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The Relationship between Strategic Targets and Measurement: Structuring a Calibration Model of Planning, Measuring, and Implementing Performance Considering Non-financial Factors

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Abstract

Institutions and sub-organizations that manage public funds show differences in many aspects, whether taking into account their tasks, financing, or structure. The difference is even greater when looking at an overview of organizations operating in the competitive sector. However, performance, its measurement and the management of changes based on these are the main characteristics of quality-oriented management. The issue is further complicated by the topic of sustainability and its measurement ability and capacity. For the sake of sustainability, not only business processes but also administrative organizations must strive for excellence today. This is supported by the fact that the functioning of a value-oriented organization, and the development of its processes in accordance with it, can be characterized by a strategic perspective (that is, long-term targeted goals) and a “customer-oriented” approach. It would be too simplistic to assume that by measuring everything adequately and accurately, we can approach the authentic analysis and evaluation of performance, as in the case of a multinational giant, for example, this comprehensive and detailed coverage unnecessarily complicates the measurement system and inevitably leads to obstacles and errors. Based on professional approaches, good performance and the path to achieving it, as

well as maintaining the results achieved, can be broken down into parts and, as such, we can strive to improve the whole by optimizing the parts. However, it is also a fact that the improvement of individual parts often contradicts each other, that processes can become dependent or even divergent, so perhaps we can achieve the most if we follow these from multiple dimensions, according to multiple points and principles, and consider the quality of the whole, as a unit, as a superior principle of part optimization. One significant element of this is that management defines and manages conscious action, that is, measures, then defines the expected in relation to reality: plans; directs the change process; measures the results; analyzes the effects; and at the same time places information in a decision-making hierarchy for the functioning and task fulfillment of the organization. This is also characterized by the maintenance of performance and the guarantee of sustainability.

In the processes of public service institutions, if we want to identify the criteria for expected performance, starting from the social usefulness and the concept of good governance - that is, why it is important to provide tasks in the most convenient and qualitative way - we will get to the importance of good organization management, efficient and efficient operation, quality management, creation of added value, and professional activity. Through the measurement of processes and the management of changes and the sustainability of goals. (In the public sector, performance is interpreted in the 3E or 4E framework, that is, economy, efficiency, effectiveness, and equity give a deep segmentation of performance.) In the competitive sector, apart from the profit-oriented goal system, performance is determined by the expectations of the market, social, ecological, or political-legal environment, its adaptation, and not only its momentary state but its sustainability. Performance can only be expressed in one or a few specific indicators or parameters in the rarest cases. Even in the most streamlined profile organizations, we are talking about a more complex problem. This study, starting from this thought, shows how performance management, a management tool (usually organizational measurement), its trained and applied model (GAP: Gain Advanced Performance) can be connected in practice, how a set of points represented in a competitive sector and a theoretical model of an administrative organization can be made accessible with what approach, and how this can contribute to the efficiency of organizations in terms of state and shareholder expectations.

Keywords: Strategy, Measurement, Change management, Indicator, Decision making, Sustainability

Introduction

The basic and paramount "mission" of every organization operating in the public sector is to fulfill its public tasks in a proper, regular, and best quality manner, taking into account the public interest as a basic need, but handling the public resources, public financing economically and efficiently. Thus, it meets the requirements set forth in public administration, state control, and state-economic areas and fulfills the tasks desired by society. In the competitive sector, this goal system is aimed at satisfying customer needs with the maximum profit focus, taking into account non-profit-oriented, but strategic and legal compliance considerations, and the financial and non-financial expectations of other process participants (e.g. suppliers, consumers, lenders, investors, etc.). In addition to the above-mentioned point system, compliance with non-financial indicators, such as environmental, social, and management aspects, is becoming increasingly important in this operational sector. Although the two-goal systems are somewhat different, the parallelism is clear and assumes organizational awareness, which organizations summarize in strategic elements and set for themselves, and implement with the application of measurement methodologies.

The realization of an organizational mission requires a strategic management model that uses available resources to create an organizational performance. To ensure organizational control based on decisions supported by up-to-date, relevant, and reliable information, both the internal processes of the organization and the management of the external factors influencing the organization's control, activity, and resource management are essential, to which measurements contribute significantly.

It is clear that performance management, as a control tool for creating organizational performance, is necessary because the continuous collection and processing of information on the characteristics of individual performance elements (qualitatively and quantitatively) and especially their analysis in relation to each other must and should be the basis of the organization's decision-making system. At the same time, the method and purpose of the collection must be placed in a framework in which the leader must know exactly what it is for and in what connection it was built. The requirement for the selection and application of individual indicators is that they be reliable and comparable and that they ensure that the best combination of forecasts (ex ante), process-integrated controls and measurements, monitoring, and ex post evaluations are provided to promote performance. On the other hand, young strategic schools also place the focus on implementation and the sustainability of the set performance goals in their goals systems.

