NPM) (Minogue 1998; Christensen et al. 2002). These reforms are having a particular impact on local governments, which are constantly pressured by their electorate to improve the quality of the services provided. In this context, further progress must be made in introducing mechanisms enabling us to evaluate the efficacy and efficiency with which public services are provided.

Among the various instruments proposed for evaluating municipal performance (see, for example, Hood 1991; Peters 1997; Lane 2000; Barzelay 2001), in the framework of the present study we shall analyse the use of benchmarking as a technique favouring the relevance and utility of performance indicators. By benchmarking, we mean the comparative analysis of management performance among institutions that carry out similar activities and processes; for this purpose, the results achieved must be measured (International Federation of Accountants 1993).

There are many reasons for studying performance indicators at the local level: in the first place, many institutions have opted to use them (Audit Commission (AC) and Governmental Accounting Standards Board (GASB)), and thus their advantages and disadvantages have been made apparent. Second, they are tools that help improve the efficiency of public management (Huggins 2003; Folz 2004), as they provide information that is useful for correcting management weaknesses. Third, the utility of performance indicators increases when there are more possibilities for comparing organizations with similar characteristics (Ahmad and Broussine 2003). Moreover, the use of benchmarking in a scenario of voluntary comparisons favours the acquisition of better practices (Bowerman et al. 2001). Fourth, although there exists a large body of literature on performance indicators, numerous questions remain unresolved as regards their utilization in comparative evaluations, such as how the indicators should be selected; how to reach a consensus on just what is meant by quality in a service; what is the best way of measuring it in different services; reaching agreement on what to measure and how to measure it; obtaining reliable, comparable information; and choosing organizations that allow adequate, unequivocal comparisons to be made (Kopczynski and Lombardo 1999; Rivenbark and Carter 2000; Rutherford 2000; Ammons et al. 2001; Morely et al. 2001; Folz 2004).

In fact, as Brignall and Modell (2000) have remarked, mandated performance measures in government have been symbolic (introduced in order to gain legitimacy) but put to little use for internal purposes. Moreover, Coplin et al. (2002) have obtained empirical evidence on the resistance that is encountered within public organizations to the introduction of performance indicators.

In the present study, we intend to identify obstacles that may arise in the design and standardization of performance indicators within local governments. Furthermore, on the basis of the information acquired from practical experience, we formulate strategies
to overcome problems encountered in the application of standardized indicators, and empirically test their viability and efficacy.

The article is organized as follows: in section two we review the main contributions concerning NPM, performance indicators and benchmarking. Section three presents an exploratory study to examine the viability of a procedure to achieve consensus among different institutions concerning performance indicators. In sections four and five, we define the obstacles encountered in the exploratory study and formulate strategies for overcoming them. Section six presents evidence of the real utility of the solutions set out in the previous section. Finally, on the basis of the knowledge and experience acquired from the practical case, we draw some conclusions, which are intended to constitute a useful reference for institutions interested in the design and introduction of consensual performance indicators.

**BENCHMARKING AND PERFORMANCE INDICATORS IN THE FRAMEWORK OF NPM**

Fiscal pressures, a more demanding local populace and the extension of new technologies have led local governments throughout the world to implement significant changes in their styles of management (Organization for Economic Co-operation and Development (OECD) 2001). These administrative reforms are influenced by a complex interaction between political, social, economic and institutional factors (Guyomarch 1998; Premfors 1998; Pollit and Bouckaert 2000; Christensen et al. 2002) and have been termed, generically, New Public Management (NPM) (Hood 1991, 1995). The NPM has also attracted criticisms (Pollit 1993; Hughes 1994; Pollit and Bouckaert 2000; Peters 2001), mainly concerning the excessive confidence placed in the introduction of techniques derived from private enterprise, the over-emphasis on criteria of a technical nature and, as remarked by Osborne (2006), its intra-government focus.

This new framework for action is having a particular impact on local governments, which find themselves obliged to adopt new strategies in order to ensure the adequate, viable provision of services (Stewart 2000), while trying to increase the quality and the efficiency as NPM postulates (Mitchell 2000).

