

An Overall Assessment of the Ontario Municipalities Benchmarking Initiative (OMBI)

MPA Research Report

Submitted to

The Local Government Program  
Department of Political Science  
The University of Western Ontario

Feven Gebremicael  
January 2010

## **Abstract**

This thesis attempts to examine the success of the Ontario Municipal Benchmarking Initiative (OMBI) based on the performance measurement data reported in its annual publications 2006, 2007 and 2008. Preliminary observation on those reports suggests that OMBI's objectives are barely met, although the program in principle is important for municipalities. This thesis finds out that issues related to accountability, standard measures, etc, which are at the heart of benchmarking and OMBI's objectives, failed to ensure service excellence and sharing good practices.

Many governments adopt New Public Management to initiate performance measurement in an effort to improve service delivery and become more accountable for their productivity. Others have adopted the theory to ensure efficiency and effectiveness. Although OMBI adopted the NPM to ensure service efficiency and effectiveness, it barely satisfies accountability to its municipality's taxpayers. Therefore, in order to gain a higher degree of success, OMBI should adopt a NPM theory that focuses on municipalities' value-oriented performance measurement.

Evidence from OMBI's reporting and success stories show that the failure and success of OMBI depends on the accountability of CAOs and managers, and the involvement of the public in the development and management of standard measures. This thesis, following NPM experts, Osborne and Gaebler (1992), Moore (1995), Plant (2008), Ammons (2001), and others, also argues that the OMBI program will have more long-term success if it develops standard measures that ensure 'apples to apples' comparison in its program.

## Table of Contents

Abstract .....	1
1 INTRODUCTION .....	3
1.1 Objectives of the thesis .....	5
1.2 Limitations of the Study .....	6
2 THEORETICAL FRAMEWORK .....	6
2.1 Literature Review .....	7
2.2 Benchmarking and Performance Measurement .....	9
2.3 Performance Measurements and benchmarking at the local level .....	12
2.4 Measures and Drawbacks .....	12
2.5 Successful performance measurements .....	14
2.6 Benchmarking .....	15
3 OVERALL ASSESSMENT OF OMBI .....	17
3.1 Introduction .....	17
3.2 OMBI Objectives: Accountability and Standard Measures .....	18
3.3 Case Presentation: Service Results .....	24
3.4 Success Stories of OMBI .....	29
3.5 Learning Curve for OMBI .....	34
4 CONCLUSION and RECOMMENDATION .....	38
4.1 Conclusion .....	38
4.2 Recommendation .....	40

## **An Overall Assessment of the Ontario Municipalities Benchmarking Initiative (OMBI)**

### **1 INTRODUCTION**

In today's highly competitive, rapidly changing global economy, a wide variety of innovative management philosophies and strategies has paramount importance in any organization, and public sector organization is no exception. However, for the public sector to realize these goals and objectives it may need to look beyond its immediate environment and be willing to share information with, and learn from, other partners.

One managerial philosophy that embodies this "learn from others" approach is the process of benchmarking. Benchmarking has been used extensively in the private sector towards achieving a variety of operational and strategic ends. It has also been applied to the full scope of organizational processes and departmental functions, with varying degrees of success. The Ontario Municipalities Benchmarking Initiative (OMBI) is one of the benchmarking initiatives in Canada, which was developed in line with this spirit.

Advocates of performance measurement and benchmarking in the public sector have long pressed for the development of good indicators and the use of those indicators in management and policy decisions. Increasingly, respected professional associations, including the Canadian Institute of Chartered Accountants and the American Society for Public Administration, are promoting the practice.

Although Municipal Performance Measures began to take shape in the late 1980's (OMBI 2008 report), as municipalities began to work with indicators that describe service value, the work to measure municipal services in Ontario began in the late 1990's. When the Ontario CAOs Benchmarking project started (1999), the CAOs of the Cities of

Toronto, London, and Thunder Bay worked on a number of pilot projects mainly focusing on four different municipal services: water, wastewater, solid waste management, and land ambulance. However, later in 2001-2002 with the increase in number of participating municipalities, the OMBI municipalities reviewed more than 50 benchmarking initiatives that led to the development of OMBI's benchmarking model with the following core mission:

*The Ontario Municipal CAO's Benchmarking Initiative is a partnership project to push for service excellence in municipal government. Participating municipalities are working together to identify and share performance statistics, operational best practices and to network in a spirit of innovation and entrepreneurship to push for even greater successes.*

As it has been mentioned in the OMBI's website and clearly spelled out in the 2007 annual report, OMBI's principal objectives are developed by CAOs and City Managers of participating municipalities following a series of strategic planning discussions in 2001-2002. These objectives are:

- ✚ Report consistent, comparable information for selected local government services;
- ✚ Develop findings that lead to discussions about service efforts and accomplishments;
- ✚ Identify services where more in-depth analysis would help determine the potential to improve services and the sharing of better practices; and
- ✚ Provide useful management tool that integrates performance data to assist in decision making within municipalities.

This thesis therefore attempts to examine whether OMBI is successful in meeting these objectives and the extent to which OMBI utilizes comparable data and consistent report in order to improve quality services and accountability in participating municipalities. It also attempts to look at problems related to the basic objectives of the program and suggest possible solutions that illustrate how OMBI should respond to these issues in order to be more successful. In doing these, the thesis mainly draws data from the 2006, 2007 and 2008 annual reports, particularly focusing on three programs: Firefighter services, library services, and social assistant services.

### **1.1 Objectives of the Thesis**

The objective of this thesis is to examine the objectives of OMBI that are listed above, using NPM elements as a theoretical framework and to address the following questions:

- i. Does OMBI achieve appropriate standard measures and benchmark results in order to identify best practices in Ontario municipalities as one of its objectives?
- ii. Does OMBI provide a useful management tool that integrates financial and performance data to assist in decision making within municipalities?
- iii. How can OMBI cope with the challenges that confront the program, such as ‘apple to apple’ comparison now and in the years ahead? and
- iv. How should it respond to the increasingly changing and interconnected environments in which municipalities operate?

This thesis addresses these questions from the point of view of benchmarking and OMBI's specific objectives and critical success factors such as accountability and establishment of standardized measurements.

## **1.2 Limitations of the Study**

While this thesis is an attempt to an all-encompassing look at OMBI's objectives, due to foreseen and unforeseen circumstances, not every objective is examined and touched up on. Time and space, for instance, precludes this research to focus mainly on the assessment of three programs namely, Firefighter Services, Library Services, and Social Assistant Services. Also, the thesis is limited due to the fact that the author's attempt to reach out CAOs, City Managers, and Municipality workers to get a direct feedback and opinions about the OMBI programs was unsuccessful. The non-return of 42 out of 45 questionnaires and e-mails sent out to CAOs and city managers, and the fact that only three useful returns were received was disappointing. Therefore, the total dependence on the OMBI published annual reports of the 2006, 2007 and 2008 certainly made it difficult to construct a more extensive assessment of the program.

## **2 THEORETICAL FRAMEWORK**

The goal of this section is to increase the general understanding of performance measurement and benchmarking by looking at literatures available on the subject, as well as reviewing the Ontario Municipal Benchmarking Initiative (OMBI). As an approach to public administration, this paper adopts the New Public Management (NPM) developed by Osborne and Gaebler (1992), Ferlie et al. (1996), Pollitt (2006), and Benchmarking approach suggested by Ammons (1995, 2000).

## 2.1 Literature Review

*Indeed, sometimes the new public management seems like an empty canvass: You can paint on it whatever you like.* Ferlie et al. (1996)

Originating in the Anglo-American world, the New Public Management (hereafter NPM)) paradigm appears to have swept over various countries, producing convergence of administrative reform. Specific implementations of NPM, however, show a surprisingly large variety of forms, shapes, and results (Homburg et al, 2007). These include performance indicators, personnel reforms, creation, and management of executive agencies, public private partnerships, benchmarking and evaluations of reforms. This section reviews how the concept of NPM is relevant to performance management and benchmarking in municipalities.