In addition, however, after using measurements as a tool for making our decisions, for promoting performance and, ad absurdum, for avoiding risks, it is also necessary to be aware of how data from these measurements

become information for our organization, how we derive new decisions and initiate changes based on it. The question may arise as to why we are making a model for this. As a leader in an organization, why do we operate with the cooperation of processes and the sustainability of results, instead of specifically observing individual processes and planning their key indicators?

In both the public and private sectors, there are currently numerous theoretical approaches to performance measurement, and even more, practical examples can be found across different fields, as the concept of performance and its measurement is highly divisive in terms of research and interpretation. Performance management in the public sector can be understood from macro to meso- and micro-levels, right down to individual levels. However, although general, practical examples of its implementation can be found, there is no 'universal model' for measuring and controlling change. Stepping out of the public sector and into the private sector, numerous practical solutions can be found (linked to digital platforms and connected to management programs). The 'hot topic', however, is whether we can set metrics and calibrate non-financial metrics when planning, measuring and implementing performance in terms of financial or any other quantitative effects. The question then arises: can one measure the unmeasurable and can public and profit-oriented organizations operating in different target and incentive systems learn from one another in this field?

Hypothesis

According to the study, yes, connecting the models is possible. An important gap in public administration is the creation of a general practical model: this could be a small municipality's financial or administrative processes, or compliance with legal requirements, as well as a larger public administration body's reporting (e.g. communication, strategic planning, financial processes, or sustainability reports, etc.).

The best way to start is from a specifically developed model, which can be "stripped down" and made general based on experience in the application. Our thesis, which can be seen at the end of the study, consists of two parts:

- By linking the Balance Scorecard, Prism, and TQM models, organizational processes can be measured in multiple dimensions.
- Sustainability considerations and models from the public and competitive sectors can be made interoperable in the framework.

Overview of discussion

The connection of models The Hungarian science of public administration has rarely used and uses the concept of strategy. This somewhat contradicts a government document from 2015 which states that "a

unified, hierarchical system of strategic planning documents has been established. Furthermore, the strategic [...] database was completed. Currently, out of more than 130 strategic planning documents, about 86 are in force. However, the prepared plans are often written in technical terms, not understandable, often unnecessarily extensive, and difficult to interpret [...]” The question that this thesis aims to address and explore is how, if management directs and consciously acts on organizational change, and then manages it, by measuring it, how can this be done in such a way that an existing organizational model is linked to it and can thus increase the conscious control of organizational performance; and to what extent this model can also be used as a supplementary “base” administrative model. In order to find a solution, we call upon two known models, one from the competitive and one from the administrative sphere. On the path of comparison, with a practical mindset and based on experiences, we also “build” the possibility of a third, complex model.

Strategic Management

The implementation and operation of a performance management system, therefore, realizes the well-governed organizational model. In the case of a "well-governed organization", each organizational process contributes to the realization of the organization's mission. Strategic management is known to involve simultaneous consideration of numerous factors and the organization leader's leadership program (leadership tasks, directions, instructions, and areas of responsibility) in order to create a strategic-level goal system for individual operations and activity groups of the organization. Strategic management relies on data from the measurement and tracking of organizational processes from the creation of the goal system to the control of implementation, monitoring, and feedback. Performance management extends this logic to the entire operation and sustainability of the organization.

Problem identification, field overview, and determination of solutions

Based on this discussion, the question arises as to whether a model like this can be made and, if so, to what extent it can become a generally applicable model solution for institutions operating in other areas or fields. To answer this question, we can again turn to the theory of strategic management: certain aspects of strategy planning and implementation contain regularly recurring groups of tasks supported by quality management, change management, and risk management, whose input data form the organizational performance indicators, among other things, even without model-related awareness. (Think of the global risk management strategy of a company operating in a competitive field, typically based on the risk of risk exposure of key indicators described by the performance indicators of the company. In simpler terms: the

biggest risk for the company is if something threatens the achievement of its key indicators, and its strategic goals, which it cannot avoid or manage.)

In the process of strategic planning, following the review of the mission, vision, and core values that define the strategy, we define the goal and task structure. Strategic planning is supported by quality control, change, and risk management - at the end of the implementation cycle, as feedback, results generated in the performance determination system are formed in both strategic management tasks and implementation of change management tasks. That is if this newly established solution is used in a smaller municipality with a simpler apparatus, budget, and limited tasks, the framework of the superior argument system (regulations, Fundamental Law, Local Government Act, management hierarchy, quality expectations, financial regulations, etc.) is present, just as in a larger public sector organization. It is not surprising that, in comparison, when we refer to the vision, ambition, and target system of an international large company, we will also find these frameworks in their overview: the legal operating environment, the use of norms and standards for both operational operations and organizational organization or shareholder compliance expectations. So, the control, management, and professional performance of a smaller organization should give the same compliance and compliance indications as for a larger organization; and a public service provider also shows strong similarities with a company operating in the competitive sector. The difference lies in the number and complexity of the origins of indicators and of course, in the definitions.

Methodology

We face two main problems when trying to transfer experience and theory from the competitive environment to the public administration when assessing and applying measurement models for special professional tasks in public administration. Firstly, to select from existing and known performance models which one or based on which one we want to work, and secondly, to ensure that the developed new model is suitable for the unique and widely different tasks of the public sector. The first step required us to interpret performance management as a control system, using business models, starting from the administrative performance models, and then outlining the connection points between performance management and other management tools of the organization. This can be followed by an overview of the known models.

