Key Performance Areas and Evaluation System Design Ideas of Local Government Based on Government Ecological System

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Abstract: Government ecosystem thinks that government is an organic body under the law of living motion. Performance evaluation on local government need the determination of the key performance areas in the first place, this area is an organic whole constituted by key result areas, key management areas, and key competence areas. The design of key performance areas of government evaluation system must focus on its important role in public human resource management, the clarification of design logic and “three layers + three K” design framework and model establishment.

Keywords: Government ecosystems; local government; key performance areas; evaluation system design ideas

Although the performance-oriented government management model began in the early 20th century, but the widespread concern on performance management had begun with the event of U.S. Congress passed “Government Performance and Results Act “(GPRA) in 1993, since then the research on government performance evaluation and management was increasingly becoming a hot topic in theoretic and government administration area. In fact, government performance management is a systematic engineering with dynamic process, during which the public sector actively carry out public responsibilities in order to gain the maximum public output on the basis of integration on internal management and external effects, the quantity and quality, economic factors and ethical and political factors, rigid and flexible mechanisms. Therefore, this article will conduct a more in-depth discussion on key performance areas and the design of evaluation system of local government ecosystem.

1. About Government Ecological System

Government Ecological System (GES) is an innovative proposition. This article introduces the concept of the industrial ecosystem from American scholar T.E. Graedel and B.R.Allenby, which thinks that government is an ecosystem under the law of living motion, likes all the other organisms, which is so-called government ecosystem. Therefore, GES is an organic whole under the law of living motion, rather than a simple mechanical model of the organizations piling up. The purpose of the existence and development of each government functional department is the healthy growth of GES, instead of just maximize departmental benefits and management functions; especially the precondition of existence and development of each functional department is to provide protection and value creation for the orderly operation of the whole society, instead of completely producing and providing "public goods". At the same time, the development of government departments mainly lies in the "symbiotic optimization" with the other relevant functional departments, rather than on their own, not to mention pure competition. In the light of this, GES must correct the negative thinking of impropriating public resources on their own, the fragmentation of social interests, grandiose management thinking, and bad trade-off on the major decisions, which are contrary to GES concept, and keep compliance with the management philosophy of "synergistic symbiosis, government 'stakeholders' value-creation", because it is the ecological criteria for government management and social evolution. Also it should be noted that the introduction of the concept of GES is not a momentary thinking impulse, not an exaggerate motive of concept game,
because the concept of GES not only reflect the law of evolution of motion of the natural.

The author believes that the research on government performance in GES has three important starting points: First, it takes the government ecosystems as object of the study to learn the multiple influence of government activities and its evolution on government performance, including the multiple influence that forward and backward evolution brings, and propose suggestions of improving and coordinating government performance. The second is to learn how to regulate the system of government policy actions, coordinate the relations of relevant government departments and the objective of each functional department with the other departments from the perspective of system, organization, management innovation, in order to realize the sound operation and synchronized coordination of government functional development and performance, so as to realize the coordinated development of natural ecosystem, economic ecological and social-ecological systems. development. Third, try to explore how to reach a agreement on each part of GES and achieve a series of win-win solution for enhancing government performance implementation through learning, negotiating and cooperating with GES stakeholders on the basis of comprehensively defining GES stakeholder.

2. **about the key performance areas of local government**

Facts have proved that there are many factors affecting government performance, and the local government has its particularity. The author thinks that the exploration of factors affecting the performance of local government needs to find the key performance areas affecting key performance, and then enhance the performance of local government through improving them. However, in order to find and define the key performance areas of local government, it’s needed to develop government development strategy and then to match the key performance areas with the government's development strategy, which is conducive for improving government performance, and the realization of the development goals. Or we could say that the key performance areas serve for the government's development goals.

2.1 **The identification of key performance areas**

In general, according to the local government's development strategy, when designing the performance appraisal system, it’s needed to determine where are key performance areas which affecting government performance, so that the government's development strategy could be achieved through these areas and ensure the “landing” of government development strategy and which can be effectively implemented. In my view, the following three key performance areas is essential organic body for the local government.

2.1.1 **Key Result Area, KRA**

Key result areas are important evaluation indicators areas of protecting the key performance of the government, which reflects the focus of government performance. Meanwhile, KRA is also the important result areas reflecting the strategic objective of the government and the government's commitment to the public, which cannot be ignored. Of course, the evaluation on government key result areas is not only about evaluation results, but also focus on the process. Because of the evaluation on local government or a government department or some civil servants, if only focus on results evaluation, it is easy to lead to short-term behavior, which would affect the overall performance, long-term goals and development strategies, and is not conducive to the balanced development of government functions. Therefore, the same attention should be given on the process of evaluation areas.