NPM is a management philosophy used by governments since the 1980s to modernize the public sector. Since then, it is a broad and very complex term used to describe the public sector reforms throughout the world. The main hypothesis in the NPM is that more market orientation in the public sector will lead to greater cost-efficiency for governments, without having negative side effects on other objectives and considerations. In this respect, NPM can be described as a loose framework that gets its “inspiration from the private sector, and urges public sector institutions to be more businesslike through contracting-out, alternative services delivery, and client/customer feedback” (Pal, 1997).

NPM has enhanced governmental organizations’ exposure to performance information (Radin, 2000; De Bruijn, 2002; Behn, 2003; Pollitt and Bouckaert, 2004), but studies show that the mere presence of performance measures does not necessarily lead to their effective use in decisions (Rich and Oh, 2000; Melkers and Willoughby, 2005;

Siverbo and Johansson, 2006). Most scholars, in fact, appear rather sceptical about the usefulness of performance information in decision-making and accountability (Ferlie et al., 2006; Pollitt, 2006). This is disappointing for those who foster hopes for increasingly well-informed decision-making and accountability in government. We will see whether this disappointment is legitimate when we examine OMBI's objectives in the analysis section.

On the other hand, many argue that NPM is not a clear management theory but rather a variable wealth of ideas taken from different theories and schools of thought (Mohamed Charih and Arthur Daniels, 1995:122-32). Compared to other public management theories, NPM is more oriented towards outcomes and efficiency through better management of public budget. It is considered to be achieved by applying competition or benchmarking, as it is known not only in the private sector, but also in the public sector, emphasizing economic and leadership principles. NPM addresses beneficiaries of public services much like customers, and conversely citizens as shareholders.

For many others, benchmarking is an outgrowth of NPM (Hood, 1991). A private sector import, benchmarking imitates organizational behaviour in competitive markets with the promise of performance enhancement. Economists explore public sector benchmarking in the context of utility regulation (Shleifer, 1985). They promote yardstick regulation, a special form of benchmarking, as a tool for managed competition in infrastructure (Weyman-Jones, 1990; Sawkins, 1995). Public administration experts consider benchmarking to be an instrument that can increase accountability and help disseminate best practices among public sector organizations (Osborne and Gaebler,

1992). In other words, Public administration experts address questions such as how can governments give civil servants enough autonomy to maintain neutrality and insure the flexibility necessary to manage public programs efficiently and effectively, yet still ensure managers' accountability to a government's fiscal and programmatic priorities? Where should we draw the benchmark, and what institutional designs and incentives should we construct to keep the benchmark in place? (Aucoin, 1995).

The adoption of NPM was believed to “yield greater economy, greater efficiency, rising standards of public service, keener ‘ownership’, and enhanced autonomy for service managers or providers, and greater responsiveness by staff to the users of public services of all kinds” (Pollitt, 1996, 9). This in turn ensures a superior performance and hence, a successful organization. Generally, the most successful organization has managers that are accountable and expect their staff to be accountable as well (Ammons, 1994:11). Performance measurement is simply one-way to increase accountability because it records what various divisions of an organization have done and how well it was done (ibid, 11).

In line with these issues, this thesis will consider performance measurement and benchmarking as aspects of NPM, to discuss about the objectives of Ontario Municipal Benchmarking Initiatives.

## **2.2 Benchmarking and Performance Measurement**

A widely used form of performance measurement, both in private and public sectors, is benchmarking (Askim 2004). Unlike many other forms of performance measurement, benchmarking provides a proactive way of affecting change. If an organization knows its strengths, recognizes its weakness, and understands how the

surrounding external world performs, it can identify those practices that require modification (Camp, 1989). On the other hand, when understood as a “practice,” benchmarking can be framed as a limited-purpose practical theory of action that, although prescriptive, is warranted by descriptive understandings (Askim 2004).

Benchmarking is generally understood to perform the organizational function of innovation via vicarious organizational learning (Ammons et al., 2001; Behn, 2003). However, weaknesses exist in the descriptive understandings that underpin the perceived means-end relationship between benchmarking and organizational learning (Folz, 2004; Wolman and Page, 2002). Although attempts have been made at mapping a causal chain between benchmarking, learning, and improvement (Askim 2004), these attempts have identified few factors that actually condition organizational learning from benchmarking activities. Consequently, although generic prescriptions abound, little empirical knowledge exists within public administration and public management about where and why benchmarking works. This thesis contributes to that body of empirical knowledge.

On the other hand, performance measurement has been subjected “to fine-tuning over the years” (Kearney and Merman, 1999, 3). However, performance measurement continues to be imperfect because public organizations are complex or multi-dimensional in nature and have many goals. Many authors have written about the common problems and barriers of performance measurement and benchmarks. For example, Peter Drucker established the following “sins of public administration” (Drucker, 1999, 36-40):

1. Setting unrealistic goals or having a lofty objective
2. Overstaffing and believing “fat is beautiful”
3. Inadequate experimentation – don’t experiment, be dogmatic
4. Insufficient learning from feedback
5. Failure to abandon

Other authors state that a common problem is due to organizations tend to adapt management tools that look good in theory, but are a nightmare when implemented. Many public administrators wrongly assume that performance measurement will automatically increase effectiveness. The truth is, if not fully or adequately implemented, it has the potential to actually decrease performance (Gabris, 1999, 101).

Performance measurement includes both the setting of targets and the review of performance against these targets (O'Connell, 2000). It can be used to improve the performance of organizations, to improve control and accountability mechanisms, give form to the budget process, and to motivate staff. The main objective of performance measurement in public organizations is to support decision-making (leading to improved outcomes) and to meet the internal and external accountability requirements. Therefore, all instruments of performance management are strongly based on measurement.

Benchmarking also shares some basic features with other forms of performance measurement. It includes quantitative and qualitative assessments of what an organization is doing, how well it is performing, and what the effects of certain activities are. However, the process of benchmarking must not be confused with the concept of a benchmark. A benchmark is a standard of performance, whose criteria may be established by an organization as a goal or expected level of performance for various reasons.

On the other hand, unlike performance measurement processes, benchmarking focuses on how to improve organizational processes by focusing on the best practices rather than merely measuring the best performance. Best practices are the causes of best performance. The analysis of best practices provides the greatest opportunity for strategic, operational, and financial improvement.

### **2.3 Performance Measurements and Benchmarking at the Local Level**

The paper thus far has looked at, in its literature review section, how a performance measurement and benchmarking fits within the theory of New Public Management. Using a more focused lens, this section of the paper will review performance measurement and benchmarking at the local level.

David Ammons is one author in particular who has produced extensive literature on the topic of performance measurement and benchmarking at the local level. He argues that if local government is serious about efficient and effective service delivery (it is assumed that they are), performance measurements and benchmarks need to be established (Ammons, 1995, vii).

Speaking of service excellence, Ammons explains that performance measuring does not take precedence in local government because the pressure of competition and profit does not exist at the same level as it does in the private sector. He states that local governments tend to focus on the more pressing issues because performance measurement is viewed as complex, threatening to the status quo and uses up already scarce resources (Ammons, 1995, 10).