The implementation of systems for evaluating public performance, thus, is highly relevant to the accomplishment of these goals. Although various methods have been proposed for this, mainly of a non-parametric type, making use of Data Envelopment Analysis or Free Disposal Hull (examples of this type of evaluation can be consulted in de Borger and Kerstens 1996a, 1996b; Worthington 2000; Drake and Simper 2002; Boadme 2004; Karlafis 2004; Lozano et al. 2004; Tupper and Resende 2004), in most developed western countries, performance indicators are used to evaluate the efficiency of the provision of public services (Kouzmin et al. 1999; OECD 1999).
In local governments we may find examples both of projects in which performance indicators are applied in a voluntary manner and those of obligatory application. The first group includes, among others, projects for US administrations that belong to the International City Management Association and the North Carolina Local Government Performance Measurement Project (Jones 1997; Ammons 1999, 2000; Coe 1999; Kopczynski and Lombardo 1999) as well as those implemented on the basis of GASB guidelines, with the support of the Sloan Foundation (GASB 1994, 1998, 1999, 2003; Fountain et al. 2004).

From the GASB experience, as described by Brown and Pyers (1998: 106 – 11), we conclude that for indicators to be implemented, a number of obstacles must be confronted, such as: (1) rejection of the concept by administrators; (2) the inadequate interpretation of data; (3) the cost of the studies; (4) concerns about costs and efficiency; (5) the difficulty of obtaining indicators of outcomes and quality.

In addition, there have been experiences of obligatory application in Australia (Hoque 2005); in the province of Ontario, Canada (Burke 2005); in Ireland (Wall and Martin 2003; Wall and Borland 2005); and in the UK, first through the AC (1992, 1994); and subsequently via the Best Value action (Department of the Environment 1999a, 1999b; Department for Transport, Local Government and the Regions 2002; Office of the Deputy Prime Minister 2004; and the more recent Comprehensive Performance Assessments, AC 2002a, 2002b; Kelly 2003).

The AC (2000) listed the main difficulties identified in the use of indicators by local governments and suggested some ways in which complications might be overcome. Among these difficulties are the following: (a) the lack of understanding of outcome measures could lead to the under-utilization of this type of indicator; (b) the risk arising from the possible manipulation of data to improve management results; (c) the lack of uniformity in the comparisons made of indicators could lead to their being considered unfair and unreliable.

Many of the obstacles to the use of indicators arise from comparisons between different agencies; as observed by Kopczynski and Lombardo (1999), an issue closely related to inconsistent interpretation of definitions is the variation that can occur in data elements reported from jurisdiction to jurisdiction, and also by the same jurisdiction from one year to the next. In the case of the Best Value initiative (BV), the main criticisms made of the Government are that its so-called new ideas are in fact old recipes, which only relate to productivity and, on the contrary to the claims made, represent a higher degree of governmental control of the activity of local authorities (Brooks 2000; Bowerman et al. 2001; Midwinter 2001; Ahmad and Broussine 2003).

The UK experience shows that the use of benchmarking by local authorities has mainly been of a compulsory, defensive nature (Bowerman and Ball 2001), when it should be voluntary or improvement-oriented (Bowerman et al. 2001: 325). Voluntary implementation is based on conviction, and is thus favoured by processes of familiarization (Holloway et al. 1999; Kouzman et al. 1999; Bowerman et al. 2001: 325), but for this to be achieved the right mindset must first be present. The latter
attitude must be based on two questions: ‘1) What did we learn? and 2) How will we use what we have learned to make us better?’ (Ammons 1999: 108–9).

In any case, the usefulness of performance indicators increases when comparative analyses are made, whether within an organization, between one year and previous ones, or at a single instant between one organization and others that are comparable. Making comparisons, by the implementation of benchmarking, contributes valuable reference elements that enable local administrators to identify the strong points and the weak points of their functioning and results, in relation to those achieved by others, thus facilitating decision taking by means of corrective action so that goals may be reached at optimum cost. These conclusions are reached in diverse analyses carried out on international initiatives and experiences (for example, Few and Vogt 1997; Ammons 1999, 2000; Coe 1999; Kopczynski and Lombardo 1999; Ammons et al. 2001), which reveal that comparisons are beneficial for participants despite the difficulties and complexities involved in their preparation and development.

In this respect, the experience of the UK Beacon Council Scheme is a very interesting one. It is based on the following assumptions: (1) improvement continues via learning from best practices; (2) learning leads to changes; (3) changes produce measurable improvements in the provision of public services (Rashman and Hartley 2002; Downe et al. 2004).

From our standpoint, and on the basis of our recent review of the question, we believe it is especially important to come up with a solution to three problems that may occur in the practical implementation of performance indicators within local government: (1) the standardized definition of indicators for a set of institutions; (2) establishing calculation protocols so that values may be assigned; (3) selecting criteria to analyse the values obtained. In this article, we shall mainly focus on the problems derived from the first of these problematic areas.

