



The Performance of
PERFORMANCE
STANDARDS

James J. Heckman, Carolyn J. Heinrich,
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Editors

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KALAMAZOO, Mich.—Incentives and accountability for government performance are central to contemporary government reform agendas across the globe. Still, the lessons on intended and unintended effects of incentive and performance management systems from several decades of research and practice do not appear to be reflected in the current design and implementation of these systems in the public sector.

This conundrum serves as motivation for the contributors to this new volume from the W.E. Upjohn Institute. Led by Nobel laureate James J. Heckman, they use U.S. employment and training programs as their laboratory for investigation into the performance of performance standards. Drawing on a variety of superior data sources, they explore how performance standards and incentives influence the behavior of public managers and agency employees, their approaches to service delivery, and, ultimately, the outcomes for participants. In the process, they address the following questions:

- How do performance standards and measures operate to include or exclude individuals with different characteristics in public programs?
- How do performance standards and measures affect the types of services offered and received?
- How do the processes for setting standards and weights for performance goals and for recognizing and rewarding performance affect system incentives and bureaucratic responses?
- Are the performance standards, measures, and incentives effective in motivating bureaucratic behavior toward the achievement of program goals?
- Do short-term outcome measures used in performance standards systems predict long-term impacts of programs on participants?
- What problems or unintended effects are associated with the design and implementation of performance standards systems in the public sector?
- What other lessons do we learn from the implementation of performance standards systems and the variation in rules and guidelines governing their administration over time?

Demand on the part of policymakers and the public for greater accountability and a results-oriented government continues to grow. Therefore, the design and implementation of performance standards and incentive systems in the public sector will continue to be a dynamic pursuit. The lessons contained in this volume provide direction for policymakers seeking to shape and speed their evolution, as well as in ultimately improving government performance.

Included are:

- **Performance Standards and the Potential to Improve Government Performance**, *James J. Heckman, Carolyn J. Heinrich, and Jeffrey Smith*
- **U.S. Employment and Training Programs and Performance Standards System Design**, *Pascal Courty, Carolyn J. Heinrich, Gerald Marschke, and Jeffrey Smith*
- **A Formal Model of a Performance Incentive System**, *James J. Heckman, Carolyn J. Heinrich, and Jeffrey Smith*
- **The JTPA Incentive System: Implementing Performance Measurement and Funding**, *Pascal Courty and Gerald Marschke*
- **Setting the Standards: Performance Targets and Benchmarks**, *Pascal Courty, Carolyn J. Heinrich, and Gerald Marschke*
- **Do the Determinants of Program Participation Data Provide Evidence of Cream Skimming?** *James J. Heckman and Jeffrey Smith*
- **Measuring Government Performance: An Overview of Dysfunctional Responses**, *Pascal Courty and Gerald Marschke*
- **Local Responses to Performance Incentives and Implications for Program Outcomes**, *Carolyn J. Heinrich*
- **Do Short-Run Performance Measures Predict Long-Run Impacts?** *James J. Heckman, Carolyn J. Heinrich, and Jeffrey Smith*
- **Lessons for Advancing Future Performance Standards Systems**, *James J. Heckman, Carolyn J. Heinrich, and Jeffrey Smith*

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