

Even organizations in the public sector have customers in the sense that individuals and other organizations benefit from the services these organizations provide. These public sector customers are called constituents, and their needs and wants are as important to public sector managers as the needs of customers are to private sector managers.

Public sector managers sometimes find managing more difficult than private sector managers because their organizational goals are more ambiguous, often debatable and sometimes conflicting. For example, public sector managers are expected to operate efficiently, yet they are subject to public scrutiny and laws and regulations that may dictate how certain situations must be handled. For instance, U.S Postal Services must serve all the citizens of the United States, even customers who live in isolated, hard-to-reach locations. Also public sector managers often have difficulty gauging how well they are achieving their goals, because some goals such as public safety or better living standards are not easily measured. Nonetheless, these managers are responsible for helping their organizations and employees understand and achieve performance, just as their counterparts in the private sector are.

Organizational and personal performance:

Managers and organizations are continually evaluated to see how well they accomplish organizational goals. Ratings are everywhere: newspapers publish the ranking of teams in the National Football League; *Time* compiles a yearly survey of America's fastest growing private companies; magazines rate international cities according to cost of lodging or transportation. Managers and organizations are measured according to their performance, the degree to which they attain the organization's goals effectively and efficiently.

Effectiveness is the measure of whether an organization is accomplishing its goals. In other words, is the organization doing what it should be doing to achieve its goals? On the other hand, if the organization is effective but does not consider the resources it uses to achieve its goals, then its performance suffers.

Efficiency is the measure of whether an organization is using the appropriate amount of resources attaining its goals. Are people's efforts being wasted? Are money and materials squandered to reach the goal? Even when an organization is efficient, it can be ineffective if the focus is on efficiently doing the wrong things. To achieve high performance, the organization must be both effective and efficient.

Of course, individual managers and organizations must be evaluated according to a performance standard that's appropriate for their work. Top managers are generally measured on the basis of how well their organizations and activities that help the organization achieve overall goals. Performance is personal as well as organizational: managers are responsible for the performance of the people they manage as well as for their own progress toward organizational goals.

When determining how well they have performed, managers must start by understanding what customers or constituents expect. Customers are the ultimate judges of management performance: "Results exist only the outside," says,