George Krause   David E. Lewis   December 5th, 2025

How a new measure can tell us about how government agencies are performing

If we are to make government work better for the citizens it serves, then we need to better understand how its agencies are performing. By aggregating organizational performance information, George A. Krause *and* David E. Lewis *have developed a new measure to estimate the overall performance of government agencies and sub-agencies. This information, they write, can help elected officials decide which agencies to target with effort and attention.*

To deliver essential public services, government is broken up into various agencies that provide them to Americans, including income security, health care, and public safety. At a fundamental level, the effectiveness of these services has consequences in other areas of American politics, including governance and elections. So, it's important for both those who "do" public policy – the policymakers, and for the scholars that study it, to understand which agencies are performing at a high level and which are struggling.

As any student of administration knows, however, it is hard to measure public sector performance, particularly in a way that allows comparisons. Tasks and missions vary so much across agencies. In addition, some forces are beyond an agency's control and can determine outcomes even when the agency is doing a really good job.

A new approach to measuring how federal agencies are performing

In new work, we try to provide a systematic way of aggregating organizational performance information to aid these efforts. We describe a new approach to measuring organizational performance and use it to generate estimates for how 135 US federal agencies have performed between 2002 and 2024.

Given the difficulties of measuring outcomes across contexts, we try something more modest. We measure how the machinery of agencies is working, something conceptually distinct from, but linked with, both inputs (e.g., budgets, staffing) and outcomes (i.e., results). This includes the quality of management, execution of core tasks (e.g., human resources, financial management), employee morale, and other signs of organizational health.

We assume that there is an underlying unobservable dimension, organizational performance, that is a composite of performance on numerous goals or tasks, large and small. To measure this underlying latent dimension, we must rely on various observable indicators (e.g., average responses to a survey question, agency awards, etc.). Each measure is imperfect but reveals information about latent organizational performance. Some measures may be of no use at all. The higher the quality of measures we have, the better we can place the agency along this latent performance dimension. We use a statistical model to aggregate a vast trove of performance information and to help us disentangle the measures that are helpful from those that are not.
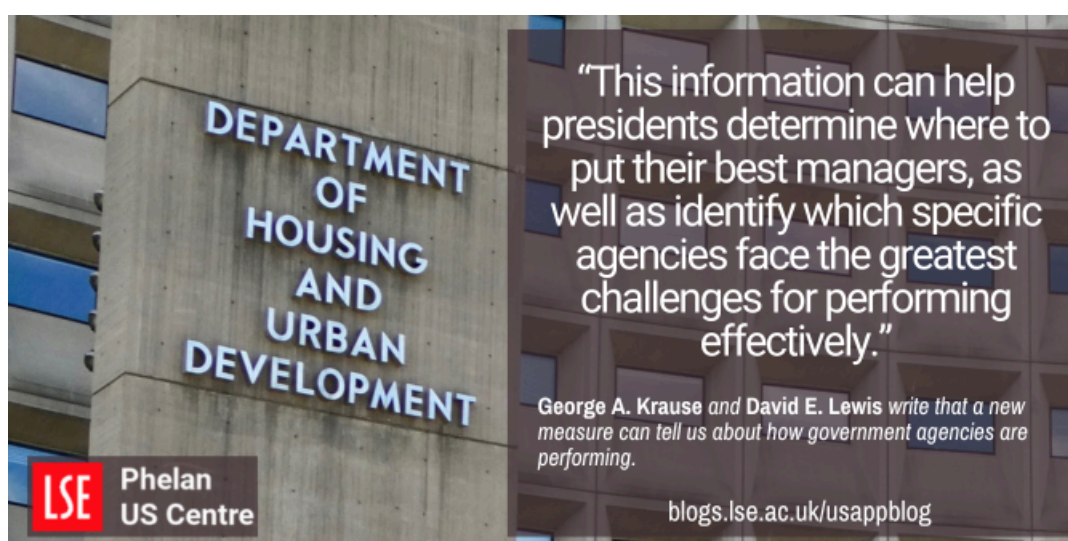
"Department of Housing and Urban Development" by F Delventhal, CC BY 2.0