### **2.4 Measures and Drawbacks**

Performance measurement is not the answer for everything because potential problems do exist. Generally, true performance measures in local government can be categorized as one of four types (Ammons, 1995, 12):

- 1). Workload (output) measures
- 2). Efficiency measures
- 3). Effectiveness (outcomes) measures
- 4). Productivity measures

A problem is that many local governments in North America only collect workload (output) measures (Ammons, 18). These measures indicate the amount of work done or that amount of services received, for example, the number of arrests made in a year and the number of books used in a library. Output measures are often incorrectly assumed to be useful because they measure the quantity of work done; they do not factor in the quality of the work or efficiency in which the work was done (Ibid, 2).

While it is easy to understand the benefits of taking measures further than simple outputs measure, many do not take the time to develop better indicators even though information is quite readily available on how to go about it. Municipalities should embrace the concept of continuous improvement and be willing to benchmark (measure) against outcomes. Although rare (due to resource and complexity), developing measurements to illustrate efficiency, effectiveness, and productivity can greatly benefit the operation of local government (Ammons, 1995).

Efficiency measures usually are expressed as unit costs or units produced per employee hour and illustrate “the relationship between work or services produced and the resources required to produced them” (Ammons, 2001, 2). Effectiveness (outcomes) measures “illustrated the performance quality or the degree to which a department’s objectives have been achieved” (Ammons, 2). An example of effectiveness measurement is comparing citizen’s satisfaction against a timeline. Productivity measures are essentially a hybrid, combining efficiency and effectiveness (outcome) components to create a single measurement.

Another problem that exists is inconsistent methods of measuring. For example, if measurement is taken by police services to record the total number of people arrested and

the methods in which the very first year's data or another municipality data were collected are questionable, then there is little value to compare it with the most recent data, or with other municipalities' results. Furthermore, local governments that may initiate performance measurements may also discover that performance measures are insignificant unless a relevant standard benchmark exists to measure it against (Ammons, 2).

Standards are rare because of complexity and resources. Even if associations develop standards, Ammons stated that it is rare for comparisons to be made against standards because they are usually based on limited data, questionable methods, or are self-serving, resulting in ambiguous or completely useless standards. Further to this, standards may only represent the lowest acceptable performance levels or designate norms.

## **2.5 Successful performance measurements**

When performance measurements are properly developed and implemented, they can be very valuable and effective. Ammons from his research was able to suggest the following steps to assist in the successful implementation of a performance measurement program (Ammons, 21):

1. Secure managerial commitment
2. Assign responsibility (individual or team) for spearheading /coordinating departmental efforts to develop sets of performance measures
3. Select departments/activities/ functions for the development of performance measures
4. Identify goal and objectives
5. Design measures that reflect performance relevant to objects
  - Emphasize service quality and outcomes rather than input or workload
  - Include either too few or too many measures
  - Solicit rank-and-file as well as management input/endorsement

- Identify the work unit's customers and emphasize delivery or services to them
  - Consider periodic survey of citizens, service recipients, or users of selected facilities
  - Included effectiveness and efficiency measures
6. Determine desired frequency of performance reporting
  7. Assign departmental responsibility for data collection and reporting
  8. Assign centralized responsibility for data receipt, monitoring, and feedback.
  9. Audit performance data periodically
  10. Ensure that analysis of performance measures incorporates a suitable basis of comparisons.
  11. Ensure a meaningful connection between the performance measurement system and important decision processes (e.g. goal setting, policy development, resource allocation, employee development, compensation, and program evaluation).
  12. Continually refine performance measures, balancing the need for refinement with the need for constancy in examining trends.
  13. Incorporate selected measures into public information reporting.

If the proper amount of time is invested into the implementation and design of the performance measures, a program can be successful. Comparing yearly-recorded data can be very helpful in understanding ones efficiency and effectiveness. The value of this is increased when those measures are compared to standards or other local government data (Ammons, 2001, 24). Why then have there been only a handful of comparative performance measurement projects? Ammons argues that most likely some local governments are simply satisfied with the status quo and do not wish to have their performance compared to others. Another answer is that comparison programs are simply too complex and often require explanations about their standing (Ammons, 24).

In what follows, the importance of benchmarking will be discussed.

## **2.6 Benchmarking**

In both the public and private sectors, various forms of benchmarking have been performed for many years. One of the key considerations in benchmarking is the

selection of benchmark forms, which leads to a common distinction between internal and external benchmarking (Camp, 1989; Spendolini, 1992). Internal benchmarking refers to the comparison of divisions, branches or units within the same municipality or organization or is often oriented toward improving functional performance (such as process reengineering) as well as identifying strengths, weaknesses, opportunities, and threats. External benchmarking, on the other hand, refers to when municipalities/industries compare themselves with other municipalities/industries such as competitors in the same industry (“competitive benchmarking”), non-competitor organizations in another industry (“best-practice benchmarking”), or aggregated data comprising a specific sector or industry (“sector benchmarking”).

Benchmarking made its appearance in public management in the 1990s and has become a popular management tool used to identify performance gaps and to drive performance improvement. In line with this, Spendolini (1992) defines public sector benchmarking as:

A continuous, systematic process for measuring, comparing, evaluating, and understanding the products, services, functions, and work processes of organizations for the purpose of organizational improvement.

What is central to benchmarking is its aim to improve performance. Currently, many public sector organizations - ranging from central government departments and local government organizations, to police forces and hospitals - are engaged in benchmarking projects that aim explicitly at this goal. That is not to say that performance improvement is the sole objective of these projects. However, other purposes may include meeting external requirements to provide comparative data, increasing accountability to

the public for the use of resources, justifying or defending performance, and perhaps comparisons with private sector providers (Tillema, 2005).

For the purpose of this paper, benchmarking can be described as the comparison of activity and levels of performance between municipalities with the aim of identifying opportunities for improvements. The paper thus far has looked at the relevant academic literature on benchmarking and performance measurement. Using a more focused lens, the paper will look at the Ontario Municipal Benchmarking Initiative and its pros, cons and barriers to success based on the reviewed literature review.

### **3 OVERALL ASSESSMENT OF OMBI**

#### **3.1 Introduction**

This section examines the objectives set out by OMBI. It looks at the 2006, 2007 and 2008 annual reports of OMBI and attempts to examine whether OMBI's benchmarking framework (efficiency, service level, community impact, and customer satisfaction measures) is able to meet its objectives. Specifically, it focuses on examining whether OMBI's report is consistent, comparable and is being held accountable to deadline based on results reported on selected services (library, firefighter, and social services).

Benchmarking rests on the assumption that it helps municipalities to assess service areas where they are strong and doing well or where there may be an opportunity to improve services that could result in cost savings or serving improvements (Ammons, 1999). Although the empirical knowledge that underpins this means-end relationship is limited, municipalities are expected to use benchmarking data to integrate strategies for continuous improvement of operations, share ideas on new processes, systems, and

creative solutions to help make the best use of valuable resources, and identify leading practices (Askim et al., 2007).

OMBI has developed a benchmarking methodology that forms an ongoing annual cycle of design, measurement, analysis, and action to meet its objectives. Based on its annual report, OMBI objectives will be tested against the evidence from the literature review. The factors we assume influence OMBI objectives most are accountability and standard measures and they will be discussed next.

## **3.2 OMBI Objectives: Accountability and Standard Measures**

### **3.2.1 Accountability**

This section focuses on one of OMBI's basic objectives, accountability. OMBI describes in its objectives that continuous process of measuring services and practices against the industry leaders would lead to increase accountability –reporting taxpayers with a better understanding of how their tax dollars are being spent. As Ammons (1995) pointed out, one of the basic reasons, why municipalities should consider implementing performance measures and benchmarking is to better understand how their tax dollars are being spent. Taxpayers can be provided with a better understanding of how their tax dollars are being spent through succinct reporting of achievements and challenges. In other words, it is believed that reporting to the public improves municipal government accountability to taxpayers.

The subject of accountability is discussed increasingly in municipalities, especially because of the downloading of services from provincial governments. As a result, as more power is given to local governments, taxpayers want more accountability.