**EXPLORATORY STUDY**

A practical application on safety in public spaces service and on fire-fighting and prevention service was carried out in the nine largest municipalities in the Autonomous Region of Andalusia (southern Spain). With this practical application we sought to test the viability of a procedure for defining and standardizing performance indicators. This exploratory study is intended to enable us to identify the real problems that may impede the design and standardization of performance indicators in a local government context, so that proposals may be formulated to overcome the main obstacles to their utilization within similar institutions.

We applied a methodological procedure aimed at achieving the design, for the two services mentioned above, of the structure and content of a system of performance indicators that would enjoy the highest possible degree of acceptance and consensus among municipal managers, so that its continued use might be reasonably assured.
Four stages are followed in this study: (1) Approach; (2) Open proposal concerning indicators; (3) Selection of the most widely accepted proposals; (4) Design of sets of standardized indicators and assigning values to them.

In the first stage, the staff responsible for the two municipal services were informed of the aims and methodology of the study. In stage two, the local government managers were given an initial draft of activities and the corresponding indicators, based upon an analysis of the legal and documentary texts, as well as on the professional experience of the external consultants-observers. During this stage, the managers were given the opportunity to express their opinions both on the definition and specific weight assigned to each activity and also on the relevance and calculational practicability of the proposed indicators. Suggestions, enlargements of scope, modifications and the elimination of content were all admissible so that the indicators to be designed would match as closely as possible the informational requirements actually pertaining to the city councils.

Always taking into account the knowledge and opinions of the local managers, in the third stage we selected the indicators that had received a broad consensus; thus, each one included, in addition to the initial proposal drawn up by the team of external advisers, the suggestions put forward by the local managers. Thus, during the fourth stage we were able to create, for each of the two local services examined in this study, a battery of indicators quantified for a period of several years.

This first experimental study enabled us, as well as testing the proposed methodology, to study the processes by which these municipal services were managed, to analyse the real capacity of the local councils’ information systems, to identify the main difficulties and resistance encountered in achieving the implementation of the sets of performance indicators within these councils and to design a set of standardized indicators that were arrived at by consensus and appropriately matched to each of the services in question.

In conclusion, the experience gained in this exploratory study is of great interest in enabling us to identify various stumbling blocks impeding the design of indicators, and highlighted the need to define a map of strategic measures that, by providing the means to overcome the above-mentioned barriers to the introduction of performance indicators, could be of use for other services and institutions.

**OBSTACLES ENCOUNTERED DURING THE EXPLORATORY STUDY**

In view of the results obtained from the exploratory study, we were able to draw up a catalogue of the problems that arose; these were structured into three groups on the basis of the organizational context, the human factor and the cost culture, and constitute the basis that will enable us to define the strategies necessary to standardize performance indicators and make them really applicable.

These obstacles, in general, could be extrapolated to other, similar, local institutions. Furthermore, the difficulties that correspond to particular circumstances
within the local services examined in the present study could also provide a useful point of reference.

**Obstacles derived from the organizational context**

We observed and identified the following limitations in this area:

1. The specific characteristics of the organizations concerned, such as their size, the territorial limits within which they operate, their familiarity with the use of management tools, the preferences of the management team and, in general, factors affecting the attitudes of the staff involved and the fluidity of communication within the organization.

2. The heterogeneity of the voluntary jurisdictions addressed by each body. Due to the demands made by the local population, most of the local governments studied have developed and provide services that go beyond those they are legally obliged to supply; this has led to an unevenness in the availability of services and in the way in which these services are managed.

3. The excessive centralization of the financial departments responsible for the processing and control of data, together with the absence of formal channels of communication with the technical staff involved in the provision of services.

   The above problem is quite common among local authorities. Therefore, one of the main aims of BV is to achieve decentralization. As concluded by Boyne et al. (2004: 198) in their analysis of BV, increasing decentralization has a positive effect on local authority management.

4. The bureaucratic structure of city councils produces a common characteristic; the existence of a finance department that plays a significant role within the organization and in which virtually all the economic and financial affairs of the different municipal services are managed. Moreover, the information available to the economic departments is not segmented by types of service, nor is it supplied systematically to the managers responsible for these services.

5. The lack of overall involvement by the organization in measuring the results achieved. The organizational structures of the city councils examined in this study were not designed to facilitate the measurement of the outputs derived from the performance of the activities corresponding to each service. Accounting for such activities is more oriented towards financial aspects and the observance of legal requirements than towards efficiency in management.

