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April 1998

PERFORMANCE  
MEASUREMENT  
AND EVALUATION

Definitions and  
Relationships

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# Program Performance Assessment

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Both the executive branch and congressional committees need evaluative information to help them make decisions about the programs they oversee—information that tells them whether, and in what important ways, a program is working well or poorly, and why. In enacting the Government Performance and Results Act of 1993 (the Results Act), Congress expressed frustration that congressional and executive branch decisionmaking was often hampered by the lack of good information on the results of federal program efforts. Seeking to promote improved federal management and the increased efficiency and effectiveness of federal programs, the Results Act instituted a governmentwide requirement for agencies to set goals and report annually on program performance.

Many analytic approaches have been employed over the years by the agencies and others to assess the operations and results of federal programs, policies, activities, and organizations. Periodically, individual audit and evaluation studies are designed to answer specific questions about how well a program is working, and thus such studies may take several forms. The Results Act explicitly recognizes and encourages a complementary role for these types of program assessment: annual performance reports are to include both performance measurement results and evaluation findings. This document describes and explains the relationships among common types of systematic program assessments: performance measures, program evaluations, and performance audits.

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**Program Performance  
Assessment**

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This glossary was prepared at the request of the Senate Committee on Governmental Affairs. Major contributors were Stephanie Shipman and Joseph Wholey. Please address any questions to me or Stephanie Shipman on (202) 512-7997.



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# Types of Program Performance Assessment

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## Performance Measurement

Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress towards preestablished goals. It is typically conducted by program or agency management.

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).

A “program” may be any activity, project, function, or policy that has an identifiable purpose or set of objectives.

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## Program Evaluation

Program evaluations are individual systematic studies conducted periodically or on an ad hoc basis to assess how well a program is working. They are often conducted by experts external to the program, either inside or outside the agency, as well as by program managers.

A program evaluation typically examines achievement of program objectives in the context of other aspects of program performance or in the context in which it occurs. Four main types can be identified, all of which use measures of program performance, along with other information, to learn the benefits of a program or how to improve it. Evaluations are one type of study done by GAO under the broad category of performance audits.

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# Relationship Between Performance Measurement and Program Evaluation

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## Different Focus

Performance measurement focuses on whether a program has achieved its objectives, expressed as measurable performance standards. Program evaluations typically examine a broader range of information on program performance and its context than is feasible to monitor on an ongoing basis.

Depending on their focus, evaluations may examine aspects of program operations (such as in a process evaluation), or factors in the program environment that may impede or contribute to its success, to help explain the linkages between program inputs, activities, outputs, and outcomes. Alternatively, evaluations may assess the program's effects beyond its intended objectives, or estimate what would have occurred in the absence of the program, in order to assess the program's net impact. Additionally, program evaluations may systematically compare the effectiveness of alternative programs aimed at the same objective.

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## Different Use

Both forms of assessment aim to support resource allocation and other policy decisions to improve service delivery and program effectiveness. But performance measurement, because of its ongoing nature, can serve as an early warning system to management and as a vehicle for improving accountability to the public.

A program evaluation's typically more in-depth examination of program performance and context allows for an overall assessment of whether the program works and identification of adjustments that may improve its results.

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# Types of Program Evaluation

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## Process (or Implementation) Evaluation

This form of evaluation assesses the extent to which a program is operating as it was intended. It typically assesses program activities' conformance to statutory and regulatory requirements, program design, and professional standards or customer expectations.

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## Outcome Evaluation

This form of evaluation assesses the extent to which a program achieves its outcome-oriented objectives. It focuses on outputs and outcomes (including unintended effects) to judge program effectiveness but may also assess program process to understand how outcomes are produced.

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## Impact Evaluation

Impact evaluation is a form of outcome evaluation that assesses the net effect of a program by comparing program outcomes with an estimate of what would have happened in the absence of the program. This form of evaluation is employed when external factors are known to influence the program's outcomes, in order to isolate the program's contribution to achievement of its objectives.

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## Cost-Benefit and Cost-Effectiveness Analyses

These analyses compare a program's outputs or outcomes with the costs (resources expended) to produce them. When applied to existing programs, they are also considered a form of program evaluation. Cost-effectiveness analysis assesses the cost of meeting a single goal or objective, and can be used to identify the least costly alternative to meet that goal. Cost-benefit analysis aims to identify all relevant costs and benefits, usually expressed in dollar terms.

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