This section will look at whether over the years OMBI has been better able to meet its objectives, namely accountability.

As previously mentioned, one of the main goals of OMBI was to achieve more transparency and accountability in municipalities; however this has been difficult since the onset of the program, as problems with reporting<sup>1</sup> and measurements arise. Although performance measures and reporting benchmarking-results to the public are believed to foster accountability, the number of OMBI participating municipalities that use benchmarking measures for decision-making is not significant in number as the 2006, 2007, and 2008 reports identify. Although the reason why so few participating municipalities use benchmarking results for decision-making so as to foster accountability is far from clear, the limited use of benchmarking measures for decision-making can be explained not only through municipalities' resistance, but also through the fear of holding city managers and councilors accountable for results that may be sometimes out of their control. In other words, sometimes reporting to the taxpayers so as to be accountable creates the risk that failures will be visible and possibly politically damaging (Halmachi, 2005). This could be one reason why many municipalities do not participate in the OMBI program, although financial concerns could also be another reason.

The other accountability issue concerns reporting results is time; for example, OMBI was requested to submit its 2007 benchmarking report by April 30, 2007 to

---

<sup>1</sup> Speaking of reporting, they are of two types: internal and external. Whereas internal reporting often focuses on the formative evaluation and improvement of programs, external reporting is usually more summative and can hold negative consequences (Halmachi 2005). The more municipalities are open to public criticisms, the more transparent they are, but the more embarrassed the incumbents can be. Although OMBI reports are both internal and external, its primary purpose is to inform participating municipalities internally.

participating municipalities and to taxpayers by June 30<sup>th</sup>, 2007. It failed to do so until September 2007. After the program was announced, many local government stakeholders expressed concerns about timing and the reliability of output measures. As a result, the deadline to report to the province was extended from April 30<sup>th</sup> to June 30<sup>th</sup>, and to taxpayers from June 30<sup>th</sup> to September 30<sup>th</sup>. This reporting of results in time questions whether OMBI is accountable to deadlines. Especially, since this may rise the issue of the utility of informing municipalities after the annual budget is announced (which often is in February or early March). If municipalities are expected to show continuous improvements through adopting best practices, they need to be informed in a timely fashion. This in turn will create what Drucker (1999) called “inadequate learning from feedback” in his “the sins of political administration”. If OMBI requires municipalities to benefit out of best practices report, it should make sure that a trade-off between the timeliness of producing a public benchmarking report and the reliability of the information does not occur.

Also, as Pollitt (1996) and Ammons (2000) clearly pointed out, accountability improves when stakeholders and taxpayers can be informed about the achievements and challenges succinctly. OMBI’s annual report is available electronically via the program’s website and basic common figures are open to the public, however, since access to the individual municipality data input and viewing the results is restricted to participating municipalities that are issued with a password, no one else has access to the data. This may imply that there is lack of transparency and accountability, in addition to raising a question about whether the current practice provides sufficient time for discussion of best practice. Some discussion of best practice might occur, but may fall short of a detailed

exchange. Therefore, in order to maintain accountability to the public, OMBI should disclose municipalities benchmarking results in an open and timely fashion.

When initially implementing performance measures, municipalities should consider developing performance measures for the largest and most costly programs or services first, and then develop performance measures for other programs and services (Williams, 1996). By beginning with the larger programs or services, the municipal staff can better appreciate the importance of the performance measures and benchmarking. In this way, municipalities can contribute to the improvement of the service and appropriate sharing of data. The same is true with the idea that the greater the number of participating municipalities, the better the benchmarking result would be.

Early reports of OMBI show that following a pilot phase involving nine municipalities, all municipalities were invited to participate in the initiative. While 16 measures were to be taken, only 9 of the 16 were required to be made public. The author of this paper questions the reasoning for this, since every goal was to increase accountability and make municipalities more open as well as ensure benchmarking by providing enough representative data. Unfortunately, to the best of this author's knowledge, OMBI does not provide the rationale for this decision.

Furthermore, with the provision of comparable measures for the three annual reports (2006, 2007 and 2008), concerns also arose about whether data for each could be compared with each other; whether apples were being compared to apples. The problem is that comparing data from year to year, whether internally or against an external standard is valuable only if the data is collected in the same manner from year to year, as Ammons suggested. In other words, the issue of consistency is essential for a successful

benchmarking program, although benchmarking naturally necessitates selecting performance measures for desired results.

To sum up, in terms of whether OMBI has succeeded in meeting its objectives, particularly, in making municipalities accountable for the services they deliver, the answer would be hard to determine. The answer makes more sense if we look at the issue from taxpayers' point of view. Although OMBI proves its objectives by providing a useful management decision-making tool for participating municipalities, problems of reporting, lack of consistent methods for reviewing actual performance measures, and skeptics of 'apples-to-apples' comparison, prove it hard to determine. Nevertheless, it can be said that OMBI is successful in identifying and developing service specific performance measures, analyzing benchmarking results and best practices in participating municipalities. Accountability is also improved because stakeholders and taxpayers involved have been informed about the achievements and challenges succinctly, although not timely.

### **3.2.2 Standard Measures**

The first five to six years, OMBI collects data from five to nine municipalities to help them reduce costs and improve service delivery. In those early years, the program spent a great deal of time creating a manual and work plan to outline and define different measures, as well as how to collect and compute the data.

Using four types of measures OMBI provides a more comprehensive understanding of how much of a service be provided, the resources used, how well clients are serviced, and the outcome for residents. The measure types are: (i) Service level measures, which refer to the number, type, or amount of services provided to residents in

municipalities; (ii) Efficiency measures, which refer to how well municipalities use their resources. Examples are the cost of transit per passenger trip or the cost of wastewater treatment per mega litre; (iii) Customer service measures, which refer to the quality of service to citizens. Examples are the level of satisfaction of clients in long-term care homes or the percentage of roads where the quality is rated as good or very good; and (iv) Community impact measures, which capture the effect programs and services are having on the community. Examples are the percentage of garbage that is diverted away from landfill sites or crime rates.

The 2006 OMBI report provides 16 performance measures for 15 participating municipalities, while the 2007 report presents 22 services for the same participating municipalities. While the number of participating municipalities' remains the same, the number of performance measures increased by 4 in 2008.

Williams (1996) argues that when initially implementing performance measures, municipalities should consider developing performance measures for the largest and most costly services first, and then develop performance measures for other services. By beginning with the larger programs or services, the municipal staff can better appreciate the importance of the performance measures. It can also generate different kinds of performance information to support a variety of municipal decision-making process.

Although OMBI measures help municipalities to provide a constant comparison system, results are not totally consistent. Factors such as demography, age of infrastructure (sewer and water mains, roads, equipment), and municipality staff (use of volunteer/part-time vs. full-time employees) influence comparable data to ensure apples to apples comparison.

Another problem concerns mismatch of measuring. We know that improvements in performance can be achieved simply by setting clear, measurable targets (Ammons, 1995). For example, if measurement is taken by police services to record the total number of people arrested and the methods by which the very first year's data or another municipality's data were collected are questionable, then there is little value to compare it with the most recent data, or with other municipalities' results. Irrespective of these mismatches, OMBI achieves comparison of services among participating municipalities with the aim of identifying opportunities for improvements.

### **3.3 Case Presentation: Service Results**

This section outlines the benchmarking measures and results of OMBI. OMBI is a co-operation of fifteen Ontario municipalities committed to continuously improving the way services are delivered to citizens. Led by the CAOs and City Managers in each participating municipality, it aims to foster a culture of service excellence in municipal government. The three OMBI services selected from the OMBI reports in order to be tested against the OMBI objectives are library, firefighter, and social services.

