



## The Power of Five:

*A Novel Five-Question Index that  
Assesses Government Performance  
from a Citizen's Perspective*

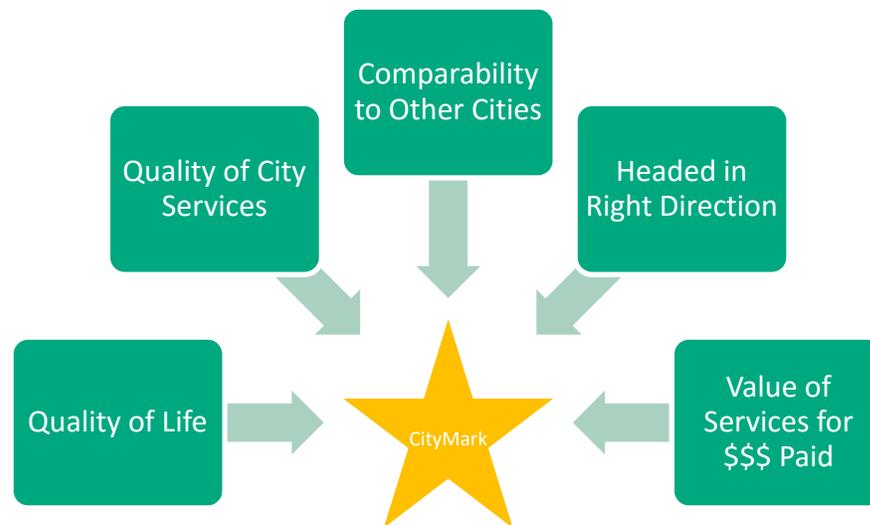
*Resident surveys continue to be a primary tool to measure government performance, but existing tools fall short of the mark, suffering from intrinsic flaws, ranging from measuring the wrong thing to lack of a simple metric that provides guidance as to what to do if scores are low.*

*A research-based index that captures the essence of what residents expect of their community's leadership represents a best practice solution to this problem.*



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# Citizen Surveys: Do “Satisfaction” Metrics Miss the Mark?

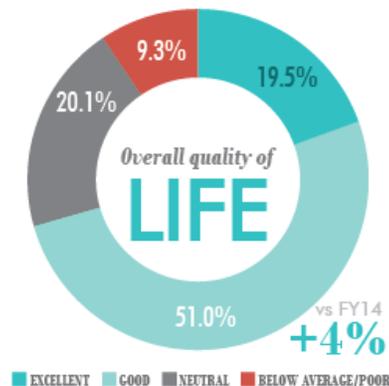
***“The simple fact is that quality is a relative thing. What ultimately matters is not the percentage of customers satisfied, but the extent to which customers are more satisfied by your product or services than by your competitor's.”<sup>i</sup>***

Bradley Gale

*Malcom Baldrige National Quality Award*

By most estimates, nearly half of all cities and towns in the United States, and many locations internationally, do some form of citizen research.<sup>ii</sup> In many instances, this research has proven to be a useful and reliable tool to evaluate public services. At the same time, there has been considerable debate over the content of and methods used for these surveys and the extent to which improved government performance results in more positive public perceptions.<sup>iii</sup>

Most community surveys focus on measuring resident satisfaction with overall quality of life and the quality of services provided. Results are generally very positive—with combined top box scores (good + excellent or somewhat + very satisfied) of 80 to 90 plus percent—and are fairly stable year-to-year.



Despite receiving high ratings, city leaders frequently face disgruntled residents and suffer from low support and even resistance for increased funding for critical government services, and when problems with service delivery occur (e.g., a weather event causes problems with snow removal or there are delays or cost overruns on major projects) they are magnified and often blown out of proportion. Why is it that while a community’s research suggests that its residents are satisfied, other feedback suggests an alternative reality?

# Beyond Satisfaction: Expectations

*“High achievement always takes place in the framework of high expectation.”*

Charles Kettering

Resident satisfaction and goodwill is the result of the vision and strategic direction of the city coupled with the quality of services it delivers compared to what residents expect to receive and may perceive to be available in other communities.

Having a better understanding of resident expectations and whether you are meeting / exceeding these expectations will. . .