When selecting, it was taken into account that multidimensional performance management models try to depict the operation of the organization in several interrelated aspects, while classic performance management systems are mostly focused on finance, that is, performance is only examined from the perspective of one stakeholder - the owners. This

obviously proved too narrow in the strategic approach to the public sector. Thus, the Balanced Scorecard model (1992), developed by Kaplan and Norton, became relevant, which frames the management and management of the organization: four perspectives summarizing the grouping and measurement of the factors determining performance. Then an overview of the Performance Prism model (Neely, Adams, Kennerley, 2003) was made. The latter model starts from the satisfaction of the stakeholders, which reflects the circle of stakeholders, their needs, and expectations, and then takes into account the perspective of strategy, processes, and organizational capabilities. All these models can be used to determine the metrics according to which the measurements are implemented.



Figure 1. Balance Scorecard Model

Source: <https://www.professionalacademy.com/blogs/marketing-theories-balanced-scorecard/>

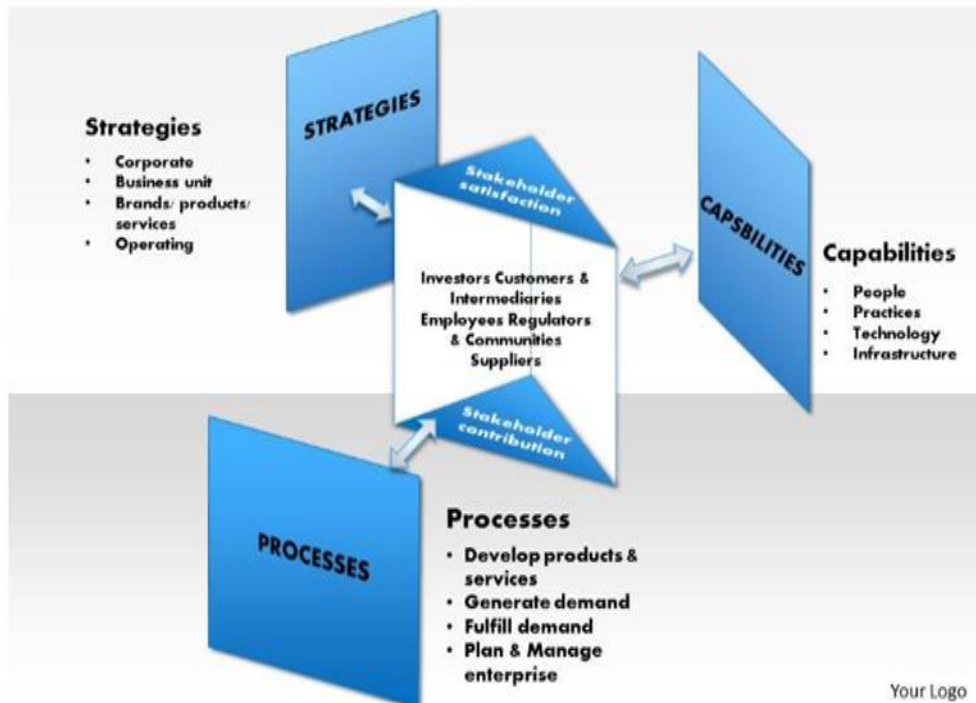


Figure 2. Performance Prism

However the PRISM model targets to ensure that performance measurement is integrated into the decision-making process; and cost of quality models (Feigenbaum, 1991), on the other hand, focuses on the identification and control of cost drivers, or non-value-adding activities which are themselves often embedded in the business processes; the major criticisms of these systems – unlike BSC model - are that they evidently ignore other perspectives on performance, like the needs of shareholders, customers, and employees.

The direct opposite of these approaches is benchmarking (Camp, 1989). Benchmarking tends to often compare performance with that of competitors or other ‘best practitioners’ of business processes. Furthermore, this kind of activity is frequently pursued as a one-off exercise towards generating ideas for short-term improvement initiatives, rather than the design of a formalized ongoing performance planning and measurement system.

As per the comparison of different planning models, while the contribution score is quite subjective, cascading and execution solutions are limiting the usefulness of models.

Strategic Planning Tool	Step 1. Mission, Vision, Values	Step 2. Strategy Formulation	Step 3. Strategy Description	Step 4. Strategy Cascading	Step 5. Strategy Execution
Balanced Scorecard	+	++	+++	+++	+++
OKR		+	+	++	++
Hoshin Kanri	+	++	++	++	+
OGSM		+	+	+	
MBO		+	+	++	++
Three Horizons	+	++	+		
Strategic Change Agenda	+	+++			
SWOT+S		+++	+		
VRIO		+++	+		
7-S	+	+++	+		
PESTEL		+++	+		
Gap Analysis		++	++		
Scenario Planning		+++	++		
Porter's Five Forces		+++	+		
Pareto Analysis		++			
Constraints Analysis		++			
Prioritization Frameworks		++			

Figure 3. Comparative table of Strategic Planning Frameworks
 Source: <https://bscdesigner.com/strategic-frameworks-comparison.htm>

Following this, we can examine the practical models used by thousands of profit-oriented companies. In these cases, it does not necessarily divide the performance dimensions but rather places them in an operational framework with a certain (often quality-focused and not necessarily numerically measured, sustainability-oriented) system of principles or operational basis. Many globally operating companies use so-called Circular or Spiral models. These cyclically continuously enforce the strategic principles with regard to financial and non-financial indicators. The spiral methodology is extremely useful for medium to high-risk projects when risk and costs evaluation is also an important value-add.