#### **3.3.1 Library Services**

The results presented by OMBI for library services are interesting because they clearly represent the whole benchmarking program at work. OMBI compares the number of hours per capita that all library branches are open in a year, irrespective of size. It also compares library holdings per capita and the cost per library use. For example, asking nine participating municipalities the question 'how many hours are libraries open', OMBI reports that the County of Brant stays open almost one-third (0.28) longer than the average median (0.1). The results, however, exclude not only on-line services and

outreach services such as bookmobiles, but also it does not reflect how current or up-to-date a collection of items is. It is however important to note that as a single tier municipality with no research intuitions or universities, it does not make sense for the County of Brant to be open such long hours especially when there is no demand for it (there is normally a very low number of library service users during open hours). This is interesting because it opens up dialogue and stirs up discussion among the participating municipalities as to why the County of Brant does not show and has not made any changes to its library services.

What is more interesting is that the County of Brant is not only staying open longer than the average, but also library holdings per capita are drastically higher, relative to its peers. In 2008, it was only second to Toronto; in 2006 and 2007, while the County of Brant shows a considerable increase in library holdings and library cost per use, the number of times items being borrowed in a year was the least compared to its peers. The 2008 OMBI report is crucial to provide an indication of the size of library holdings since 2006, although the measures do not reproduce how current or up to date a collection is. It reports that the County of Brant is spending the highest amount on its collection compared to previous years with an increase of 0.5 in 2006 to 0.9 in 2007.

This is a good indicator that the County of Brant needs to investigate its practice and service of hours in order to do better with less. Nevertheless, it is not clear, at least to the author, why the County of Brant has never changed its library opening hours or cost per use, especially after the 2006 and 2007 OMBI reports. There is no information to suggest whether OMBI creates the platform for those municipalities to share better practices through dialogue. This in fact comes down to the basic question whether

participating municipalities use OMBI report to improve service excellence and decision making at all. Also, it is not clear whether OMBI has a way of tracking improvements which arise out of the benchmarking results. Although it is beyond the scope of this paper to spell out whether all participating municipalities are sharing in dialogue, the answer may lead to a sharing of information and management practices that works to the benefit of the citizens. I leave this issue open for further avenue.

### **3.3.2 Fire Services**

Fire Services is another interesting service presented by OMBI for comparison among participating municipalities. The City of Hamilton statistics identify that its injuries and fatalities have continued to rise since 2006. It is the only urban municipality, which had its injuries at a level double the median and stayed constantly high over the three years. Furthermore, the results of fatalities are presented as four times the median, which is a dramatic increase. This may suggest that there is something seriously wrong with Hamilton's Fire Services.

In particular, the 2008 OMBI report outlines that the minutes that it takes fire fighters to respond to an emergency call has remained constant, although the deaths and injuries are much higher. The OMBI approach of presenting a couple years data, as opposed to just one year, is helpful to consistently see the pattern for over 2-3 years. For example, the result for the Number of Residential Structural Fires with Losses per 1,000 Households shows that Hamilton consistently increases in both rural and urban areas. Although the data seems consistent, it is hard to see whether the comparison is credible at all. With all the differences between rural and urban areas, there is always a discrepancy between municipalities running a fulltime and part-time firefighters. Geography, such as

road congestion, fire station location, travel distance etc. has a significant impact on these results.

The other issue on fire services concerns emergency response. Data on Station Notification Response Time for Fire Services results referred to as the “station notification response time” and addresses the question ‘how many minutes does it take to respond to an emergency call?’ It should be noted that the station notification response times do not include the dispatch time. Otherwise the time between when an emergency call is first received and the operator notifies the fire fighter to dispatch to incident would be inconsistent between urban and rural. For example, if we look at the City of Hamilton as a case in point, a comparison of the dispatcher and fire services would raise the following question: would there be communications problems or management problems that would lead residences of Hamilton to have higher incidences of injuries and fatalities?

In this regard, OMBI achieved its objective in analyzing and benchmarking results and identifying best practices of service efficiency and quality in Ontario municipalities. However, it is premature to determine whether Hamilton uses the OMBI results to change its services or other municipalities learn from Hamilton to improve better service performance.

### **3.3.3 Social Assistance Services**

OMBI presents interesting statistics for Social Assistance Services for many reasons. First, OMBI asks municipalities to outline the length of time it takes to determine client eligibility; the results presented show an interesting impact for the Regional Municipality of Halton as it had the largest improvement from 2006 to 2007. It

has the highest turn-around rate of determining eligibility as it has a municipality that had the largest improvement from 2006 to 2007 results.

Second, the data on social assistance is more interesting in that it outlines the number of households receiving social assistance. So, not only has the Regional Municipality of Halton been able to drastically improve the length of time it takes to determine eligibility, but also has been able to keep the number of households receiving social assistance (896), much lower than the median (4,145 according to the 2007 report). It also shows not only a low number of households on the social assistance but also the highest number for turn around and getting back into the workforce. This is interesting because the Region of Halton has the smallest number of people using social assistance service program and has maintained (2007-2008) the highest number of clients that receive social assistance for less than 12 months.

Third, the Region of Halton results show that clients, who receive social assistant services for less than 12 months was above average (71 percent). The Region also had the lowest average length of time clients receive social assistance (10.5 percent compared to the median 15.9 percent in 2007). These comparisons are useful for interpreting the results and the information collected. This would also help to compare actual results and planned results of the Region of Halton to present a transparent public performance report. Although OMBI is not doing that, both positive and negative results between the planed and the actual should be explained in order for municipalities learn more from each other.

These types of results presented by OMBI would hopefully create discussion as to what the Region of Halton is doing to maintain these drastically low numbers. It would

also be interesting to identify the source of this success for Halton; for example resume workshops, training workshops etc. Andrew Sancton (personal communication) suggests that this could also be due to the fact that Halton has fewer poor people. These type of benchmarks are useful as they clearly highlight the need for dialogue and perhaps room for explanation; this not only for the Region of Halton to identify the best practice but also more importantly for other municipalities to learn from and adopt this best practice approach.

Having discussed the selected OMBI services, let us look at whether there are success stories that have come out of the program.

### **3.4 Success Stories of OMBI**

Many municipal benchmarkers believe that when a performance measurement is properly developed and benchmarked, it can be very valuable and effective as well as lead to success (Ferlie et al., 1996, Ammons 2000, Pollitt, 2006a among others). Although success is sometimes relative and depends on how much impact it makes on municipalities, tangible success stories have shown that the OMBI program is indeed successful.

OMBI has developed a number of key tools, practices, and processes that contribute directly to its success. It is a learning process primarily, that involves measuring the gaps, first between a municipality itself and the best performing municipality, and second, between current performance and previous performance. For the purpose of this paper, OMBI's success is determined based on whether its objectives are met. In other words, when participating municipalities assess the area where they are

strong, and/or where they are doing well, and identify areas where there may be an opportunity to improve services that could result in cost savings or better outcomes.

There is no doubt that the OMBI is a big undertaking although there are bound to be some issues. One of those issues concerns making the OMBI a voluntary program. The fact that OMBI is a voluntary program may have a negative impact on its success, as it may lack enough support and participating municipalities, which makes it difficult to have a larger number of more comparable results that are transparent for more municipalities. In order for OMBI to create new ways to measure, share, and compare performance statistics to help Councils, staff and citizens, municipalities' needs to understand where their administrations are performing well and where they can make improvements. Hence, this would indicate that if some kind of initiative was implemented that required every municipality within Ontario to participate, it would increase OMBI success because it would have a larger number of comparable, transparent results from a larger number of municipalities. The author believes that this would benefit future OMBI's direction.

