GOVERNMENT- WIDE PERFORMANCE MANAGEMENT REFORMS – MUCH ADO ABOUT LITTLE?

LESSONS FROM 20 YEARS OF IMPLEMENTATION IN THE US
PART I: OVERVIEW
OVERVIEW

- Doctrine of performance management
- The expectations problem
- Measuring, not managing
- Beyond budgeting – other types of use
- Politics of performance management
- Lessons for next generation of performance systems
- Caveat: research on US setting – export with caution!
# Doctrinal Logic for Change

<table>
<thead>
<tr>
<th>High managerial authority</th>
<th>Low focus on results</th>
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<td><strong>Box 1. Prebureaucratic systems</strong></td>
<td>Focus on goals other than performance or rule probity (political spoils, personal enrichment).</td>
<td><strong>Box 3: Performance management ideal-type</strong></td>
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<td>Managers have clear goals and authority to achieve goals. This should lead to program effectiveness, higher technical efficiency, and results-based accountability.</td>
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<td>Demand for results, but managers lack authority to engineer change, limiting performance improvement and results-based accountability.</td>
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OECD 2012 survey
  - Seems to be less use of performance data than in past
  - Performance targets not consequential
- General sense of disappointment: we have systems in place, have not delivered desired results
PART I: THE EXPECTATIONS PROBLEM
We define performance systems by the benefits we hope will occur (more rational budgeting, more efficient management).

The gap between our aspirations and the observed effects of these rules are usually large, resulting in disappointment.

More grounded and accurate description: performance systems are a set of formal rules that seek to disrupt strongly embedded social routines.

- Rules about measuring and disseminating data.
We fail to understand the nature of performance data (Moynihan 2008)

We assume data are:
- Comprehensive
- Objective
- Indicative of actual performance
- Consistently understood
- Prompts a consensus
THE AMBIGUITY OF PERFORMANCE DATA

- Examine same programs but disagree on data
- Agree on data but disagree on meaning
- Agree on meaning, but not on next action steps/resources
- Not clear on how data links to budget decisions
Actors will select and interpret performance information consistent with institutional values and purposes.

Greater contesting of performance data and less potential for solution seeking in forums featuring actors with competing beliefs.
Assumption: Use performance data to reduce information advantage that agencies have over center & elected officials

Reality: As long as agencies play role in defining, collecting, and disseminating information, they retain information asymmetry
PART III: MEASURING, NOT MANAGING
Governments good at establishing routines to measure and disseminate data

But no routines for data use

Rebuild performance systems around goal of use
NOT JUST PERFORMANCE BUDGETING

- Performance budgeting is just one type of use
- Less likely to occur than other types of use
  - Elected officials do not want to delegate budgeting authority
  - Connection between data and decisions not always clear
  - Performance data never primary criteria to cut or save

- Does not mean other types of use are not occurring with other actors
THE FOUR TYPES OF USE

- Passive – minimal compliance with procedural requirements
- Purposeful – improve key goals and efficiency
- Political – advocate for programs
- Perverse – behave in ways detrimental to goals (goal displacement and gaming)
Can observe if agencies comply with requirements (passive use), but not other types of use

Performance systems encourage passive use, not purposeful (Moynihan & Lavertu 2012)
PART IV: POLITICS AND PERFORMANCE
POLITICS OF ADOPTION

- Elected officials motivated by symbolic values
  - Primary focus on adopting information reporting requirements, not broader change
  - Rarely paid much attention once adopted
- Implementation left to bureaucrats
  - Perceived as burdensome
  - Valued if useful to agency leader’s agenda
## ACTUAL PATTERN OF CHANGE

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| Low managerial authority | **Box 2: Bureaucratic systems** | High focus on inputs and little incentive or authority to increase technical efficiency. | **Box 4: Constrained performance system** | Demand for results, but managers lack authority to engineer change, limiting performance improvement and results-based accountability. |
POLITICS OF MEASUREMENT

- During Bush administration, Office of Management and Budget evaluated all federal programs (PART) from ineffective to effective.
- Designed to be good government, politically neutral reform, but more liberal agencies and programs given lower scores (Gilmour & Lewis 2006; Greitens & Joaquin 2010; Gallo & Lewis 2012).
Liberal agencies, though smaller, had significantly higher number PARTs completed.

Two types of effort:

- **Observable**: self-reported effort in completing PART – higher for managers in liberal agencies (Lavertu, Lewis & Moynihan 2013)

- **Discretionary**: performance information use – lower for managers in liberal agencies (Lavertu & Moynihan 2013)
PART V:
WHERE DO WE GO FROM HERE?
Quarterly performance reviews
Goal leaders
Chief operating officers/performance improvement officers
High-priority goals
Cross-agency priority goals

For summary, see Moynihan 2013
CONTINUING CHALLENGE: HOW TO MAKE USE OF PERFORMANCE DATA

- Create learning forums: routine discussions of performance data with supervisors/peers associated with use
- GPRA Modernization Act: quarterly performance reviews
You might want to measure everything but you can’t manage everything

Problem with PART – equal attention to all goals

Modernization Act: focus on important targets, areas of opportunity (high priority goals, cross-agency priority goals)
PRIORITIZE CULTURE OF LEARNING, NOT ACCOUNTABILITY

- Not used much for accountability anyway
  - Evokes defensive reactions and gaming
- Design culture of learning
  - Tolerates error
  - Rewards innovation
  - Brings together multiple perspectives
  - Gives discretion to users
Appeal to altruistic motivations, not extrinsic reward

- Select goals that motivate
- Clear line of sight between goals and actions
- Celebrate achievement
- Connect to beneficiaries
Performance data tells you if a measure moved up or down, evaluations tell you what affects performance.

Discussion of evaluations should be incorporated into performance management.

Assign evaluation funding for new policies.

Example: Washington State Institute for Public Policy provides meta-analyses of research on different policies, and provides return-on-investment estimates to policymakers.
How do you create commitment?

- Reputation: public commitments and responsibility (high priority goals)
- Create leadership positions with oversight for performance (COOs, PIOs, goal leaders)
- Select leaders based on ability to manage performance
Welcome your feedback and questions

Performance Information Project:
http://www.lafollette.wisc.edu/publicservice/performance/index.html

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REFERENCES