If the other target systems are "enclosed" practically and the circularity ensures the continuity of the measurements, which represents one of the basic elements of sustainability, then excellent approaches can be obtained from this aspect in the form of sustainability reports, or even so-called ESG (Environmental-Social-Governance) reports, which focus on the examination

of environmental impacts caused by operating organizations, the handling of social issues within and outside the organization, and the activities and decision-making mechanisms of the top management.

If we want to imagine this in practice, we can see this in the following existing public strategy:



Figure 4. Diageo Group Annual Report 2021

Source: https://www.annualreports.com/HostedData/AnnualReports/PDF/LSE_DGE_2021.pdf



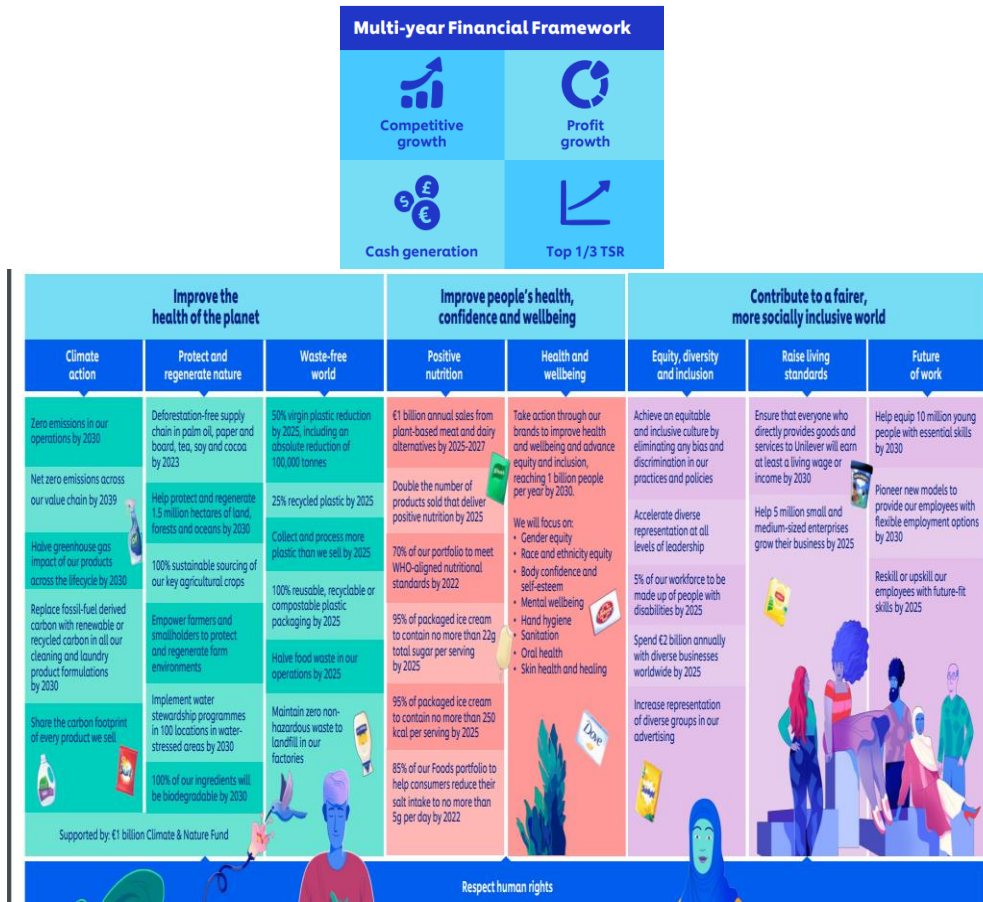


Figure 5. Unilever Group Strategy 2022
 Source: <https://www.unilever.com/our-company/strategy/>

The public sector has also established its own performance evaluation systems, which are based on the philosophy of total quality management (TQM), which also had to be taken into account. "Quality as a fundamental business strategy, products and services created with its application fully satisfy both internal and external customers by meeting their stated and unstated expectations" (Tener and DeToro, 1996).

We can see the collective (or parallel) use of the above approaches in practice: at an administrative institution, a so-called GAP model was developed with three dimensions, in which indicators of performance are located in intersections. For organizational performance, more than 350 indicators, mainly for internal use, providing a detailed picture of the entire organization, were available in the designed model (roughly speaking, we can talk about a 500-person process). For the sake of data transparency, it was necessary to highlight the key indicators relevant to the management

overview. As a result, a system of indicators containing key indicators (hereinafter referred to as KPI) was developed. The KPI supports strategic-level management decisions and process optimization decisions in the organization.