The results of these models are included in Figure 1 which shows our estimates for 27 of the most prominent US agencies.
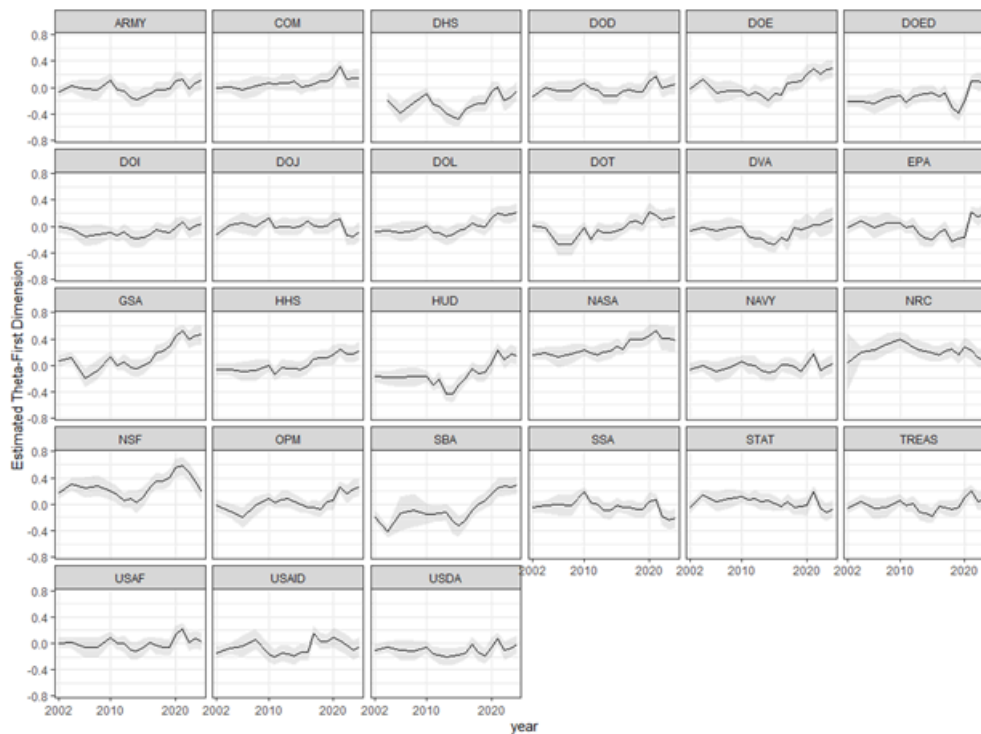
Figure 1 – Organizational performance estimates of US CFO Act agencies, 2002-2024
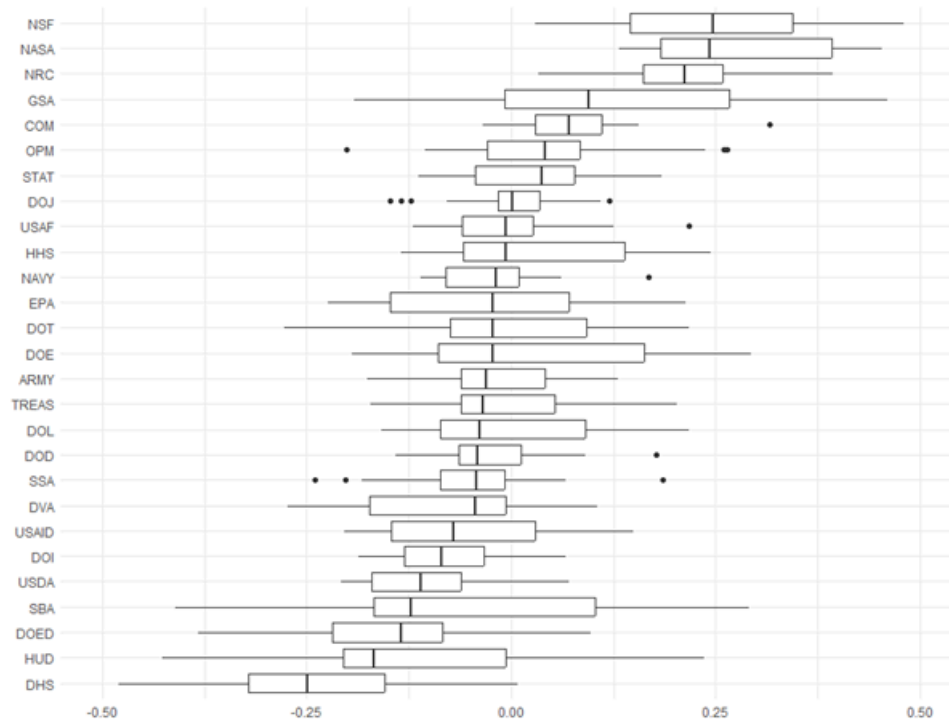
These estimates reveal a few things. First, some agencies are regularly lower performers than others, some high performers, and others seem to fluctuate. Notably, the Department of Homeland Security (DHS), the Department of Housing and Urban Development (HUD), and the Department of Education seem to regularly be among the low performers. The Nuclear Regulatory Commission (NRC) is regularly at the top. Other agencies such as the Small Business Administration (SBA) and the General Services Administration (GSA) fluctuate more.

