



BOCCI CONSULTING PAPERS & ARTICLES

BEYOND CITIZENS AS CUSTOMERS.
THE MISSION ORIENTED SCORECARD.

Authors: FABRIZIO BOCCI, PIETRO MICHELI

Public Governance – Journal for Public Management

Autumn 2009 pp. 15-19

Publisher: Public Governance Institute



Fabrizio Bocci - Via del Fontanile 1
41051 Castelnuovo Rangone (MO) - Italy
Tel. +39 059 574616 - email fbocci@bocciconsulting.it

Focus II

Beyond Citizens as Customers: the Mission-Orientated Scorecard



Pietro Micheli

Centre for Business Performance,
Cranfield School of Management

Fabrizio Bocci

CERISMAS, Catholic University,
Milan

The measurement of a certain aspect of performance has to start from the definition of what is to be measured. In the case of ‘public value’ this is particularly difficult, since there is no consensus over what public value is. Furthermore, all definitions of public value underline that this is indeed a multi-faceted concept. Therefore no individual performance indicator would be able to fully capture the concept of public value. Rather, a set of indicators could be developed to express information on its most salient aspects, in order for public sector organisations to ensure they are creating value for their stakeholders.

In this article we first introduce the concept of public value, and contrast it to the view of citizens as customers. Subsequently, we take a critical look at both the delivery and the uses of public services. Finally, we structure a framework – the Mission-Orientated Scorecard – which addresses several shortcomings of existing models, such as the Balanced Scorecard, through a more comprehensive definition of roles played by citizens in their relationship with public sector organisations. Through this re-conceptualisation, we argue, it is possible to contribute to a more accurate representation of public value, especially in terms of the complex interactions between organisations and citizens.

Public value vs. Citizens as customers

The idea of public value, as proposed by Mark Moore (1995), was developed in opposition to some of the principles underpinning the ‘reinvention’ of government movement (Osborne and Gaebler, 1992), which placed increasing emphasis on the role of citizens as ‘customers’ of public services. These changes, also reflected in the so-called ‘New Public Management’ doctrine, were, supposedly, inspired by the private sector’s approach to product and service delivery. This is particularly interesting, if we think how private companies have increasingly moved away from simple, ‘linear’ delivery of goods. On one hand, they are doing so by extending the meaning of ‘per-

formance’, by considering, for example, aspects such as corporate social responsibility and environmental sustainability. Although often not immediately related to financial results, these issues strongly affect their performance, both in substantive and symbolic terms. On the other hand, private companies are re-considering the ways in which they create ‘private value’: growing emphasis on, for example, product-service systems and open innovation is challenging typical product offerings and approaches to research and development.

While a focus on service delivery and customer satisfaction is certainly appropriate, it was felt that reducing citizens to



mere customers was a dangerous oversimplification. In particular, by adopting too a stringent customer orientation, it was argued, organisations may play down fundamental issues over both the delivery and use of public services. If we look at service users and, more broadly, stakeholders, it is clear how a predominant focus on 'customers' can be inadequate, especially if we are interested in "the capacity of a political process to establish an articulate collective aspiration" (Moore, 1995; p. 36). Furthermore, if citizens are solely regarded as customers, public sector organisations then become mere service providers.

Service delivery in a complex environment

Comprehensive definitions of 'citizens' and 'public value' clearly clash with the mono-dimensional picture suggested by a simple 'supply and demand' scenario. From a delivery point of view, public sector organisations provide a wide number of services and, to do so, they have to cooperate with a number of partners and mobilise quite diverse skills to deliver those services (see Carter et al., 1992). Therefore, managers and leaders have to develop and implement strategies that go beyond the mere execution of tasks and, rather, look at the overall performance of the organisation. Over the last decade, in the UK growing attention has been paid to partnerships, 'joined up' delivery and local agreements to provide better services. As remarked by a manager we interviewed in a local authority, *"Local Area Agreements are useful catalysts and opportunities [that] could be exploited through joint service provision, workforce planning, joint problem solving, joined-up consultation, and [aimed at] enhancing knowledge sharing and performance management. This would improve the Council's capacity and maintain the momentum for delivering across all shared priorities"*. However, fragmenta-

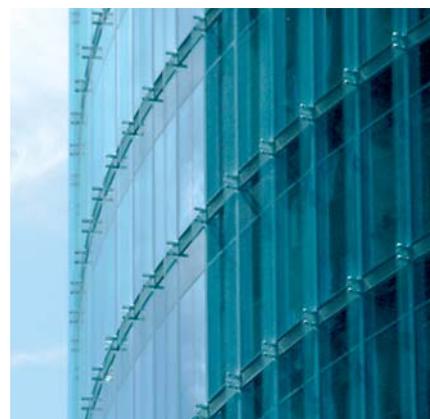
tion of national performance measurement regimes and systems has often hindered the provision of 'joined up' services at the local level. As one Chief Fire Officer recently commented, *"it is difficult to have 'joined up' services when there's a lack of strategy at government level"*. This remark highlights the importance of connections and consistency between different levels of government – the so-called 'golden thread' – and the risks related to top down, hierarchical approaches to performance management (Micheli and Neely, 2006).