This brings us to the second problem: the creation of the "general" administrative model. These intersections contain quantitative and qualitative data of certain service delivery (sub) processes. These data can form simple or complex (derived) indicators.. Larger organizations expand the professional service dimension more, and the creation of indicator systems leads to a more complex task and a wider range of KPIs. While for simpler organizations, an organizational policy, a task map, or a task-allocation agreement may be sufficient to map out this dimension. The plane of the different perspectives approaches, and expectations remain the same. If we put all these dimensions into a framework that is generally valid and has strategic, sustainability, governance, or even social relevance (notably non-financial data), we have taken into account all the current knowledge.

Problem is also affected by the fact that the increased risk of environmental, social, and governance (ESG)-related litigation, including over-sustainability disclosure (see Table 1), will be another challenge for companies and investors to navigate. The associated topics such as water scarcity and biodiversity loss are likely to dominate stakeholder discussions and moreover decisions, with potentially near-term urgencies. recessionary risks in many markets.

Table 1 - Summary of presence of sustainability elements-as non-financial measurements- in annual reports of public and private sphere

Peer company name	ESG relevancy included in the last Annual Report (integrated report) or detailed separately	ESG disclosed on company's website	Year-end	Link to document
AB Inbev	yes	yes	Dec	https://www.ab-inbev.com/assets/pressreleases/2023/FY%20Financial%20Report%202022.pdf
Brown Forman	yes	yes	April	https://www.brown-forman.com/sites/default/files/team_resources/2022-07/Brown-Forman%202022%20Integrated%20Report_ADA_1_0.pdf
Carlsberg	yes	yes	Dec	https://www.carlsberggroup.com/reports-downloads/
Coca-Cola	yes	yes	Dec	https://investor.cokeconsolidated.com/financial-information/annual-reports
Colgate Palmolive	yes	yes	Dec	https://investor.colgatepalmolive.com/financial-information/annual-reports/
Groupe Danone	yes	yes	Dec	https://www.annualreports.com/Company/danone
Heineken	yes	yes	Dec	https://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations
Kimberly - Clark	yes	yes	Dec	https://www.kimberly-clark.com/en-us/investors/annual-reports
Mondalez International	yes	yes	Dec	https://www.mondelezinternational.com/Investors/Financials/Annual-Reports
Nestle	yes	yes	Dec	https://www.nestle.com/investors/annual-report

Private sphere

PepsiCo	yes	yes	Dec	https://pepsico.com/investors/financial-information/annual-reports-proxy-information
Pernod Ricard	yes	yes	Jun	https://www.pernod-ricard.com/en/media/annual-report-20212022
Procter&Gamble	yes	yes	Jun	https://us.pg.com/annualreport2022/ https://us.pg.com/annualreport2022/
Reckitt Benckiser	yes	yes	Dec	-
L'Oreal	yes	yes	Dec	https://www.loreal-finance.com/eng/annual-results
Unilever	yes	yes	Dec	https://www.unilever.com/investors/annual-report-and-accounts/ -
Shell	yes	yes	Dec	https://www.shell.com/media/news-and-media-releases/2022/shell-publishes-annual-report-and-accounts.html
AstraZeneca	yes	yes	Dec	https://www.astrazeneca.com/investor-relations/annual-reports.html -
HSBC	yes	yes	Dec	https://www.hsbc.com/investors/results-and-announcements/annual-report
GlaxoSmithKline	yes	yes	Dec	https://www.gsk.com/en-gb/investors/financial-reports/annual-report-2021/ -
British American Tobacco	yes	yes	Dec	https://www.bat.com/annualreport
BP	yes	yes	Dec	https://www.bp.com/en/global/corporate/investors/annual-report.html

					-
	Vodafone	yes	yes	Mar	https://www.google.com/aclk?sa=l&ai=DChcSEwjf9bvHsvb7AhUZ4O0KHQ42BUcYABAAGgJkZw&sig=AOD64_0aeErXaeZgJsRcAP_FWk0st7X0Ng&q&adurl&ved=2ahUKEwjFmbLHsvb7AhW6_rsIHQedDKUQ0Qx6BAGIEAE
	Rio Tinto	yes	yes	Dec	https://www.riotinto.com/invest/reports/annual-report
	Diageo	yes	yes	June	https://media.diageo.com/diageo-corporate-media/media/5qrm5zru/diageo-annual-report-2022.pdf
	State Audit Office of Hungary	no	yes	Dec	https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2022.pdf
	IRS . Internal Revenue Service	no	no	Dec	https://www.irs.gov/a-closer-look
	Office of the Comptroller and Auditor General - Ireland	yes	no	Dec	https://www.audit.gov.ie/en/find-report/publications/2022/appropriation-accounts-2021.pdf
	Supreme Audit Office of Czech Republic	no	Yes	Dec	https://www.nku.cz/assets/publications-documents/annual-report/annual-report-2021.pdf
	Ministry of Justice Republic of Estonia	no	no	Dec	https://www.just.ee/en/ministry-news-and-contacts/about-ministry-and-minister/introduction-and-structure
	Danmark - Folketinget Rigsrevisionen	no	no	Dec	https://uk.rigsrevisionen.dk/Media/637897572625917453/Annual-report-2021.pdf
Public sector	State Audit Office of Republic of Croatia		No	Dec	https://www.revizija.hr/about-us/plans-and-financial-statements/annual-financial-statements/704