6. The absence of a clear definition of the responsibilities of the technical staff concerning economic information, together with the non-existence of information channels. During the course of our study, certain staff changes gave rise to discontinuity in the provision of data, caused both by the fact that the responsibilities of the technical staff were not well defined, and by the absence of adequate channels of information.
Obstacles related to the human factor

Some of the resistance we detected was directly related to the attitudes, knowledge or motivation of the staff employed by local organizations in general and by those in the services sector in particular. It was found to consist of the following:

(1) Reservations about the introduction of management evaluation mechanisms. Possibly because of lack of awareness of the purposes and utility of performance indicators, negative reactions were initially expressed by technical managers, who were unhappy at being assessed and suspicious of the use to which the performance indicators would be put and the publicity given to them.

(2) Diversity in the training and professional experience of managers with respect to management models and tools. In general, those responsible for municipal services were found to be more concerned over their preparation in technical aspects than about the use of management instruments; this has led to an uneven degree of willingness to participate in the process of defining indicators and reaching a consensus as to their use.

(3) Low levels of motivation, and resistance by managers. The process of implementing performance indicators was a drawn-out one, which made it difficult to achieve continued support from the political representatives of the service providers. This scant degree of backing had a negative effect on the participation by the managers involved, who saw little reason to co-operate in the process of designing performance indicators.

These difficulties have, to a certain degree, a common origin. The significant number of changes introduced within public agencies in recent decades are intended, among other goals, to reduce bureaucracy. Paradoxically, though, their implementation gives rise to an increase in bureaucratic tasks. This is one of the criticisms made of the process of changes introduced in local government (Byatt and Lyons 2001; Davis et al. 2001; Enticott et al. 2002).

Obstacles concerning the cost culture

In the process of acquiring the necessary data for quantifying the indicators, the following deficiencies were observed:

(1) The absence of standardized procedures for cost calculations. Despite the need to obtain data concerning the costs of services provided, the city councils studied were found to lack mechanisms for estimating the consumption of the corresponding resources.

This shortcoming led to heterogeneity in data comparisons, as imputation criteria and the cost concepts that were derived by local authorities did not always coincide, which severely weakened the effectiveness of the comparative analyses made.
(2) The low quality of the information on the consumption of resources. The information used to calculate the costs of services provided does not always meet the appropriate standards, for factors such as relevance, objectivity and verifiability. The data obtained are not supported by appropriate documentation. Local authorities do not possess reliable, systematic procedures for obtaining the necessary information on the resources consumed. Under these circumstances, the systematic application of comparative analyses is greatly limited.

(3) The dispersion of economic information on the consumption of factors. The sparse data available on costs are diffused among different departments and sections, and not communicated to the technical staff who need them; this makes it more difficult to achieve the reliability and comparability of such information, as the procedure used to calculate costs may not be subjected to appropriate means of control, and providers of the service do not always agree with the imputations made as to the consumption of resources attributable to the activities carried out. The increase of the autonomy of the departments requires a greater flow of information throughout the organization (Boyne et al. 2004: 192).

(4) The incorrect evaluation of cost elements, especially with respect to the consumption of fixed assets. In some city councils, certain fixed assets, although subject to irreversible and systematic depreciation, are not taken into consideration for technical amortization. In consequence, cost calculations are incomplete as no account is taken of a type of productive factor the specific weight of which varies depending on the service to be analysed, with the resulting distortion in the results of any assessment of efficiency.

(5) The confusion between economic and budgetary concepts. Those responsible for services fail to distinguish between economic concepts and budgetary concepts, such that any demand for data concerning costs tends to be answered exclusively with information extracted from the budget breakdown. This confusion extends to both the non-imputation of resources that were actually consumed in providing the service and also the inclusion in the calculations of budgetary expenses that do not correspond to the consumption of productive factors. Therefore, cost calculations do not take into account data generated beyond the budget, and benchmarking analyses do not provide relevant information for decision taking aimed at improving the management of services.

STRATEGIES ESTABLISHED TO OVERCOME THE PROBLEMS THAT HAVE BEEN IDENTIFIED

Let us now consider the potential obstacles and propose some specific actions that might contribute to overcoming the three types of obstacle identified.
Actions aimed at improving the organizational structure

In order to address the difficulties of this type, we suggest the following body of measures should be adopted:

(1) Establish training policies focused on the utility of performance indicators, so that when technical staff need to be replaced, the battery of indicators do not lose any of their operability.

Focus attention on significant, common activities, which will facilitate consensus on the definition of activities and on the design of indicators.

(2) However, Boyne et al. (2004: 198) remarked upon the effect of actions of this kind. In the UK experience with BV, some local authorities focused their actions on the questions to be analysed, and did not pay attention to other aspects that are also important in local government.