From the point of view of service users, and stakeholders in general, the adoption of performance measurement systems could be useful, as they could enhance transparency and accountability, and positively affect the quality of services. However, the frameworks adopted should be explicitly designed to account for the complexity of public sector contexts. Rather than slight modifications of frameworks developed for private companies, they should be able to assess and promote the creation of 'public value'.

The Mission-Orientated Scorecard

Notwithstanding criticisms received in both private and public sector contexts, the Balanced Scorecard (Kaplan and Norton, 1992; 2008) is still the most widely adopted performance measurement and management framework. To adapt this framework originally developed for private companies to public sector organisations, a Public Sector Balanced Scorecard and Strategy Map have been developed. Although the original focus on financial results was replaced by overall critical mission objectives, the presence of multiple stakeholders which express a plethora of conflicting interests and priorities was not effectively captured. Also, insufficient attention was paid to the multiple roles played by citizens in their interactions with public sector organisations.

"Reducing citizens to mere customers is a dangerous oversimplification."



COMMUNITY	
What are the outcomes we need to achieve to create value for the community we serve?	
INTERNAL PROCESSES	
What are the processes in which we must excel in order to achieve the desired results?	
LEARNING AND GROWTH	FINANCIAL RESOURCES
What are the intangible assets necessary to drive performance and excel at the processes that allow us to create value for the community we serve?	How can we raise, plan and allocate the financial resources necessary to drive performance and excel at the processes that allow us to create value for the community we serve?

Figure 1: The Mission-Orientated Strategy Map

Citizen as Customer	Citizen as Owner	Citizen as Subject (to Laws)	Citizen as Partner
Responsiveness and effectiveness	Social Accountability (Equity and cost control)	Protection and respect of laws	Personal engagement and collaboration

Figure 2: The four roles of citizens in the Mission-Orientated Scorecard

The 'Mission-Orientated Scorecard' was developed to overcome this latter issue (Bocci et al., 2006). While the logic behind both frameworks is essentially the same, the Mission-Orientated Scorecard differs from the traditional Balanced Scorecard in three key aspects (Figure 1):

- the definition of a Community perspective that replaces the Customer perspective
- the order in which the perspectives are arranged
- the multidimensional approach to the Community perspective, which takes into account the different roles that citizens can play in their relationship with the organisation.

The multidimensional approach proposed is particularly interesting from a public value point of view, as it expresses the role played by citizens by introducing four dimensions (Figure 2):

1. Citizen as customer: the responsiveness and effectiveness of the service are of particular relevance, as the citizen focuses on the 'one to one' relationship with the public sector organi-

sation. Therefore, the organisation should include indicators related to both the personal interests and levels of satisfaction expressed by citizens.

2. Citizen as owner: social accountability in terms of equity and cost control is important as public sector organisations have to ensure value for money as well as consider accountability to auditors and regulators that represent citizens as owners of the organisation. Therefore, indicators related to efficiency, productivity, value for money and quality of service should be included.

3. Citizen as subject to laws: this aspect focuses on legislation and actions aimed at protecting citizens. Indeed, citizens have duties to the citizenship as a whole; duties which are regulated by rules and laws. Within their jurisdiction and competences, public sector organisations should control their applications. Therefore, indicators related to dissemination of information, certification and accreditation should be part of the model.



“The Mission-Orientated Scorecard provides a multifaceted perspective of the relationship between citizens and public sector organisations.”

4. Citizen as partner: involvement, engagement and collaboration of citizens are fundamental for an organisation to provide quality services. From this point of view, organisations should focus both on ‘individual partnerships’, i.e. prevention to reduce the demand of services, and on ‘organised partnerships’, i.e. networking to improve the effectiveness of services and, eventually, reduce their costs. Consequently, indicators that capture these aspects should be developed.

In the Mission-Orientated Scorecard, objectives and indicators in the community perspectives should derive from the organisation’s mission and mandate. This approach should help the organisation to identify its outcomes in such a way as to reflect the complexity of the relationships existing with citizens. Subsequently, the organisation should develop a truly multifaceted strategy by identifying the key processes to excel at in order to pursue the community outcomes. Finally, it

should identify the financial and intangible resources that are necessary to drive performance and create value for its stakeholders. Figure 3 reports the example of implementation of the Mission-Orientated Scorecard in a healthcare organisation.