On the other hand, tangible success stories from OMBI annual reports reveal that some participating municipalities indeed have benefited from the program. For example, the 2006 annual report of OMBI gives Toronto a mix of bad and good news. According to the Toronto's City Benchmarking Initiative (2006) reports, the results of the inquiry into Solid Waste diversion came as a bit of a surprise for one of Ontario's largest municipalities, Toronto. Compared to the rest of its peers in the OMBI, Toronto was not doing quite as well as it had expected. That was the bad news. The good news was that if it was not doing as well as it expected, others must have been doing something better. It

was a lesson well learned. Armed with this information the municipality was able to make some major cost savings and learned to improve its Solid Waste diversion program substantively because of the results presented by OMBI (Toronto's City Benchmarking Initiative, 2006).

Given this, there is no doubt that ensuring tangible benefits to municipalities should be central to OMBI's long-term success. While evidence suggests that OMBI municipalities are making small yet valuable improvements in their operations (OMBI 2006 report), the program's benefits become more apparent as more comparative data are compiled each year. Although municipalities do not have the concern of competition (as in private sector), there is an electorate and politicians who have an expectation of quality services while maintain a reasonable tax rate. Therefore, OMBI becomes an invaluable tool for municipalities to enable them to do more with less when they incorporate the best practice throughout their municipality.

Another tangible success story of OMBI comes out from the City of Ottawa. It was reported that Ottawa had saved nearly \$200,000 in 2007 from participating in OMBI to improve its emergency services. This is because Ottawa learned to allocate its funds efficiently from other municipalities with better practice in executing emergency services (Ottawa City Benchmarking Initiative 2005). Even recent reports from the Ottawa City Benchmarking Initiative 2008 show that Ottawa's performance compared to other Ontario municipalities improved with 78 percent of reported measures at or above the median. The 2008 OMBI Performance Benchmarking Report provides 98 comparative performance measures relative to 26 different City services. Using different measures, OMBI provides a more comprehensive understanding of how much of a service is

provided, the resources used, how well clients are serviced, and the outcomes for residents.

Looking at the success stories, OMBI should continue to develop tools and guides to help more municipalities use the data to improve service delivery and financial management and report more success stories. Through OMBI, municipalities continue to uncover strengths and areas for improvement in delivery of various services. Nevertheless, achieving improvements through better practices may involve changing the way the municipality currently carries out service delivery, administration, management processes or even changing its fundamental organizational culture. Such changes are not always easy to accomplish and will require a concerted effort and cooperative attitude at all levels.

One of the many important things OMBI encourages participating municipalities to do is ask a “standard” question that would lead them to a standard of performance. That standard question may be one established by the municipality as a goal to aspire to, or it may be one established by looking at other municipalities to see how they are performing in a specific service. The 2007 OMBI report leads participating municipalities to ask important questions, such as “How does the Region of Peel, keep its solid waste disposal costs so low?” after the Region of Peel has shown an efficient solid waste disposal service with a very low cost. The answer may lead to a sharing of information and management practices that works to the benefit of the citizens. (Of course, the converse is also true.) Media, interest groups, mayors, and councilors may also ask why their city is paying so much more for solid waste disposal than Peel in such a way that a management failure is implied.

Nevertheless, Ammons (2001) suggests that the proper context for benchmarking is the recognition that one's city will not be the best at every aspect of service delivery and that officials should approach benchmarking with the idea of learning from those who can perform the service better. This takes optimism and trust, especially when the results are published for public inspection.

In the recent 2008 OMBI publication, Ron Gibson, *Project Manager for OMBI*, noted that the initiative continues to make solid progress. He claims, "with significant effort from its dedicated municipal staff taking the lead, OMBI has expanded to include virtually all municipal functions." He further notes that:

As we improve on the quality and consistency of our work, we will expand to include other municipalities. Our work to date is very encouraging and we believe that by identifying the municipalities whose results are in the 'high performance zone', we will be able to research and identify the policies and practices that contribute to achieving these results. In this way, this exercise will enable us to identify those municipalities who have outstanding efficiency (unit cost), and effectiveness (community impact and customer service) performance both generally and in specific functions, and will enable all of us to share those experiences. We will also be further refining OMBI's capabilities as a high-level tool to assist our CAO's and City Managers in planning priority settings, and budget allocating resources.

To sum up: as it has been argued, NPM has enhanced governmental organizations' exposure to performance information (Radin, 2000; De Bruijn, 2002; Behn, 2003; Pollitt and Bouckaert, 2004), although the mere presence results do not necessarily lead to effective decision-making (Melkers and Willoughby, 2005; Pollitt, 2006a; Siverbo and Johansson, 2006). This is true with the OMBI; although benchmarking results would enhance the understanding of best practices, the only presence of those benchmarking results do not necessarily lead to service improvement. It

is true that OMBI has helped participating municipalities to identify and develop appropriate service specific performance measures to be able to analyse and benchmark results. However, whether these results continuously help participating municipalities to improve service quality excellence and decision-making is not completely clear. Many scholars, in fact, appear rather sceptical about the usefulness of performance information in decision-making and accountability (Ferlie et al., 2006; Pollitt, 2006).

### **3.5 Learning Curve for OMBI**

As we have seen from the above discussion, OMBI has attempted to help municipalities identify and collect comparable service specific performance measures across the partner municipalities. It also attempts to create a learning platform for participating municipalities to share best practices exhibited by other municipalities. However, issues occurred.

The first concerns the fact that local conditions vary for each municipality and as such, the performance measurement data reported would vary. This issue is common in other performance measurement programs as well, for example, in Municipality Performance Measurement Program (MPMP) and Ministry of Municipal Affairs and Housing (MMAH). The fact that OMBI does not allow participating municipalities to explain their difference makes one wonder whether ‘apples-to-apples’ comparison between the municipalities can be ensured. When discrepancies occur in performance measures, ‘apples-to-apples’ comparison, which is very important in meeting ones objectives, will be in question. Although OMBI tries to develop a common bases for comparison through detailed data definition, data collection protocols, and costing

methodologies to ensure ‘apple-to-apples’ comparison, it is not quite obvious how this would happen as tangible difference among municipalities exist.

The particular municipal attributes that need to be considered to ensure an ‘apples-to-apples’ will vary by the service under investigation and type of municipality. Among the many issues that affect whether performance measures are being compared against the same measures are the following:

- Type of government (upper tier, lower tier)
- Geography
- Age of infrastructure
- Population (rural versus urban)
- Community priorities and service levels (i.e. household garbage pickup twice rather than once a week)
- Organizational form (centralized versus decentralized administration)
- Accounting and reporting practices.

Although some of these factors are listed in the MPMP program, it is not obvious how these factors control an ‘apples-to-oranges’ problem. In addition, one of the successes for performance measurement and benchmarking is to ensure that stakeholders are consulted. While all the performance measurement and benchmarking literature emphasizes this should occur, one cannot help but wonder if all the stakeholders who have been involved in OMBI from the very inception are still there. Although the author did not find any indication of stakeholders dropping out, the fact that the number of stakeholders never been increased may imply a problem by itself.

OMBI also indicated that some measurements, while valuable, simply do not justify the cost and effectiveness of services (for example, 16 measures reported out of 35 in year 2006 and 25 measures instead of 35 in year 2007). However, the author wonders why such a drastic decrease was deemed necessary if so many stakeholders were consulted and time was invested before it started. One can argue in line with what

Ammons (1995, 4) stated: it is rare for comparisons to be made against standards as measures are sometimes based on limited data, questionable methods, or are self-serving, resulting in ambiguous or completely useless standards.