- Let you know what service levels are expected to keep residents happy and achieve support for new programs and services.
- Allow you to set realistic expectations for what your community can and cannot do and communicate those expectations to staff and the public.
- Provide opportunities to exceed expectations in the right areas and create raving advocates.

In the private sector, studies have found that simply meeting customer satisfaction is not enough to sustain repeat business and goodwill. We believe that this is also true for government performance.

Residents *expect* their elected officials and support staff to provide a satisfactory level and quality of basic services—after all, aren't they paying for just that? By simply providing satisfactory services to their constituents, are elected officials and support staff missing the whole point? Is there something more city leaders can be doing? Is there a better way to understand residents' viewpoints? We believe there is?

Simply providing satisfactory services is rarely noticed, it is the standard expectation. No one is likely to contact their cable company to thank them for providing the channels they pay for. Similarly, no one congratulates their local government for picking up the garbage or fixing a pot-hole. These are expected services and at best, indicates that nothing is broken and that the city has fulfilled its basic obligations such that there is no reason to complain. However, just because people are not complaining does not mean that they have developed a sense of goodwill. Simply providing an expected level service is not enough to garner necessary support for government programs and policies as well as investment in important infrastructure projects. And, there is little to no reservoir of goodwill when times are difficult or in the event of major crisis.

With this understanding that traditional measures of resident satisfaction are not adequate, how should communities measure expectations?

# Accepting the Challenge: Developing a Metric That Hits the Mark

Recognizing the value of developing measures that capture the essence of how well a city meets the needs and expectations of its residents, NWRG accepted the challenge of developing a rigorous model to measure local government performance that incorporates best practices in customer and government performance research. Building on our CityMarks™ community assessment program, we developed a set of measures and an index that meet four critical criteria.

1. **MEASURE:** Accurately and reliably measures resident expectations that truly reflects the priorities and interests of residents.
2. **ANALYZE:** Yields immediate and robust insights while laying the foundation for deeper analysis and understanding of residents' expectations.
3. **RELIABLE:** Data are reliable, representative of, and projectable to the population. In other words, our measures are directly comparable across the entire country, allowing a “like for like” comparison among two or more communities, even those of differing size or in different regions of the country.
4. **KNOWLEDGE:** Results and subsequent analysis achieved from including these measures yields knowledge and insights that go beyond what is achieved through measures traditionally used in most community surveys.



Research was an essential starting point to develop these measures. We began by conducting an extensive review of existing citizen surveys and relevant academic and public policy research to see what, if anything, had been done to model expectations in the context of local government performance.

Our end goal was to develop a model that represents best practices in research utilizing existing measures where possible which would allow communities to continue to use some of their existing measures while realizing the additional benefits of a robust composite index.

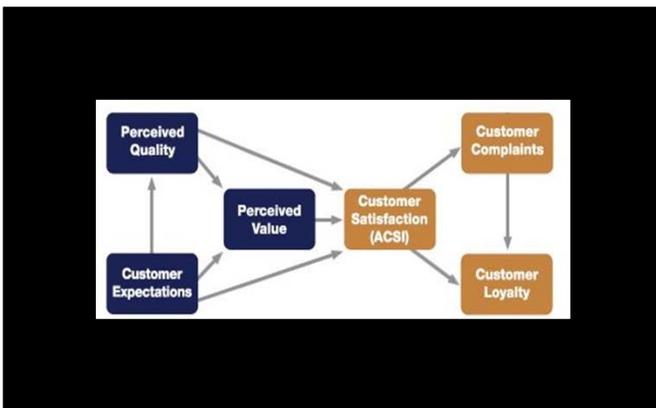


# On Your Mark

Our review of existing citizen surveys indicated that most ask residents to provide a rating of the overall quality of life as well as a rating of the overall quality of city services. These overall measures are then followed with individual ratings for a wide range of basic services—public safety, mobility, parks and recreation, governance, etc. typically measured on some type of quality (poor- excellent) or satisfaction (very dissatisfied-very satisfied) scale. Not surprisingly, when we examined the data from these studies we found that in general higher ratings on these overall quality measures were related to higher ratings on the individual measures. Most agree that citizen satisfaction with service quality is an outcome of interest and should be one aim of government and thus continued inclusion of these two overall measures is warranted. <sup>iv</sup>