Problem formulation and solutions

Organizational performance is the effectiveness, efficiency, quality, and impact of all processes and tasks carried out using human and other resources in order to achieve the mission of the organization at any given time, which is influenced by external and internal needs and expectations and which can be captured with quantitative and qualitative characteristics. The subject-specific concept of performance measurement - the so-called GAP model - suggests the systematization of indicators to characterize the main activity groups that ensure the functioning of the organization in three dimensions:

- by organizational activity group (1st dimension: control, management, professional task fulfillment);
- according to the views of the BSC (2nd dimension);
- broken down into the classic performance categories (3rd dimension: economy, effectiveness, efficiency, impact).

In this way, data (where relevant) can be collected on the inputs and economy, efficiency, outputs and effectiveness of all processes and task fulfillment contributing to the realization of the mission (as the parent principle of the strategy), as well as on its impact - and the perspective of the data can also be determined. According to the defined dimensions, the following "framework" can be used to graphically represent the performance indicators of the process elements of the organization from different perspectives:

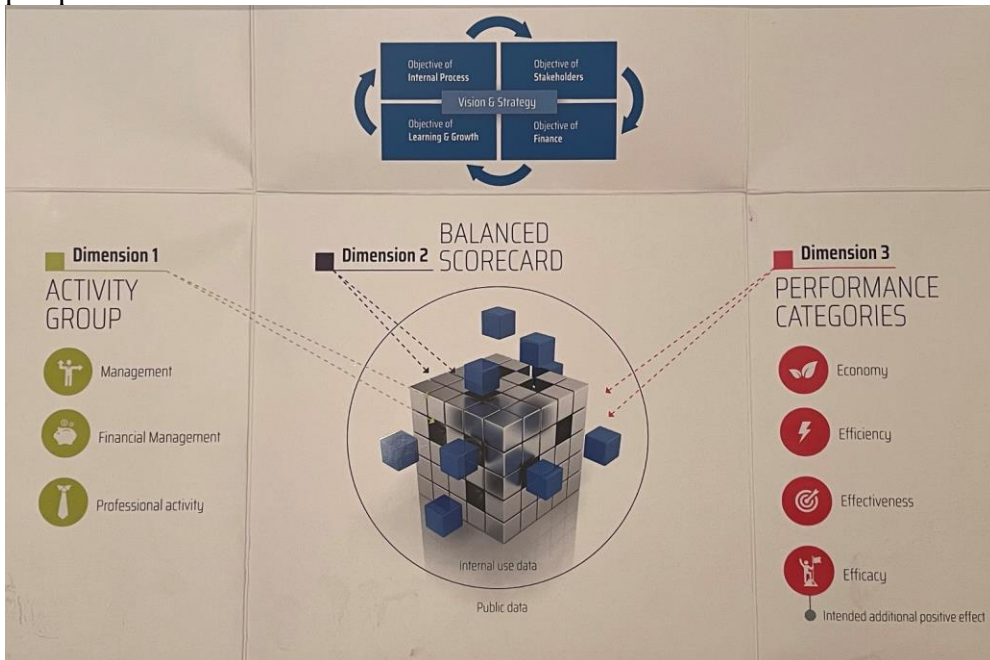


Figure 6. GAP Model

Source: Annual Report of State Audit Office of Hungary 2018

The GAP model needs to be connected to some kind of change management model - in order to prepare decisions based on the indicators-which can be implemented programmatically as follows:

1) when assessing the difference between the planned and actual values, and the managerial impulses and decisions arising from it (risks in the case of non-fulfillment or partial fulfillment, and opportunities in the case of over-fulfillment),

2) also during the annual review of the implemented indicators (is the measurement right, is there a need for different indicators, do we need to modify the expectations or the process),

3) finally, when dealing with extraordinary events (including crisis management and managerial innovative decisions).

Therefore, the change process can be connected to the measurements in two points: when recognizing the need for change and in the feedback. The GAP model has several phases in the measurements: regularly from the leaders, at intervals in the measurement of the organization's processes; while the managerial impulses initiate the change management model, compulsory recording at least twice a year, and immediately when the opportunities/risks arise; in addition, in the automated system at the indicated connection points, as shown below. (the representation of the connection between the measurement model and the change model is visible).