While some measurements were changed, some fine-tuning is to be expected by the OMBI. As Ammons suggests, there is a need for refinement over time, but suitable basis for comparison is required (Ammons, 2000:21). If changes keep happening, the consistency of the data is threatened. This concern, with all its benefits, is elaborated by OMBI itself as it is described in its newsletter:

[T]he success of this effort has been hampered somewhat by a lack of consistency between municipalities for operating and financial practices reporting, but it has and continues to yield benefits that include heightened accountability, new efficiencies and innovations and better resource planning. In short, municipal government is getting better and the possibilities for new gains through analytical and competitive processes are on the horizon. (OMBI report Oct 18, 2000)

This report, in the author's opinion, is a telling message for a new program that was attempting to win the trust of municipalities at an early stage. It leads to the greater understanding of the political culture that was and is created around OMBI and its participants. In other words, although OMBI faces challenges related to data consistency, it is important to note and clarify differences inherent in the benchmarking practice between municipalities. Explanation of these factors should be an integral component in the communication of benchmarking comparison. Municipalities should also be encouraged to institute internal benchmarking by comparing past years and setting targets to meet, as Askim (2004) suggests.

Nevertheless, OMBI is an important benchmarking process as it achieves encouraging results in fostering a culture of service excellence in Ontario municipal governments. It also achieves to provide an assessment of where municipalities doing well relative to each other, and where they need to improve by identifying best practices, as some participating municipalities witnessed. Hamilton Mayor, Bob Wade, for example stated in 2003 that, “We’ve learned some good lessons. We’ve learned that the co-operative exchange of information and ideas will achieve returns in service improvements notwithstanding the significant differences between the many diverse regions of Ontario. We’ve learned that it is the spirit of co-operation among our respective politicians and staffs that works best in sharing best practices that lead to performance improvements.” (Newsletter, Dec 4, 2001 OMBI, achieves).

To sum up: success stories show that OMBI is a good benchmarking program and results are encouraging. Based on the reports OMBI participating municipalities posted on their websites, most also agree that the process has been a valuable networking opportunity where ideas and information have been shared. They witnessed that participating in the program not only allows them to lay important groundwork but also create a stronger project management framework to accommodate the complexity of this endeavor. As some participating municipalities mention: “The work continues to be iterative – we are learning and adjusting as we go” (City of Ottawa 2008 OMBI report). Nevertheless, as many benchmarkers argue, service benchmarks are about best practices learning, and are not by themselves an indication of the need for change in an individual municipality (Lang 2000). They rather mark the beginning of a dialogue among

colleagues who believe government must continuously seek to enhance accountability and performance.

## **4 CONCLUSION and RECOMMENDATION**

### **4.1 Conclusion**

The goal of this paper was to get a better understanding of benchmarking within the Ontario Municipal Benchmarking Initiative (OMBI) and examine its objectives. To do this, the paper set out to look at the general theory of New Public Management and how performance measurement and benchmarking fit within the theory. Focusing largely on the work of David Ammons and others, the paper articulates the view that OMBI is a useful tool for municipalities to identify and develop appropriate service specific performance measures, analyze and benchmark results, and identify best practices of service efficiency and quality in Ontario municipalities. This paper also argues that, although OMBI is a good program and has shown encouraging progress, it is hard to predict whether all of its objectives have/will be met. For example, whether its core objective, providing a useful management decision-making tool that integrates finance and performance data and whether best practices are making an impact on municipalities' services would be achieved, remains to be seen.

In terms of whether the OMBI has succeeded in meeting its overall objectives, however, the answer this author must give (because of its recent 2008 publication) is yes. When the goals of OMBI are reviewed, we can agree that continuous improvement through open dialogue is occurring, or at least some people are talking about it as the successful stories implicate. It can be said that OMBI has at least created a platform for

municipalities to identify and develop appropriate service specific performance measures and to analyse and benchmark results.

Therefore, it can be argued that with taxpayers demanding greater results for their tax dollars, the time has come when municipalities must think of performance measurements and benchmarking positively. Nevertheless, the author does not believe that taxpayers' awareness of municipal services delivery has drastically changed because of the results presented by OMBI. While the participating local municipalities have been able to compare costs, levels of performance, and share in dialogue, it is questionable whether continuous improvement within and across participating municipalities (OMBI's primary objective) has been achieved. This is because of number of participating municipalities never increased and there are so few municipalities participating within OMBI currently.

Therefore, although the start was full of difficulties, the OMBI work to date demonstrates continuous encouraging progress. With significant effort from its dedicated municipal staff taking the lead, OMBI has committed to include virtually all municipal functions. As OMBI improves on the quality and consistency of its work, it will expand to include other municipalities because municipalities will recognize the potential and the benefits that they will gain from participating within OMBI.

The basic argument of this thesis matches with Rob Gibson's message:

OMBI's work to date is very encouraging and we believe that by identifying the municipalities whose results are in the 'high performance zone', we will be able to research and identify the policies and practices that contribute to achieving these results. In this way, "this exercise will enable us to identify those municipalities who have outstanding efficiency (unit cost), and effectiveness (community impact and customer service) performance

both generally and in specific functions, and will enable all of us to share those experiences”. (Rob Gibson, OMBI message).

In other words, as identified in the last 3 OMBI reports (2006, 2007 and 2008), the progress with benchmarking and performance measurement has given municipalities an opportunity for realistic comparison within their peer group and has open the walls of communication to adopt best practices. OMBI’s efforts to date have also proven that benchmarking can be done successfully, even though there are still sceptics. This is happening irrespective of the initiative’s common drawbacks examined in this paper. Nevertheless, OMBI is currently close to its “apples to apples” comparison among peer groups, close enough that it is now comparing “Macintosh” and “Delicious” apples. This is realised in its increasing number of performance measures, from 16 in 2006 to 22 and 26 in 2007, 2008 respectively.

#### **4.2 Recommendation**

This paper argues that OMBI provides a tool to assess municipality services and attempts be made to achieve its objectives. There is evidence as mentioned earlier that some municipalities are learning better practices and improving services through open dialogue and communication created by OMBI.

To sustain these encouraging results, OMBI should continue to foster an environment that encourages learning, in order to achieve quality services and cost efficiency. OMBI should also practically underscore that the co-operative exchange of information and ideas in order to achieve returns in service improvements. This is notwithstanding the significant differences between the many diverse regions of Ontario.

The work to date has also shown that benchmarking is not necessarily a one-way street. Every municipality involved in OMBI must be able to learn from each other. Therefore, to attain success, each municipality must support OMBI's objectives and make the results of this effort available province-wide because benchmarking is invaluable to municipalities aiming to achieve higher levels of efficiency, effectiveness, transparency, and accountability in decision-making. Most importantly, if OMBI addresses these problems pointed out in this paper, there is no doubt more municipalities will join the program in the years ahead. The work ahead for benchmarking and OMBI is significant but success is within its grasp.