As we deepened our investigation, we found that scholars have studied how citizens combine their various perceptions of government performance into an overall subjective judgment vis à vis citizen satisfaction with public services, and whether this process might be affected by the expectations citizens have for service quality. At the heart of this debate is the question of whether satisfaction with public services is affected not only by the perceived quality of those services but also by the quality citizens expect. This line of questioning uses the “Expectancy Disconfirmation Model” (EDM). This model is drawn from private sector research, which views consumer satisfaction with goods and services deriving from a comparison of perceived performance to expected performance.<sup>v</sup> Perhaps the most famous application of this model is the American Customer Satisfaction Index (ASCI).<sup>vi</sup>



Several studies by Gregg Van Ryzin, one using citizen survey data from New York City and the other using data from an online survey of a national panel of individuals from across the US provide support for the application of this model in the public sector. <sup>vii</sup>

To gain further insight we supplemented these findings with our own qualitative research. Using an online platform, we spent over 500 hours talking to people across the country. In response to asking them to list what they expect from the leaders of their local community we learned that the essence of what they want from their community could be boiled down to ten statements .



- The essence of what residents want from their community**
- Has taxes that are reasonable
  - Is better than other places
  - Uses tax dollars wisely
  - Is a place where I want to live for as long as I can
  - Offers a quality of life that is better than other places
  - Has a level of services that is at least comparable to that provided by other communities
  - Can trust the government to do the right thing
  - Is growing in the right way
  - Has a strategic vision and plan that I agree with
  - Understands what people want

## Get Set

The second step in our process was to develop the right questions. As stated earlier, our goal was to identify a set of core measures then to create an index that could be used consistently across all cities regardless of size and location that would yield an intuitive and robust measure of the priorities and interests of residents leading to increased community equity.

We strongly believed that there are significant advantages to using an index (as opposed to any single measure).

### ADVANTAGES OF AN INDEX

- Summarizes a complex, multi-dimensional issue in a way that is consistent with extant research and the views of policy-makers
- Is easier to interpret than analyzing many separate indicators
- Factors in the extent to which some measures are more important than others
- Facilitates communication and promotes accountability both internally and with ordinary citizens
- Enables measurement of progress and places issues of performance and progress at center stage
- Facilitates benchmarking



We developed five questions that fully capture the essence of what residents expect. The choice of five questions was deliberate. We needed enough questions to include residents' core expectations—worded in terms applicable anywhere in the country—but not so many as to monopolize the entire survey. Once we decided on five questions, we focused on developing the questions themselves



### Overall Quality of Life

- Greatly exceeds expectations
- Does not meet expectations at all



### Overall Quality of City Services

- Greatly exceeds expectations
- Does not meet expectations at all



### Value of Services for Tax Dollars Paid

- Definitely getting money's worth
- Definitely not getting money's worth



### Direction City is Headed

- Strongly headed in right direction
- Strongly headed in wrong direction



### Comparability to Other Communities

- Significantly better
- Significantly worse

To measure perceived quality, we chose the two measures—*quality of life* and *quality of services*—that are widely used and also consistent with residents' core expectations.

However, instead of using the traditional satisfaction or excellence ratings typically used to measure performance, we chose to measure the extent to which citizen needs and expectations are being met. This takes into account the relationship between expectations and perceived performance described in the EDM Model.

Perceived value was a relatively simple measure to develop. To ensure that respondents clearly understood what we were measuring, we put the question into the terms of a constituent's pocketbook—the *taxes they pay*.

The most challenging task was developing a measure for how people perceive the future of the city. One of the most commonly used *measures—likelihood of living in a community in the future*—is difficult to answer for many, notably younger, residents as their choices are often influenced by other events. Others have used the *Net Promoter Score—likelihood of recommending*. However, there has been much discussion of the pros and cons of this measure and no clear research has shown its applicability to the public sector.

Our review of existing community surveys uncovered that a question regarding whether the city was headed in the right or wrong direction is commonly used. This question is also included in several political polls and shown to be related to common approval ratings. Additionally, we felt that the right-wrong direction question is broad enough to encompass several of the core expectation statements (strategic vision, doing the right thing, growing the right way) identified in our qualitative research.

Our final measure, comparability to other communities, is unique and incorporates human tendencies to compare as evidenced in several of the core expectation statements (better than other places, at least comparable to) and asks respondents to indicate how their community compares to other places they have lived, visited, or aspire to live.