2.1.2 **Key Management Area, KMA**

Key management area is the evaluation indicators areas of protecting government key management performance. In general, it’s necessary to fine the key areas of protecting government management performance and long-term development based on the analysis of the management bottleneck and limitations of the government. In fact, key management can prevent the drawbacks of evaluating government performance only through results indicators, and help the government departments continuously eliminating the management drawbacks, collaborative working, and improving the
management level. Of course, the focus of government's key management areas will change with the adjustment of working focus, and the evaluation indicators of key management areas need appropriate adjustments and optimization with the adjustment of the focus of government work, or even setting up some important management evaluation indicators, and give them a large weight. Therefore, this reflects that government’s basic properties as the ecosystem, otherwise it is not a government ecosystems in the real sense.

2.1.3 Key Capacity Area, KCA

Key Capacity Area is the Ability Evaluation criteria which ensure government perform the basic functions and achieve development goals, is equivalent to the organization's core competitiveness.

In the context of establishing "Responsibility-oriented government, legal-oriented government, service-oriented government", China has been putting more and more attention to the key capacity building at all levels of governments. In my opinion, Key Capacity are directly related to the role local government played, the local government must establish Key Capacity commensurate with the basic functions, and provide the public high quality services and policy. It should be said, under the conditions of the rapid development in science and technology today, especially the growing role-play of information technology, Key Capacity to perform critical functions of the government are increasingly important. Therefore, the local governments must pay special attention to key capacity-building, and develop Key Capacity Area of their own style.

2.2 The basic relationships of the key performance areas

As key performance areas, Key Result Area (KRA), Key Management Area, KMA, Key Capacity Area, KCA are an organic whole. Firstly, Key Management Area is an important carrier of local government’s management functions, reflected the basic responsibilities and activity areas of the governments, or what the government should do, and what’s the point the government's start with. If this area is not clear or not clear enough, it is bound to seriously affect the performance of the governments achieve. Secondly, Key Capacity Area is a means to support Key Management Area, the government can hardly achieve objectives and mission of Key Management Area without the Key Capacity, and the government itself will lose the need for existence. These all illustrate that the local government must pay attention to the training and optimization of the Key Management Area, form their own core competencies, and effectively achieve the goals of management Area. Furthermore, the key result areas are the goal of the effective operation of the first two areas, without effective output of the first two areas, there will be no effective output in the key result areas. It is clear that, the key result areas are the key point of local government performance achievement, and only when performance of the key results areas is achieved, the Government's overall performance goals and mission can be realized.

3. Design ideas of Key performance areas evaluation system

Design work for Key performance areas evaluation system is the basis for performance evaluation of local government. In recent years, academia and government together has made a lot of performance appraisal results. e.g., the China Social Survey Institute of Government Performance Evaluation Center and the Beijing Institute research and develop the "Social evaluation index system of government performance ", in order to break through the traditional performance evaluation models, and actively contribute to the social organization outside the party and government departments, to carry out of the public evaluation of government performance based on citizen satisfaction. The Opinion poll and evaluation system which is based on citizen satisfaction, carried out by the third parties outside the government come out just the right time. Practice has proved that third-party performance evaluation has its special advantages, not only open and transparent in the evaluation process, the evaluation results are more objective, fair and more importantly, can represent the people’s thinking, pool their wisdom, and give the public a relaxed, open channel to participate and discuss the politics issues. Based on the public perspective, focused on issues most close to the lives of the people, with the standard public satisfaction, "Social evaluation index system of government performance "set up five evaluation section, which
includes the environment, economic and social livelihood of the people, public services and management, and leading cadres of democratic and legal construction, contains 29 first-level indicators and 143 secondary indicators. The system will provide a more extensive, objective, open and measurement tools for the for the community to the performance evaluation at all levels of local governments, and play a positive an important role in promoting transformation of government functions, interaction between the government and public and cooperation of government and community.

Then, how can we sort out the design ideas which is based on evaluation system of the government key performance areas?

3.1 The important role of Government performance evaluation played in government's human resource management.

Generally, we believe that the core issue of human resource management is human resources value chain management, and performance evaluation plays a very important role in the value chain management. In order to make it more clear how important the local government to performance evaluation, we firstly need to analyze the value management system of the government human resources, and fully understand the important role the public sector human resources played in creation and value of the government performance, then recognize the importance of design evaluation system of local government key performance areas. Shown in Figure 1:

![Human Resource Value Management System of the Government](image-url)
In fact, the guarantee of government performance is based on the mission vision and core values, and oriented on strategic goal. Performance Evaluation System is not just built on the assessment of civil servants, but on guiding and inspiring Behavior and thinking of the public servants from the concepts and visions, on cohesion and integration of different levels, different categories of public servants, so that they can develop the value of implanting and training the government in their growth. Therefore, the establishment of mission, vision, core values are the most important issues of performance support system. In general, the core values will not change with the changes in a predictable environment; in the performance evaluation process, with guidance for civil servants, and plays to judge the value and purpose of the guide.