Conclusions

The concept of public value is hard to define and even harder to measure. However, it is not by reducing citizens as customers that public services can be improved. Rather, the creation of public value starts by providing a truly multifaceted perspective of the relationships between citizens and public sector organisations. The Mission-Orientated Scorecard is a performance measurement framework designed to do exactly that.

From a measurement point of view, it suggests that several indicators ought to be introduced to capture these relationships. While measures of efficiency, productivity, value for money and quality

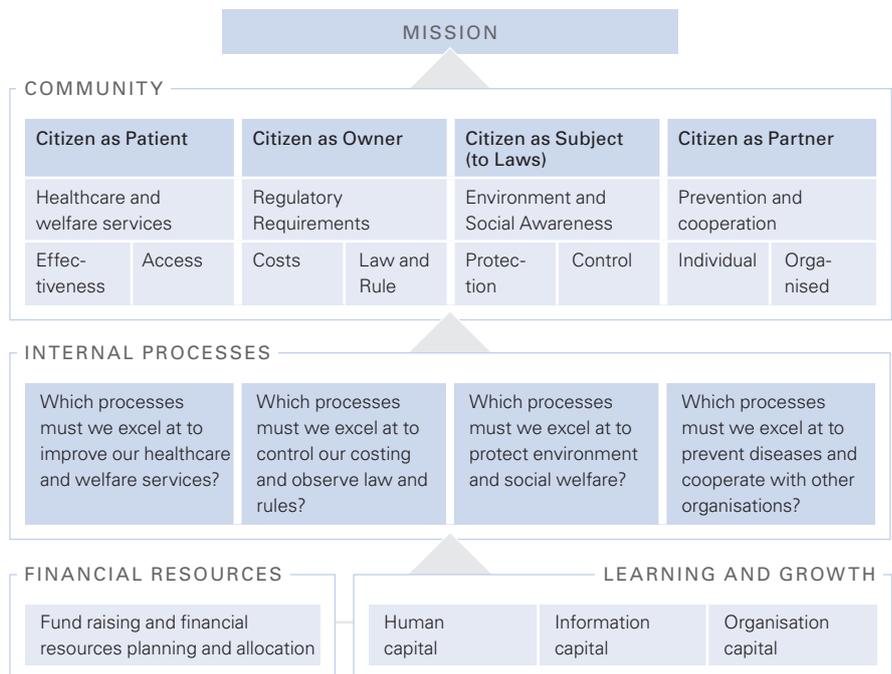


Figure 3: The Mission-Orientated Scorecard applied in a healthcare context

should certainly be included, other aspects should be considered too. These include the personal interests and satisfaction expressed by citizens; the effectiveness of the organisation in disseminating information; 'process' aspects of quality (e.g. certifications and accreditations); and its capacity to establish individual and organised partnerships, i.e. prevention to reduce the demand of services, and networking to improve their efficiency and effectiveness.

Finally, these reflections have substantial implications on auditing and monitoring processes. In particular, the main focus should be on outcomes rather than tasks, and ensure that accountability is tied to results, rather than processes. As suggested in this article, it is only through a more comprehensive understanding and operationalisation of public value that outcomes could be measured, and, ultimately, achieved. ■



References

- Bocci, F., Luppi, E. And Neri, G. (2006): Mission-Oriented Scorecard: A framework for public sector and not-for-profit organizations. The case of the Local Health Authority of Modena, in: Neely, A., Kennerley, M., Walters, A., (Ed.): Performance Measurement and Management: Public and Private. [25–28 July 2006 London, UK] Centre of Business Performance, Cranfield School of Management, Cranfield, pp. 59–66.
- Carter, N., Klein, R. and Day, P. (1992): How organisations measure success – The use of performance indicators in government. Routledge, London
- Kaplan, R.S. and Norton, D.P. (1992): The Balanced Scorecard: Measures that drive performance, in: Harvard Business Review, Vol. 70, No.1, pp. 71–79.
- Kaplan, R.S. and Norton, D.P. (2008): The execution premium: Linking strategy to operations for competitive advantage, Harvard University Press, Boston, MA.
- Micheli, P. and Neely, A. (2006): Performance measurement in the English public sector: Searching for the Golden Thread [Paper presented at the Academy of Management Conference, Atlanta, US, 14–16 August, 2006].
- Moore, M.H. (1995): Creating public value: Strategic management in government, Harvard University Press, Boston, MA.
- Osborne, D. and Gaebler, T. (1992): Reinventing Government: How the entrepreneurial Government is transforming the public sector. Addison-Wesley, Reading, MA.