One other aspect of our measures is unique. Our review of the research indicated that most resident surveys rely on fairly small scales (four to five points) and were often positively biased (both in terms of labeling and presentation to respondents). This resulted in little to no variance in the answers given by respondents—nearly all responses cluster in the top one or two response options indicating that everyone is happy.

To obtain results that make a difference, we chose to use a “0” to “10” scale, a base ten framework that equates to the naturalistic terms “zero” to “100 percent”—or as some would say, “zip” or “nada” to “totally” or “completely”—to which most people can relate and can be presented aurally (by phone) or visually (in a mail or online survey). Another advantage to this scale is that it offers greater discrimination at the high end of the scale where responses often congregate, in cities where quality of life is relatively high. <sup>viii</sup>

To create a true semantic differential and avoid potential confusion/bias accruing from the use of a series of labels, the anchor points for the scales are unlabeled except at the ends of the spectrum, enabling respondents to quickly answer questions in an intuitive way, without additional reading or lengthening a telephone survey.

Finally, we present the scale to respondents by giving the anchors from negative to positive, thus encouraging respondents to evaluate and use the full scale rather than simply choosing the most positive responses. <sup>ix</sup>

How would you rate your community's . . .	Does <u>Not</u> Meet My Expectations at All										Greatly Exceeds My Expectations
Overall quality of life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall quality of city services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comparability to other communities	Significantly Worse than Other Communities										Significantly Better than Other Communities
How would you rate the . . .	Strongly Headed in the Wrong Direction										Strongly Headed in the Right Direction
Direction your community is headed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How would you rate the . . .	Definitely Not Getting My Money's Worth										Definitely Getting My Money's Worth
Value of services you receive for the tax dollars you pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Go

The final step in the development process was to develop and test the model. We accomplished this by conducting a telephone survey with more than 1,200 respondents chosen at random from across the United States, representing cities of different sizes and types.



Their responses were used to build a derived-importance model to demonstrate that across the board, respondents valued the various dimensions tested by the power questions. A logit model was then developed to remove the systematic scale bias encountered when administering ratings questions as well as to create the relative weights to assign to each question in the index.

Finally, a distribution-insensitive algorithm for comparing aggregate city performance and the final overall index was developed. The resulting index is a continuous, ratio-scaled variable ranging from 0 to 100. We created a rating based on a grouping of these scores into nine categories—ranging from 1 to 5, with mid-point (.5) increments. We chose a 5-item rating as it is widely used for similar ratings of service quality. Moreover, it is aspirational in nature as those focused on meeting the needs and expectations of their customers strive to achieve the highest rating possible, in this instance, a coveted 5-Star Rating.



# The Finish Line: Three Winners

Three case studies clearly indicate the level and quality of insights this index provides.

## City 1: Boomburg

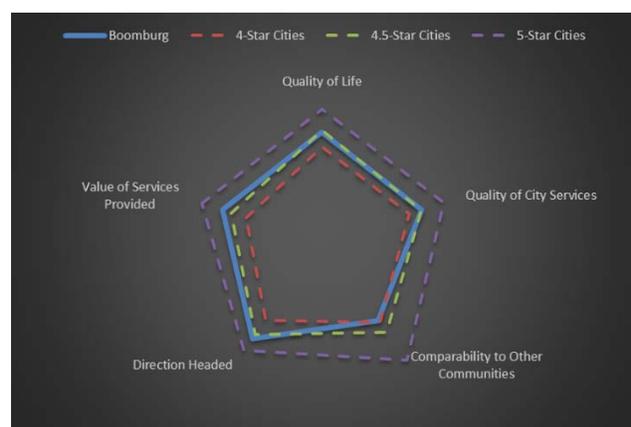
Home to more than 50,000 households with nearly 120,000 residents, Boomburg is a suburban city which has experienced rapid growth in population, as well as business and retail investments. While many residents continue to commute to the nearby and much larger central city, this city is also home to a vibrant business community and many residents choose to live and work within its perimeter and many nonresidents commute into the area.

Boomburg is committed to being a world-class city and has a long history of community research and resident / business involvement in its decision-making and growth. The city's focus has been on creating a quality of life valued by its residents and delivering high-quality public services, while ensuring that residents feel they are getting a good value for their tax dollars.

