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Measuring and Managing Performance in Local Government: A Literature Review

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Abstract Over the past century, performance measurement and reporting have been an integral part of demonstrating accountability in local government. This paper reviews the current Canadian and American literature on this topic and examines both recommended and actual practices in performance measurement within the public sector and, more specifically, local government.

It discusses the rationale for performance measurement along with factors contributing to the complexity of local government performance measurement and performance management, key steps in designing and implementing performance measurement systems as well as the political and organizational factors that influence this process. Performance measurement is connected to performance management and performance management frameworks are introduced and discussed.

Existing research suggests that local government performance measurement and performance management systems are used, to some extent, in support of strategic planning, budgeting, and other governance and managerial functions. The literature also suggests that internal uses are the principal reason for reporting results. However, there is a gap between advocated uses of performance measurement and their actual utility as accountability and performance improvement mechanisms. Nevertheless, it is likely that performance measurement is here to stay, and that newer initiatives like engaging citizens in performance measurement and performance management will generate new ways that local governments approach the measuring and reporting of results.

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