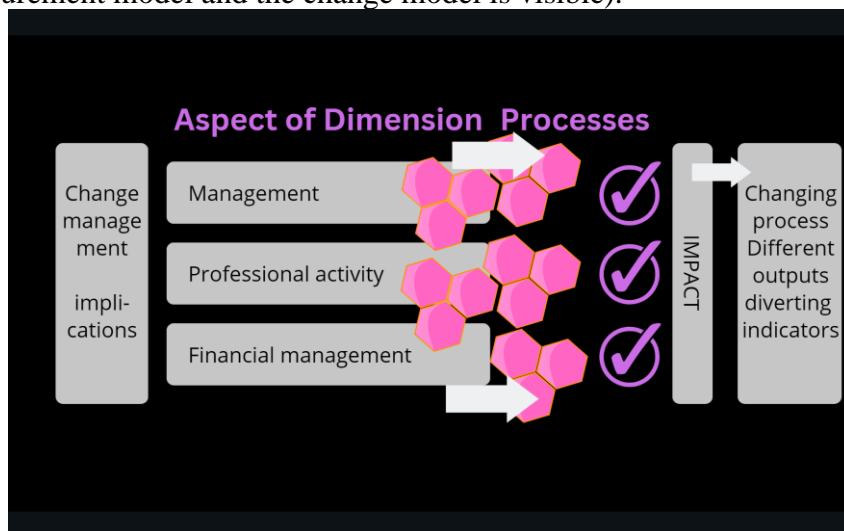


Figure 7. Implication of change management in the Organizational Activity Dimension
Source: Design based on (Domokos L., Weltherné Szolnoki D. (2020). A számvevőszéki teljesítmény mérésének modellje, a teljesítménymenedzsment fő területei. Pénzügyi Szemle Különszám 2020, Budapest)

Localizing the drivers of change does not necessarily provide an immediate solution. The indicator system shows trends, provides impulses, and shows "symptoms", but when deciding to make a change, one must look "behind" the symptoms, capturing the characteristics of the desired state and tracing the problem back to its root by means of analysis, evaluation and impact assessment. This phase cannot be "skipped" in practice: the identification of indications can be automated, and basic inferences and derivations can be carried out, but the deduction of details is a manual task. This justifies the need for analytical skills and a holistic (system) perspective in the responsible management of the indicator system for the changing variables. It is also obvious that executive awareness is an essential requirement for the operation of the system of changes in measurements. Once the indicators of change are detected, it is necessary to also examine their relevance. Not all changing values necessarily indicate a need for change. On the other hand, there may be a need for change which is not indicated by the indicators of internal (and external) environmental changes. Recognizing, analyzing, and assessing the correlations and mutual impacts of the changing indicators contributes to determining the cause of the identified change.

It is possible that the indicator will not be in the area where the actual change-driving factor can be found, but rather in the area where the deeper connections of the motivation to change lie. The most important, yet boundary-less types of changes affect the organizational structure, operation, management, goals, strategy, task-fulfillment, and organizational culture.

The characteristic of the so-called second-level organizational changes is that they affect multiple task fulfillment areas, functions, organizational units, or processes. With the application of the project management toolbox, the management of the change can be flexibly created, crossing organizational structure, in addition to the balance of the organizational tasks and responsibilities.

The preparation of the decision regarding the change and, following the decision-making, the realization can be broken down into stages of planning, execution, testing, iteration, implementation, and feedback. The successful execution is supported in every stage by the internal task fulfillment processes, such as risk management, time management, cost management, resource provision, possible procurements, quality control, and communication pervading the entire realization process.

Keeping up with the advances of digitization, a system-wide database, form creation, and management can be achieved in a performance measurement metric and indicator system, allowing for quicker and more accurate retrieval, reporting, and processing of information. This enables real-time recording, review, and immediate loading of data into an analytics system for analysis and evaluation, as well as uploading of previous data for multi-

dimensional reporting of time series and trends to meet the demands of leadership reporting systems. The goal is for the indicators to provide quick and reliable feedback on internal processes and elements, and to be able to achieve the purpose of providing information to support the organization's well-functioning processes while alerting in time to any necessary process optimization steps. Through evaluations (plan-fact comparison, time series/trend display, analysis, benchmarking), there is the possibility of a multi-faceted, multi-faceted, and fast analysis of the organization's performance.

In a functioning system, data is provided to each of the organizational processes in the query system every six months with regards to the approx. 350 indicators, both for the planning of the processes as well as for their measurement. This also provides data to several reporting systems. After the data transfers have been completed, the analyses, queries, time series and trend analyses, and examinations that are created give signals to the change management system, which, based on the individual decisions of the leaders, starts the decision-making process. The hypothesis would suggest that, for further examination, this system should be optimized by a sustainability-oriented system of criteria dictated by strategic guidelines. In this way, the measurements would always keep the principle criteria and measurement indicators (drivers) in mind and create a fourth temporal dimension that would guarantee the sustainability of the objectives according to the strategy system planned and validated for a period of 3-5 years. What would this look like in practice? The model would be modified as follows:



Figure 8. Circularized model of measurement
Practical problem-solving aspect of the model