### ***Boomburg's CityMark rating has varied over the years.***

Boomburg has tracked its CityMark Star rating for several years and its goal is to be one of the select few cities to achieve the coveted 5-Star Rating. The first year, Boomburg achieved a 4.5-CityMark but found during the second year that they dipped to a 4.0 CityMark.

Taking advantage of the index's benchmarking capabilities, we immediately looked to see where Boomburg's ratings were lower than other comparable (4.0-Star) and higher (4.5 and 5-Star) rated communities. We found that Boomburg met the national benchmark for 4.5-Star communities on all of the measures with the exception of its comparability to other communities.



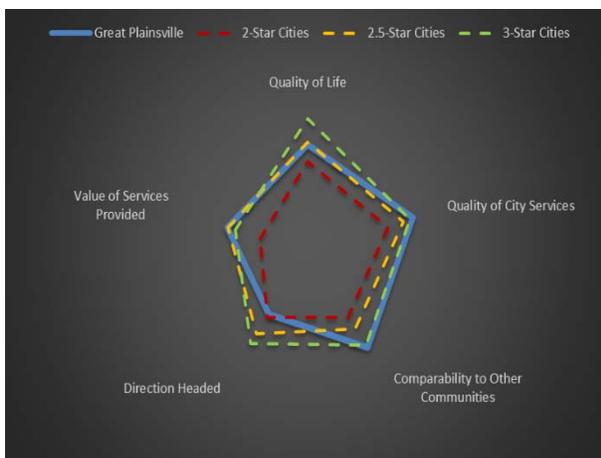
Additional analysis was conducted to identify specific areas that could be affecting this lower rating. Four areas—vibrancy, parks and recreation, sense of community, and government responsiveness—were identified as potential problem areas. Internal workshops were held to determine what specific aspects of the areas identified were not as good as other nearby communities.

## City 2: Great Plainsville

Located in the Midwest, Great Plainsville prides itself on its vibrancy, encompassing unique attractions, exciting events, specialty shopping, a dynamic arts scene, and a cosmopolitan nightlife. With low crime and good public schools, it has been rated as a Top 10 city for raising a family.

Great Plainsville did well through the recession and has been successful in retaining key businesses that support the economic vitality of the community. In addition, the city has been successful in diversifying its economic base and is now attracting a large number of high-tech businesses. At the same time, Mother Nature presented Great Plainsville with an unprecedented disaster—destroying or damaging as much as 10 percent of its housing stock as well as affecting local businesses and even the city government itself. City leadership viewed this as both a challenge and an opportunity. A resident survey was conducted to establish baseline measures of performance and to guide the development of a strategic plan for the future.

### *Residents rated Great Plainsville as a 3-Star city.*



Comparing Great Plainsville's ratings to the national benchmarks for other 3-Star communities presented a clear call for action. While residents' ratings of the quality of life in Great Plainsville were consistent with ratings by those living in other 3-Star communities, the extent to which residents felt the quality of life in Great Plainsville met or exceeded their expectations was more in line with ratings by those living in other 2.5-Star communities. Moreover, on the criterion of the direction the city is headed, Great Plainsville is performing at the level of a 2-Star city.

Great Plainsville's survey included additional questions that are standard in NWRG's CityMarks™ Community Equity Assessment survey instrument, including one which measured the extent to which residents felt the city was meeting their expectations for having a strategic vision. Of the 29 Quality of Life metrics included, Great Plainsville ranked lowest on this metric. In addition, further analysis clearly showed a significant linkage between this key metric and Great Plainsville's CityMark Star rating.

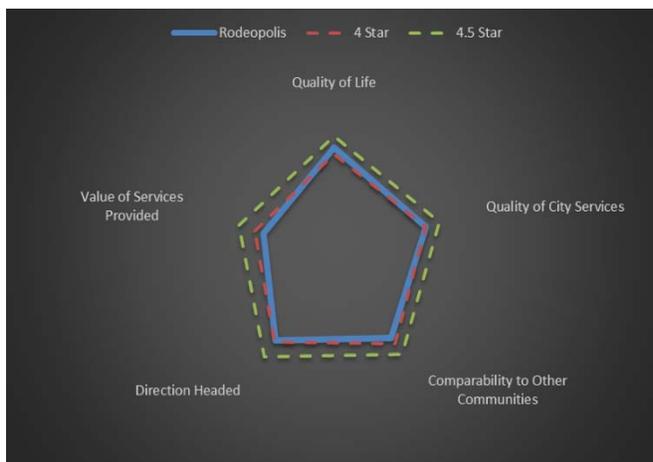
Based on these findings, a major focus of the city's going forward efforts has been to develop and communicate a well-conceived vision and strategy to address residents' current and future needs and expectations. Moreover, the focus has been on obtaining greater resident buy-in to the direction the city is headed, notably among those less engaged with the community.