The function of Values and value management system, shown in Figure 2:

![Diagram of Core Values, Value Creation, Value Evaluation, Value Distribution, and Value Management System]

**Figure 2: The function of Values and value management system**

### 3.2 Design ideas of Key performance areas evaluation system

Undoubtedly, to achieve the government's strategic goals and vision of the mission, we need to develop a new Government performance appraisal ecosystem. Assessment indicators are divided into two categories: one is Key Performance Indicator (KPI), the other is Common Performance Indicator (CPI). The design weight of two indicators is based on "Pareto rule", key indicators should be concise, in order to focus on management and evaluation of Key performance areas.

In this assessment ecological system, the assessment indicators of the key result areas (KRA) is as key performance indicators (KPI), which is the quantitative and qualitative forms of government's strategic objectives, and decomposed to government-level KPI, functional level KPI, job-level KPI top-down. The assessment indicators based on strategic objectives of the government and “a management short board” of key management areas (KMA) of for the key management indicators (KMI), to ensure the achievement of the government's key management effectiveness, and all the same, it must also be top-down decomposed to three levels, government KMI, functional KMI, positions KMI.

Meanwhile, Key Capacity Indicator (KCI), designed according to the government's key Capacity areas of (KCA), is to ensure key capabilities of the government which is needed in functions performance, It is also needed to break into three-level: the government KCI, functional KCI, positions KCI. Then, the other non-critical areas of assessment indicators are as Common Performance Indicator, (CPI), which is the key indicator needed for others, other than the evaluation areas stated above, the same, it is vertically decomposed into three levels, namely Government CPI, functional section CPI, position CPI.

It can be seen that, the ecosystem of local government performance evaluation, achieve key performance objectives, by the three key areas design of the "three K" indicators (Namely is KPI, KMI and KCI), which we referred to as the "three K system." design. As the three key performance areas all need to be oriented by the government's development strategy, by the vertical direction of the assessment, from the government to functional departments and to the post level, go through three times decomposition, enable the achievement of the local government strategic goal, make positions objectives consistent with the government objectives and strategic requirements, which is also known as "three
layers + three K system" design.

What needs to be emphasized is that, Key management indicators (KMI) through the vertical system to target quantitative assessment in the form of index to determine the appropriate assessment standards that the government can grasp the key points; and other management content build into the horizontal system in the form of rules, regulations and staff norms, etc., to regulate by manage, inspect and review that the government management have focus (KMI assessment) and systems (system specification). Therefore, the key design of KMI index is to analyze the management of government and find out where is the "management shortcomings" in, refining the key management indicators, to resolve bottlenecks, and borrowed such professional analysis tools fish bone diagram to decomposition layers by layers to find where the crux of the cause lies. At the same time, KMI indicators need involving functional departments and positions to discuss around the achievement of KMI and put forward solutions, and regularly through the completion of evidence-based indicators to carry out effective checks. Other functional departments or positions by overall constraints of the system for long-term specifications. It should be said, the requirements of system to functional department and staff work are quiet different from that of KMI indicators. KMI have a higher standard of the degree of completeness and quality and requires the appropriate business and management processes more efficiency, improved more deeply. And cause system specifications is the requirements to various departments and position thus the evaluation criteria with versatility.

The key performance areas appraisal system of Government ecosystem and support system design model shown in Figure 3:

![Figure 3: The key performance areas appraisal system of Government ecosystem and support system model](image)

In short, the design of key performance areas and their evaluation system which based on ecological system of the local government, related to people-oriented values, results-oriented management philosophy, and administrative reform and management innovation with the guidance of the scientific development concept. That includes the increasing clearance of mission, vision and management objectives of the government departments, the continuous innovation of the management culture and policy behavior of the government, continuous improvement of internal and external oversight mechanisms, continuous enrichment of the assessment index system, and continuous improvement of the examination results use mechanism. The local governments must attach great importance to establishing a scientific performance evaluation index system of government, according to the requirements of "scientific concept of development", which will fully reflect the guiding principle of coordinated development of urban and rural areas, balanced development among the regions, co-development of
economic and social, and harmonious development between man and nature, and use "5E" model of the modern government performance evaluation (Namely is economy, efficiency, effectiveness, economy, equity). The selection of indicators should contain economic, efficiency indicators, effect and efficiency indicators and fair indicators, so that the government's performance will truly promote the performance of local economic and social development.

References