(3) Analyse the definition of activities in order to identify areas of coincidence, seeking to show that differences in areas of jurisdiction are sometimes more a question of denomination than of management authority.

(4) Publicize, together with the indicators, the design methodology applied, so that any modifications made to the organizational structure and/or designations of new technical managers do not prejudice the systematic quantification of performance indicators.

All of these steps have their drawbacks, among which we might highlight the cost of training procedures and the limited initial willingness of managers to attend training courses, but we believe these are outweighed by the advantages obtained by their application. See Table 1.

Actions aimed at encouraging the human factor

In our opinion, the cooperation of the technical staff of city councils could be encouraged by means of various measures aimed at overcoming their resistance to the use of new instruments of control and by making them aware of the utility and viability of performance indicators. To do so, we would propose the following solutions:

(1) Create co-operation agreements between a facilitating team (as remarked above, one that is not part of the institution and that is neutral with respect to the results achieved). It would be positive, moreover, to transmit to the institution in question that this is a project in which federations should play an active part, so that the employees perceive it as something in which they have a stake and which also benefits the council, rather than as a task aimed at implementing a system of control.
Table 1: Obstacles derived from the organizational context and strategies proposed

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Strategies proposed</th>
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<tbody>
<tr>
<td>The specific characteristics of the organizations concerned</td>
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<td>Publicize, together with the indicators, the design methodology applied</td>
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</table>

(2) Urge the participating institutions to nominate a spokesperson with sufficient authority within the organization so that the staff view the process as one that is supported by the institution and which promotes its interests.

(3) Inform the managers of the sources consulted in designing the proposed indicators, to corroborate their credibility and initial acceptability.

(4) Make the staff aware of the importance of identifying the most influential factors underlying the values reflected in the groups of indicators, and insist on the significance of obtaining information about the environment in question so that these indicators may be interpreted correctly.

(5) Demonstrate to the technical staff the real utility and practical viability of indicators for decision taking.
In addition, some of the actions proposed with respect to the organizational context could be useful in enhancing the human factor. Thus, and coherently with the aim of favouring transparency in the process of introducing and calculating the indicators, it would be beneficial to publish the calculation protocols employed, with the intention that the users of the indicators should perceive the objectivity of the sets of indicators agreed upon.

In the same way, training programmes could help managers acquire the necessary knowledge concerning the utility and applicability of performance indicators, which would contribute to motivating and encouraging the other staff.

All these measures are intended to involve administrators both in the process itself and in the implementation of management indicators, in the awareness that setting up such a system requires external incentives (Martin 1999). Moreover, the proposals are aimed at increasing the integration of the diverse agencies, as, and as concluded by Boyne et al. (2004: 199), there exists evidence workers’ involvement is a positive factor in improving management processes.

Finally, let us remark that, as in the case of the difficulties related to the organizational context, these actions also present certain inconveniences, chief among which are the cost of training programmes and the initial reluctance of managers to participate in the training courses. Nevertheless, these hurdles could be surmounted with the institutional support of the federations and of the organizations to be evaluated. See Table 2.

### Actions to enhance the cost culture

In general, the problems concerning the cost culture arise from the non-existence of standardized models for calculating costs and, in connection with the human factor, the scant preparation of the technical staff regarding management accountancy.

Some of the steps necessary to resolve the problems caused by the absence of a cost culture have been discussed in previous sections. In this regard, we should highlight the possible favourable influence of the following:

1. Training programmes for technical staff concerning the definition of cost indicators and the assignation of values to them.
2. The design and application of calculation protocols specifically intended for quantifying indicators.
3. Insisting on the importance of indicators that are relevant to the context for the correct interpretation of the quantified groups of indicators.
4. Publishing the calculation protocols used, together with the indicators.

See Table 3.
Table 2: Obstacles related to the human factor and strategies proposed

<table>
<thead>
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<th>Strategies proposed</th>
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<td>Reservations about the introduction of management evaluation mechanisms</td>
<td>• Create co-operation agreements between a facilitating team and federations of entities</td>
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<td>• Urge the participating institutions to nominate a spokesperson with sufficient authority within the organization</td>
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<td>• Make the staff aware of the importance of identifying the most influential factors underlying the values of the indicators</td>
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<tr>
<td>Diversity in the training and professional experience of managers with respect to management models and tools</td>
<td>• Demonstrate to the technical staff the real utility and practical viability of indicators for decision taking</td>
</tr>
<tr>
<td>Low levels of motivation, and resistance by managers</td>
<td>• Urge the participating institutions to nominate a spokesperson with sufficient authority within the organization</td>
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<td>• Inform the managers of the sources consulted in designing the proposed indicators</td>
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Table 3: Obstacles concerning the cost culture and strategies proposed