To understand this in practice, take an example of a public administration organization and one that can easily be modeled in the business world: let's assume that one of the requirements of the strategic framework is the quick and effective delivery of services (efficiency - 3rd dimension) to meet customers'/market/administrative tasks requirements as a quality indicator. Among the sustainability targets, paperless should be listed as one of the factors for minimizing the environmental footprint (circular principle criteria). One of its objective systems is to minimize the number of printers (Management, support services - 1st dimension), which satisfies the "customer" needs and at the same time meets the internal leadership expectations (Balance Scorecard perspective - 2nd dimension). Let us assume that, as a KPI, the organization needs to keep two printers per floor at the organizational premises in order to enable all employees to do their job while the different departments must meet the daily quantity and quality requirements of their tasks (cube cut between dimensions showing quantitative and qualitative KPI's of the process). It goes without saying that the financial aspects of the acquisition, maintenance, and paper use of the printers all point to the fact (1st dimension economic process, 2nd dimension financial aspect, 3rd dimension cost-effect that the target numbers are lower for the printers operated.

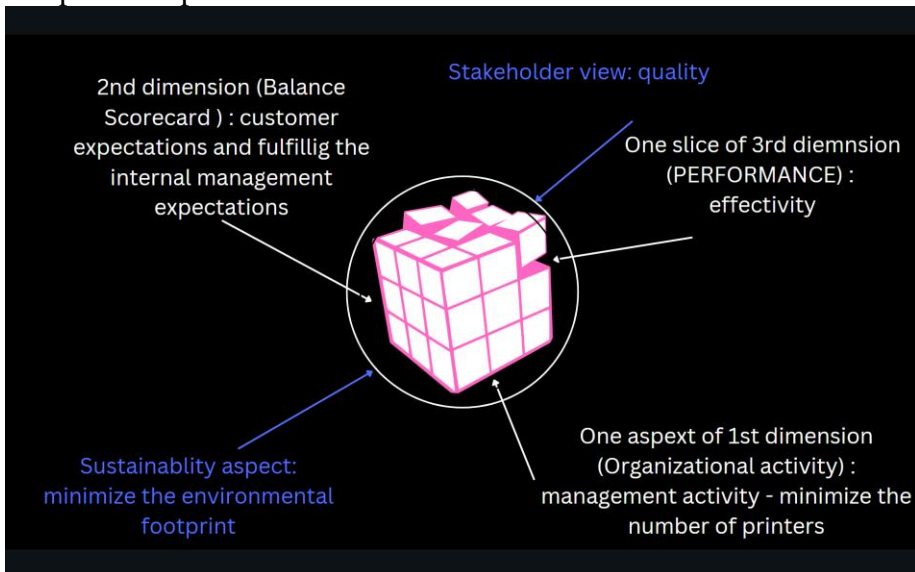


Figure 9. Circularized model in operation

The fulfillment or non-fulfillment of all these set goals is summarized twice a year in the measurement, which KPI attaches to the change management system, whether it is necessary to notify the leaders of the non-fulfillment. Therefore, the two printers per floor should be reviewed. Both in the case of fulfillment and non-fulfillment, it is also necessary to comply with

the principle of circulation, which measures environmental impact in terms of printing ink, power consumption, and, therefore, paper consumption, which, if exceeded by the current measurements (and this is also to be understood in time), will give the change management system an impulse to change. The summary of all this represents automatic decision-making for a potential change in communication with management. Sustainability not only involves the realization of the target values but also their maintenance over time. This fourth dimension, therefore, localizes the needs and expectations over time.

Conclusion

In the discussion, it is highlighted that the necessary part of the conscious strategic management of organizations operating in the public sector in Hungary is to carry out measurements, extend them towards sustainability, put together a managerial organizational measurement system, and manage conscious changes. In this regard, the task of general modeling is difficult but not impossible. Although the methodology of strategy formation and task following on such foundations often requires development in terms of its validity, it is necessary to see that it is necessary to provide and maintain the conditions of measurement and goal attainment. In the process of strategy formation and implementation, numerous risks threaten the successful goal attainment, measurement of results, and sustainability, yet perhaps the most important is the planning of the concept of measurements, analysis of the deviation of target values and their treatment as a change impulse, since it is a fact that the effective use of (public) funds requires accurate, objective and well-founded measurement and analysis. The fulfillment of this requirement is only possible with a complex, multi-dimensional model which also takes into account the existing practical aspects (quality-centered task fulfilment) and operational area characteristics (public or business sector), on top of its unitary environment condition system "thinking" (legal compliance, regulatory environment, operational needs according to standards).

A well-managed, high-performing state, just like a globally operating organization in the competitive arena, cannot avoid measuring the performance and effectiveness of (public) task execution; continuous monitoring is necessary, though not sufficient. A system of evaluations and checks and the mapping of effects are essential. Without these, decision-makers do not receive feedback on which areas to intervene in. In addition, social expectations and the requirements of the owners (or the state) for non-financial indicators, performance, and sustainability in the environmental, social, and governance areas are increasingly acute demands, which are treated as decision-making and intervention indications in general modeling just as much as the financial performance. The practical results of the study can serve as methodical guidance for the professional, sectoral controllers of the public

sector, the decision-makers, and those involved in strategy formulation and the tracking of strategic objectives.

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