

PERFORMANCE MEASUREMENT KEY TERMINOLOGY

Oftentimes, the words, performance measures, performance standards and performance indicators are used interchangeably and incorrectly.

Two decades ago, the Urban Institute defined *performance measurement systems* as the regular collection and reporting of program information in three areas: efficiency, quality, and effectiveness. Researchers have shaped the following understanding of these measurements: a) measuring efficiency of a program involves assessing the amount of service provided and the number of clients completing the program and comparing these measures against the costs involved; b) measuring quality involves the assessment of the nature of services provided and tries to maximize the quality of services provided in relation to program inputs; and, c) measures of effectiveness focus on outcomes of programs, such as the number of youth with disabilities who find jobs through an employment program. In the new WIA workforce development system, the emphasis has been placed on measuring the effectiveness of programs rather than their efficiency or quality; that is, on measuring results or accomplishments.

In 1998, the Government Accounting Office offered the following helpful definitions and interpretation: “*Performance measurement* is the ongoing monitoring and reporting of program accomplishments, particularly progress towards pre-established goals....Performance measures may address the type or level of program activities conducted (process), the direct products and services delivered by a program (outputs), and/or the results of those products and services (outcomes).” Conducted by program or agency management, performance measurement focuses on whether a program has achieved its objectives, expressed as measurable performance standards. While performance measurement is usually aimed at supporting resource allocation and other policy decisions to improve service delivery and program effectiveness, it also can serve as an early warning system to management and as a vehicle for improving accountability to the public.

Process performance measures address administrative or operational activities of a program or programs; in other words, measures that usually reflect the “means” of getting to an end result, rather than the goal itself. Some examples of process measures include participation rates reflecting the type and level of service received through a program, the percentage of applications for assistance which are acted upon in a timely manner, and the percentage of cases closed within a specific time period. *Outcome performance measures* focus on the results of a policy or program and are typically related to the goals the program hopes to achieve. In most cases, these measures focus on the outcomes for a group of individuals involved in the program. In the new

workforce development system, for example, key outcome measures include job placement rates, employment retention rates, or wage rates. And, some outcome measures, such as education and training certificate attainment rates, are referred to as “*interim outcome measures*” because they represent key milestones on the way to achievement of the ultimate goal of the program.

Performance indicators measure behavior, status, or conditions that can be tracked over time and across people. Indicators typically track the behavior or situations of broad population groups, like the unemployment rate of specific populations, the high school drop out rate, or the rate of youth with disabilities entering the Social Security rolls. *Performance standards* measure pre-determined numerical “goals” of progress, such as a 90 percent employment rate, a 75 percent participation rate, or a 50 percent completion rate.

PERFORMANCE MEASUREMENT TERMINOLOGY AT A GLANCE

MEASUREMENT TYPE	WHAT IS BEING MEASURED
Process Measurement	Type or level of program activity
Output Measurement	Products or services of program
Outcome Measurement	Results of program products or services
MEASUREMENT MEANS	
Performance Indicators	Behavior, status or condition tracked over time and across populations
Performance Standards	Predetermined numerical goals of progress

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