<table>
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EMPIRICAL CONFIRMATION OF THE APPLICABILITY AND EFFICACY OF THE PROPOSED ACTIONS

In order to demonstrate the practical utility of the strategies defined in the previous section, we carried out a real implementation of the actions in question. To do so, the
proposed actions were implemented in the nine city councils that took part in the exploratory study, and we analysed the viability of these steps and the effects achieved by a new service, with a comparable degree of complexity to that of others that have been studied previously.

The proposed solutions were applied to the sports service – and not to the services considered in the exploratory study – because we were of the opinion that this would enable us to improve the empirical demonstration of the viability of the proposals made. This was so for various reasons: first, the proposal to set up and use indicators and to analyse the obstacles encountered seeks to be a strategy that is valid for different services, and so it is of interest to study the effectiveness of the proposed solutions in services of a different nature from those analysed in the exploratory study. Second, as these were new spokespersons who were not familiar with the treatment used previously, a higher level of objectivity and neutrality in the assessment of the indicators could be expected. Third, these new spokespersons did not present preconceived, negative ideas about the consensus-based methodology that was used, or about the practicability and effectiveness of the proposals made. Fourth, the analysis of a different service could highlight the existence of new barriers, undetected in the exploratory study; on this basis, we might reveal the utility of the proposed actions for overcoming such barriers, or alternatively, the need to define new strategies.

Beginning with the difficulties encountered due to the organizational context, our study team entered into a co-operation agreement with the Federación Andaluza de Municipios y Provincias (FAMP) (a public body in which all the city councils in Andalusia are represented) to apply these actions with respect to municipal sports services. This agreement, and the support of the FAMP, favoured the initial positive attitudes of managers to undertaking the process of designing standardized indicators, although some did feel themselves more appropriately represented by other federations that were specifically oriented towards sports management and with which they maintained regular contacts. As for the emphasis on common areas of authority, the training activities developed enabled the managers to assimilate the practical utility of the indicators and to realize that in most cases the differences between activities were due more to denominations and diverse technical interpretations than to any real heterogeneity in the services provided, although, given the existence of certain activities that were notably different, we were obliged to insist on the utility of intertemporal comparative analyses. The idea of publishing the calculation method employed, together with the indicators, was very well received among the managers, but some of them did express some doubts as to how well it might be understood by the majority of those benefiting from the services provided. With this consideration in mind, we proposed that such publication of the methodology employed should be made in a language that was as understandable as possible, even if this prejudiced terminological exactitude.

With respect to the difficulties related to the human factor, we focused our initial efforts on identifying a spokesperson with institutional support within each city council, carrying out personal interviews with each and every one of the councillors responsible
for the sports service. All the latter agreed in designating the chief officer of the service, in some cases, or the auxiliary staff officer, in others, as the representative for the project. This person’s collaboration was valuable in so far as the significance of the indicators for decision taking was recognized. Regarding training programmes, these were set up with the intention that the nine managers should participate, simultaneously, in the same work sessions. In fact, this was found to be somewhat impractical, as a result of the heterogeneity of the technical background and professional experience of those present. To overcome this problem, it was necessary to segment the main group into three subgroups which, adapted to the diverse professional profiles of the managers and the different possibilities concerning the timetable and the focus of the sessions, enabled all nine managers to acquire the necessary theoretical grounding on the utility, types and requirements of performance indicators, as well as enhancing the managers’ interest in them.

Finally, we put into practice actions aimed at overcoming the obstacles concerning the cost culture. As regards the training activities, we ran into the same problem of diversity among the managers, as commented above for the actions taken with respect to the human factor, and thus here, too, we had to create three subgroups. In the case of the calculation protocols, some managers expressed their difficulty in distinguishing between the concepts of cost and budget items, as well as between criteria of accruals and the modified cash accounting principle, and so we had to draw up tables of equivalence aimed at establishing the exact relation between resource consumption and budget expenses. Finally, and once again, the publication of the calculation protocols used was well received by the managers, although, again, comments were made on the question of how well they would be understood by the general public. In this respect, we proposed that a users’ guide should be written and promoted for all who might be interested in the correct interpretation of the procedures used for calculation; thus, too, the reliability of the indicators would be reinforced.

