



# **Customer Development of Effective Performance Indicators in Local and State Level Public Administration**

**Rebekah Schulz / Andrew Sense / Matthew Pepper**

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BY

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# Foreword

Public administrations operate in an age of increased public scrutiny, growing, and understandable expectations of transparent governance and a heightened obligation to demonstrate the public value of government-managed services and facilities. Furthermore, communities are comfortable in challenging the decisions of public administrations and look for opportunities to participate in decision-making. Consequently, public administrations seek out more considered, informative, and highly relevant approaches to measuring the performance of their services and facilities.

Critical to effectively measure performance and to continuously improve those operations or services are the performance indicators in use. Unfortunately, until now, the attention towards and the development of performance indicators seems more like a black art than a coherent process of transparent development. Many books provide lists of performance indicators or theories for performance measurement, but this publication is significantly different. This book provides practitioners in the public administration sector (and the communities which they serve) with the necessary steps and processes to collaboratively engage with their stakeholders, establish priorities, and determine relevant performance indicators that represent their local needs or desires. In short, the authors provide a practical, user-friendly guide to performance indicator development that is driven by external and internal stakeholder engagement.

I call on government administration leaders, intent on really understanding the performance of their government agency, to prescribe this as the only relevant approach to community engagement around performance indicator development. This is essential reading for their staff, and for those in their communities that seek a more active participation and involvement in government.

Gail Connolly  
General Manager  
Georges River Council

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# Preface

Welcome to our practitioner guidebook on the customer development of effective performance indicators in public administration!

This book addresses a real gap in academic knowledge and in practice knowledge about how public organisations' and their communities may jointly develop performance indicators for the public organisation's operations that are highly context relevant, useful and understood by those affected, and which successfully integrate diverse customer expectations/desires with organisational strategic objectives. In pursuing those outcomes, the instructive contents of our book will also support continuous improvement efforts and the practical enactment of genuine community participation. It will help increase operational transparency to external customers in the community, which in turn assists the development of public trust.

Currently, we would suggest that the locally relevant and customer-oriented development of performance indicators is not generally a topic of focal attention by local public administrators or by State level government authorities. Current processes used to determine performance indicators and the resultant performance indicators in use are often highly variable across contexts, focus on outputs rather than outcomes, and can be imbued with or represent authority operational and/or political bias, formulaic ignorance or incompetence, and simple policy compliance. As a result, performance indicators can lack relevance and utility to those managing or seeking to improve operations and also lack relevance and value to external members in the communities which the operations seek to serve.

As industry practitioners (current or past) and also as academics intensely interested in how organisations may better measure and improve performance, we were deeply concerned that there was a lack of any systematic and process guidance provided to practitioners confronting these performance indicator development dilemmas. Hence, our focus in this book is deliberately on informing and practically guiding practitioners (which for our purposes include external and internal customers – both public entity staff and community representatives) and is not concerned with providing an academic treatise on the subject. That being said, the contents of this book are nonetheless grounded in a major academic study by the authors on the subject matter concerned and, therefore, are underpinned by robust academic research in the field.

This book guides practitioners through an innovative, approachable, and structured performance indicator development framework (built on quality management principles), and outlines a participative process to implement that

framework, constituting what we term as our approach to the customer development of effective performance indicators in public administration. Our approach places the customers' front and centre in the performance indicator development process which promotes mutual learning and joint ownership through the co-production of outcomes, and fosters relationship building between diverse customer groups.

It is our hope that public administration organisations worldwide become aware of and adopt this book as a source of inspiration and guidance to help construct performance indicators relevant to their contexts and local needs, enhance their community engagement processes, encourage learning, and improve their operational decision-making.

*Happy reading!*

# Acknowledgements

My husband, David Begley, and daughter, Ella Schulz-Begley, are my greatest support. Nothing in this world is possible without them. My parents, Lew and Laurel Schulz, gave me the determination, work ethic, and courage to study and write. To my brother, Greg who taught me to make the most of the time I've got. To them, I say thank you.

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*Rebekah Schulz*

Thanks, as always to my family for their ongoing support of my many and varied projects – yet another one brought to fruition! Thanks also to the editorial team at Emerald for their professionalism and assistance in completing this particular project.

*Andrew Sense*

Without the love, support, and humour of my family, things would be very different. Thank you always. To my co-authors, it has been a pleasure to work with you. Thank you and congratulations on bringing this idea to fruition. My thanks also to the team at Emerald for their ongoing support.

*Matt Pepper*

‘The only man who behaved sensibly was my tailor; he took my measure every time he saw me, whilst all the rest went on with their old measurements and expected them to fit me’.

From ‘Man and Superman: a comedy and a philosophy’ (Shaw, 1903).