# City 3: Rodeopolis

Located in the Southwest, Rodeopolis has grown from a sleepy outpost to a major metropolis and is now one of the nation’s largest cities with a population of nearly 750,000. One of the fastest growing cities of the last decade, it retains its historical character as well as offering the cultural and sports opportunities of a thriving metropolis. It has often been voted one of “America’s Most Livable Communities.”

Despite the growth, Rodeopolis suffered in the recent economy and city leadership found themselves faced with the need to do more with significantly fewer resources. Rodeopolis has conducted a biennial citizen satisfaction survey for years, but decided to take a different approach in their most recent research to gain deeper insights into strategies that could address current issues and were consistent with residents’ expectations.

## Rodeopolis is a 4-Star community.



Rodeopolis is a strong 4-Star City, with performance that is closely aligned with other 4-Star communities on all five measures.

While city leadership was pleased with these results, they wanted to identify next steps. Additional analysis indicated that progress in two areas—direction the city is headed and value of services provided—would have the most immediate impact on Rodeopolis’ overall CityMark rating. Leadership agreed with making these two areas their focus and asked where investments were needed.

In addition to the more traditional ratings questions used on resident surveys, Rodeopolis used a unique ranking process to gain resident perspectives on the importance of overall goals that should guide the direction the city should be taking and where investments should be made. Results from this process provide the relative importance of each area. Residents also provided ratings of the city’s performance on each area. Kano-type analysis indicated that residents strongly support a continued focus on a strong economic base and public safety as well as improvements in roads and transportation infrastructure.



# In Conclusion

**Going beyond basic satisfaction measures with a powerful index delivers better results, greater insights, clearer directions.**



Traditional citizen satisfaction research programs frequently suffer from “teaching to the test,” providing little in the way of insights beyond good marks on a performance report card. Since most people in a city have chosen to live where they live and moving costs can be high, they have learned to appreciate or at least endure the existing natural environment, the level of services provided, and other aspects of their community. Thus, when asked, they generally say they are at least somewhat satisfied with the quality of services or that the quality of services are good to excellent. However, when asked to support new or additional investments in these same services, support and advocacy for these investments is lacking.

Though cities differ across the country, a robust and meaningful index focused on the extent to which a community is meeting residents’ expectations combined with benchmarking can elicit and help address constraints on growth, reputation and the local economy, helping to retain residents and businesses that add community value.

The critical insight delivered through residents’ response to five simple but powerful questions that capture the essence of what is most important to them combined into ten-point rating system that is easy to interpret and communicate allows city leaders to clearly see where they stand relative to the needs of their residents allowing them to stay on course to support future and viable growth, provide quality services that clearly justify tax dollars paid to support them, and provide the quality of life essential to retaining current residents and businesses and attracting new ones.

# References

To learn more about the sources used to support the theory and best practices behind this effort:

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In addition to the 5-Star Rating, NWRG's CityMarks™ comprehensive Community Equity Assessment program includes a set of core questions that allow a city to see where it excels, as well as opportunities for improvements as compared to peer cities and those exhibiting clear “best practices.”

CityMarks™ allows jurisdictions to:

- Measure overall performance using NWRG's 5-Star rating system
- Regularly measure progress toward better performance
- Benchmark key measures of quality of life, public safety, and service delivery
- Align internal measures with best practices nationwide
- Understand the attributes that make up the community's “brand”
- Align employee engagement measures with jurisdictional “satisfiers”
- Assess support for local policies, programs, and decisions
- Make informed budget, policy, and strategic decisions
- Communicate effectiveness of local legislation and policies
- Fully leverage and communicate the value of residents' feedback

## *Contacts!*

To learn more about NWRG's CityMarks™ Community Equity Assessment Program

which includes this 5-Star Rating and begin gathering the insight you need, contact:

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