In summary, we have obtained empirical evidence on the utility of the procedure used to design and standardize indicators, confirming in practice the efficacy of the strategic actions proposed to solve the problems identified in the exploratory study. The application of these lines of action did not reveal any special features preventing their useful application within other public bodies of a similar size, organizational structure and authority to the nine city councils analysed in the present study.

As a final product of the above-mentioned application, the activities and indicators agreed upon are shown in Table 4.

The five activities shown in the first column of Table 4 are those agreed upon by the municipal managers as being the most significant in terms of providing sports services. Individually for each of the five activities, we proposed a battery of indicators, which were discussed with the managers. These persons selected the indicators on criteria of relevancy, understood as the utility of the information provided by each indicator for management decision taking. The first column of Table 4, for each activity, lists the indicators agreed upon with the managers (numbered 1–19).
Table 4: Activities and indicators for public sports services

<table>
<thead>
<tr>
<th>Activities &amp; indicators</th>
<th>Weighting of activities (%)</th>
<th>Relevance (1–5)</th>
<th>MINIMUM (per population in '000s of inhabitants)</th>
<th>MAXIMUM (per population in '000s of inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Regularly scheduled sports activities and competitions organized by the entity</td>
<td>22</td>
<td>3.63</td>
<td>0.46</td>
<td>0.89</td>
</tr>
<tr>
<td>1. No. of sports courses organized</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Capacity of the sports courses organized</td>
<td></td>
<td>3.75</td>
<td>0.24</td>
<td>144.05</td>
</tr>
<tr>
<td>3. No. of participants in sports courses</td>
<td></td>
<td>3.75</td>
<td>13.11</td>
<td>97.34</td>
</tr>
<tr>
<td>4. No. of local competitions tendered</td>
<td></td>
<td>3.75</td>
<td>0.02</td>
<td>2.44</td>
</tr>
<tr>
<td>5. No. of participants in sports competitions</td>
<td></td>
<td>4.25</td>
<td>20.00</td>
<td>93.32</td>
</tr>
<tr>
<td>II. Irregularly scheduled sports activities and competitions organized by the entity</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. No. of popular sports courses organized</td>
<td></td>
<td>4.00</td>
<td>0.01</td>
<td>0.58</td>
</tr>
<tr>
<td>7. No. of participants in popular sports courses organized</td>
<td></td>
<td>3.67</td>
<td>2.40</td>
<td>667.37</td>
</tr>
<tr>
<td>8. No. of national and international events organized</td>
<td></td>
<td>2.80</td>
<td>0.02</td>
<td>0.18</td>
</tr>
<tr>
<td>9. No. of spectators of sports events</td>
<td></td>
<td>2.70</td>
<td>42.09</td>
<td>710.54</td>
</tr>
<tr>
<td>III. Collaboration in sports activities and competitions organized by other entities</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. No. of grants paid</td>
<td></td>
<td>3.75</td>
<td>0.19</td>
<td>0.72</td>
</tr>
<tr>
<td>11. No. of recipients of grants paid</td>
<td></td>
<td>4.14</td>
<td>0.38</td>
<td>2495.26</td>
</tr>
<tr>
<td>IV. Sport facilities: management, maintenance and conservation</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Surface area (m²) of outdoor sports facilities</td>
<td></td>
<td>3.38</td>
<td>144.72</td>
<td>1,478.34</td>
</tr>
<tr>
<td>13. Surface area (m²) of indoor sports facilities</td>
<td></td>
<td>3.75</td>
<td>24.52</td>
<td>308.69</td>
</tr>
<tr>
<td>14. No. of annual opening hours of sports facilities</td>
<td></td>
<td>4.13</td>
<td>51.3</td>
<td>743.42</td>
</tr>
<tr>
<td>15. No. of times sport facilities are used</td>
<td></td>
<td>4.50</td>
<td>329.42</td>
<td>13,138.4</td>
</tr>
<tr>
<td>16. No. of hours the sports facilities are used</td>
<td></td>
<td>4.50</td>
<td>41.92</td>
<td>289.88</td>
</tr>
<tr>
<td>17. No. of hours of maintenance and conservation</td>
<td></td>
<td>3.38</td>
<td>3.11</td>
<td>117.79</td>
</tr>
<tr>
<td>V. Internal and external training of employees</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. No. of internal training hours per employee</td>
<td></td>
<td>2.60</td>
<td>0.00</td>
<td>0.19</td>
</tr>
<tr>
<td>19. No. of external training hours per employee</td>
<td></td>
<td>2.60</td>
<td>0.01</td>
<td>1.55</td>
</tr>
</tbody>
</table>
In the second column, the specific weight of each activity was determined on the basis of the managers’ experience, and taking into account four criteria: (1) the time taken in the organization and execution of the activity; (2) the current number of participants in the activity; (3) the potential users and/or beneficiaries of the service; (4) the cost of the human and material resources dedicated to the activity. This weighting was calculated as the mean of the valuations provided by the different managers for each activity.