## References:

- Ammons, David. (1995). *Accountability for Performance: Measurement and Monitoring in local Government* (Practical Management Series). International City: Council Management Association: Washington D.C.
- Ammons, David. (2001). *Municipal Benchmarks: Assessing Local Performance and Establishing Community standards*. Sage Publications: London, UK.
- Askim, Jostein. (2004). Benchmarking in local government service delivery: Window-dressing or a potent driver for improvement? Evidence from Norway. In *Leistungsmessung und -vergleich in Politik und Verwaltung*, ed. S. Kuhlmann, J. Bogumil, and H. Wollmann, 277–302. Wiesbaden, Germany: VS Verlag.
- Bryson, J. M. (2004). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* 3rd edition. San Francisco: John Wiley & Sons.
- Drucker, Peter. (1999). *The Deadly Sins in Public Administration in Public Sector Performance: Management, Motivation, and Measurement*. Edited by Richard C. Kearney and Evan M. Berman. Colorado: Westview Press.
- Folz, David F. (2004). Service quality and benchmarking the performance of municipal services. *Public Administration Review* 64:209–20.
- Gordon Gerald L. (2005). *Strategic Planning for Local Government* (second edition). Washington DC: ICMA International City/County Management Association.
- Halmachi, A. (2005). Performance Measurement is Only One Way of Managing Performance. *International Journal of Productivity and Performance Management*, 54(7), 502-516.
- Holloway JA, Francis GAJ and Hinton CM. (1999). *A vehicle for change: A case study of performance improvement for the new public sector*. *The International Journal of Public Sector Management*, Vol. 12 No. 4, pp. 351-365
- Ingrid Guerra-López. (2008). *Performance Evaluation: Proven Approaches for Improving Program and Organizational Performance*. San Francisco: Jossey-Bass.
- Iurcovich, L. Et. Al. (2006). *Regional Benchmarking Reports-Blueprint for regional innovation benchmarking*, Mutual Learning Platform (MLP).
- Kearney Richard C, And Evan Merman. (1999). *Introduction in Public Secot Performance: Management, Motivation, and Measurement*. Colorado: Westview Press.
- Kitson, A. (2004). Achieving Useful Performance and Cost Information in a Comparative Performance Measurement Consortium. *International Journal of Public Administration*, 27(8&9). 631-650.
- McDavid, J. & Hawthorn, L. (2006). *Program Evaluation and Performance Measurement: An Introduction to Practice*. Thousand Oaks: Sage Publications, Inc

- Melkers, J., & Thomas, J. C. (1998). What do Administrators Think Citizens Think? Administrator Predictions as an Adjunct to Citizen Surveys. *Public Administration Review*, 58(4), 327-334.
- Ministry of Municipal Affairs and Housing, (5 February 2004) "MPMP: Frequently Asked Questions," Retrieved 1 October 2009. [http://www.mah.gov.on.ca/userfile/HTML/nts\\_1\\_5602\\_1.html](http://www.mah.gov.on.ca/userfile/HTML/nts_1_5602_1.html)
- Ministry of Municipal Affairs and Housing, (21 July, 2003). "Achieves," Retrieved, October 2009. [www.mah.gov.on.ca/userfiles/HTML/nts\\_1\\_1697\\_1.html](http://www.mah.gov.on.ca/userfiles/HTML/nts_1_1697_1.html).
- Ministry of Municipal Affairs and Housing (October 17, 2002). "Fact Sheets: Municipal Performance Measurement Program," Retrieved, October 5, 2009. [http://www.mah.gov.on.ca/userfiles/HTML/nts\\_1\\_3531\\_1.html](http://www.mah.gov.on.ca/userfiles/HTML/nts_1_3531_1.html).
- Moore, Mark H. (1995). *Creating Public Value: Strategic Management in Government* Cambridge: Harvard University Press.
- O'Connell. (2000). *Building a public sector benchmarking framework for citizen's satisfaction results*: Institute for Citizen-Centered Services.
- OMBI. (2009). *2008 Ontario Municipal CAO's Benchmarking Initiative Report*. Toronto, Ontario: Author. Retrieved, 22 October 2008. <http://www.ombi.ca/docs/newsinfo.asp?track=vi&itemtype=1&itemid=159>
- Osborne, David and Gaebler. (1992). *Reinventing government: how the entrepreneurial spirit is transforming the public sector*. Addison-Wesley Pub: Don Mills, Ontario.
- Ottawa City Benching Initiative (2005). *OMBI Performance Benchmarking Ottawa 2005*. Data report. Ottawa, Ontario: Author. Retrieved, 11 November 2008. [http://www.city.ottawa.on.ca/city\\_hall/ottawa\\_performance/ombi/2005\\_results/faqs\\_en.html](http://www.city.ottawa.on.ca/city_hall/ottawa_performance/ombi/2005_results/faqs_en.html)
- Pal, Leslie A. (1997) *Beyond Policy Analysis: Public Issue Management in Turbulent Times*. Scarborough: Nelson.
- Peters, Guy. (2001). *The future of governing*. 2<sup>nd</sup> Edition, Revised. Lawrence: University Press of Kansas.
- Perrin, Burt. (1998). Effective Use and Misuse of Performance Measurement: *American Journal of Evaluation*, Vol. 19, No. 3, 367-379.
- Pizarella, C. (2002). Achieving Useful Performance and Cost Information in a Comparative Performance Measurement Consortium. *International Journal of Public Administration*, 27(8&9). 631-650.
- Poister, T. H. and G. Streib. (2005). "Elements of Strategic Planning and Management in Municipal Government: Status after Two Decades." *Public Administration Review* 65(1):45-56. Pryor, L.S and Katz, S. J (1993), *How benchmarking goes wrong (and how to do it right)* Sage Publications: London, UK.

- Pollitt, C. and Bouckaert, G. (2004) *Public Management Reform A Comparative Analysis* Oxford: Oxford University Press.
- Porter M. E. (1998) *Canada at the crossroads [microform]: the reality of a new competitive environment: a study*. The Council; Ottawa: The Government.
- Rogers, M. K. (2006). *Explaining performance measurement utilization and benefits: An Examination of performance measurement practices in local governments*. North Carolina State University.
- Smith PC and Goddard M (2002). *Performance Management and Operational Research: A Marriage Made in Heaven?* J Opl Res Soc 53: 247-255.
- Sorkin, Donna L., Nancy B. Ferris, and James Hudak. (1984). *Strategies for Cities and countries: A Strategic Planning guide*. Washington: Public Technology, Inc.
- Spendolini, M (1992). *A vehicle for change? A case study of performance improvement for the 'new' public sector*. The International Journal of Public Sector Management, Vol. 12 No. 4, pp. 351-365
- Storper, M. (1997). *The regional world: territorial development in a global economy*. New York: Guilford Press.
- Taylor David and Balloch Susan, (2005). *The politics of Evaluation: Participation and policy implementation*. The policy press: University of Bristol, Great Britain.
- The Ontario Municipal CAO's Benchmarking Initiative. "Links." Retrieved, 14 September 2009. <http://www.caobenchmarking.ca/links/index.asp>
- Thomas E. Plant. (2008). *Strategic Planning for Municipalities: A Users' Guide*, Municipal Knowledge Series. St. Thomas Ontario: Municipal World.
- Tillema, S. (2005) Reluctant to change: Self-enhancing responses to diverging performance measures. *The International Journal of Public*: Vol. 12 No. 2, 1999, pp. 121-144.
- Toronto's City Benchmarking Initiative (2006). *Toronto's Municipal Performance: Toronto 2006 Data Report*. Toronto, Ontario: Author. Retrieved, 09 November 2008. [http://www.toronto.ca/city\\_performance/index.htm](http://www.toronto.ca/city_performance/index.htm)
- Turok, I. (2004). Cities, Regions and Competitiveness. *Journal of Evaluation*, Vol. 19, No. 3, 367-379.
- (March 29, 2007). *Briefing or press shutdown*. The Toronto Star News thesis, Ltd., GTA; Pg. R02 [http://www.lexisnexis.com/us/lnacademic/results/docview/docview.do?docLinkInd=true&risb=21\\_T5316121235&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29\\_T5316121242&cisb=22\\_T5316121241&treeMax=true&treeWidth=0&csi=8286&docNo=3](http://www.lexisnexis.com/us/lnacademic/results/docview/docview.do?docLinkInd=true&risb=21_T5316121235&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29_T5316121242&cisb=22_T5316121241&treeMax=true&treeWidth=0&csi=8286&docNo=3)
- (May 4, 2007). *Cities survey says: Toronto Middling*. Toronto Star News thesis, Ltd., GTA; Pg. B05 <http://www.lexisnexis.com/us/lnacademic/search/homesubmitForm.do>