Of course, knowing that a given agency's performance varies over time does not tell us whether that is because performance is improving, declining, or simply fluctuating. For example, in Figure 2 below, where we graph the estimates over time, both the SBA and GSA have generally been on an upward trajectory while the performance of the NRC has been slipping. The figures also reveal sharp upticks and downticks around the Trump and Biden presidency.

Figure 2 – Organizational performance estimates of US CFO Act Agencies, 2002-2024

Looking more closely at performance within government agencies

What is also exciting to us about these organizational performance estimates is the opportunities they provide for assessing problems inside larger departments. For example, a new president entering office in 2025 might have been helped by data like that included in Figure 3 below that includes organizational performance estimates for the subcomponents of several different departments.

Figure 3 – Organizational performance estimates, subcomponents of selected Cabinet Departments, 2024

Such information would help a new president to see that within the Department of Health and Human Services, the National Institutes of Health was performing relatively well. Inside the Department of Homeland Security, Citizenship and Immigration Services was relatively healthy compared to some other components. This kind of information could help both presidents and Congress target effort and attention to agencies like the Bureau of Prisons (BOP), Indian Health Service (IHS), and Veterans Employment and Training Service (VETS). More specifically, this information can help presidents determine where to put their best managers, as well as identify which specific agencies face the greatest challenges for performing effectively.

Good data about how government is performing is important

Ultimately, the usefulness of the approach and the estimates depends on whether they pick up something real about organizational performance. With this in mind, we also explored the validity of the estimates, and how they matched up against other measures of performance, and if they gave accurate predictions of performance when measured in other ways. The answer tends to be yes across a variety of measures of performance across the period we examined.

While we are excited about the usefulness of the measures for elected officials and scholars of American politics and public administration, we are equally enthusiastic about how the approach we use might be adopted by scholars to generate organizational performance estimates in other contexts.

A lot of the current disagreements in American politics revolve around government performance. When he came into office at the beginning of this year, the President claimed that the bureaucracy he inherited was loaded with waste, fraud and abuse and singled out federal workers for laziness and disloyalty. The President lauded the efforts of Elon Musk's Department of Government Efficiency to make agencies like the Department of Education and Department of Defense leaner and more effective. Ultimately, the ability of Republicans and Democrats and outside observers to arbitrate these debates depends upon reliable measures of organizational performance, as we have explored in our research.

- *This article is based on the paper, "Obtaining Comparable Measures of Organizational Performance: An Application to U.S. Federal Agencies, 2002–2024" in the Journal of Policy Analysis and Management.*

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About the author

George Krause

George A. Krause is the Alumni Foundation Distinguished Professor of Public Administration at the University of Georgia. Professor Krause's research interests in the area of executive branch governance centers on both the distribution and exercise of executive authority, as well as understanding administrative operations and performance in the United States.

David E. Lewis

David E. Lewis is the Rebecca Webb Wilson University Distinguished Professor in the Department of Political Science and the Department of Leadership, Policy, and Organizations (Peabody College) at Vanderbilt University. His research interests include the presidency, executive branch politics and public administration.

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