The managers assessed the significance of the indicators in terms of management, on a scale of 1 to 5 (1 – very slight importance; 5 – highly significant). The third column shows the average of the relevance values assigned by the managers to each of the indicators. This average was calculated by dividing the sum of the values assigned by the managers by the number of managers.

The accomplishment of comparative evaluations is the main utility of performance indicators. In order to enable such a comparison, we standardized the data obtained, for the population of each city (in thousands of inhabitants); thus, columns four and five of Table 4 show the minimum and maximum values observed, in this study, for each of the indicators.

CONCLUSIONS

Our review of the available literature on this subject shows that, although the use of performance indicators for evaluating the efficiency of the provision of public services is becoming more and more common, in many countries, certain problems also arise, mainly related to outputs, outcomes, publicity and dissemination.

The utility of performance indicators is believed to increase when comparative analyses are made, although this aspect remains somewhat controversial. Nevertheless, the use of benchmarking has a positive influence on the efficiency of local governments and its voluntary implementation promotes learning processes.

In our opinion, the application of performance indicators arrived at by consensus, facilitating comparison within the local context, requires us, beforehand, to solve problems that may arise concerning the absence of standardization regarding their definition and calculation, and also in regard to the analysis of the values obtained.

The exploratory study made of services related to safety in public places and to firefighting and prevention have enabled us to identify a number of real problems that may impede the practical application of standardized lists of performance indicators; consequently, we formulate proposals for their solution. On the basis of a methodological process divided into four stages, on the basic premise of acceptance and agreement among the managers involved, we have identified a set of obstacles that may affect the design of a performance indicator system and propose a number of actions to overcome them.
The barriers derived from the organizational context derive from the characteristics of the organizations involved, from the heterogeneity of the areas of authority that are voluntarily assumed, from the excessive centralization of economic departments and from the lack of overall commitment by the organization to measuring the results achieved. The lines of action that, in our opinion, could be found useful in limiting the effects of the above barriers are focused on training-based activities related to the utility of performance indicators, and on favouring agreement as to the definition of activities and the design of indicators for the main, common services. The collaboration of the associations that represent city councils and the managers of particular services has been found to be very useful in achieving the participation of managers in the process of designing standardized indicators.

The difficulties that concern the human factor are mainly the result of resistance to the introduction of management assessment mechanisms, diverse backgrounds with respect to the training and professional experience of managers and low levels of motivation. The adoption of measures for raising awareness, to favour the identification of leadership in the organization, and to help explain the utility of indicators as management instruments could contribute to reducing the reluctance of staff concerning the application of performance indicators. The training programmes organized by homogeneous groups of managers, based on personnel with comparable professional backgrounds, were found to be especially effective.

Finally, the main obstacles related to the cost culture are related to the absence of standardized calculation procedures, to the low quality and dispersion of information on the consumption of resources and to the incorrect evaluation of cost elements, by which economic concepts are confused with budgetary ones. Overcoming such obstacles could be favoured by actions such as training programmes on the definition of cost indicators, the design, implementation and disclosure of calculation protocols, and insistence on the fact that cost indicators should be interpreted within a given context.

On the basis of the results presented in this article, we believe it would be interesting to consider the following areas for future research:

1. Apply the proposed solutions to other services provided by the local authorities considered in this study, or other, similar ones, examining whether the viability of these solutions depends on the type of service and/or the nature of the activities carried out. Some of the strategies proposed in this article may not function for other services; moreover, new obstacles might be encountered, requiring fresh solutions.
2. Implement the strategies defined in this article among local authorities of different sizes and with differing management structures, in order to obtain an empirical view of the representativity of the obstacles identified, and the viability and effectiveness of the solutions proposed.
3. Determine the long-term effect of the solutions adopted, for which purpose we could test the use of indicators and the systematic application of
harmonized procedures for calculation, agreed upon several years after the implementation of the measures.

Finally, we should point out that, principally, we have observed the managers’ position because they are fundamental in the process of introduction of performance indicators. In any case, other agents’ perspectives could be interesting. So, we think that the opinion and interest of politicians is very important to the right design and harmonization of performance indicators because their support in implementation is vital for the success of the process and they will be one of the main users of this set of measures.

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